

NSP Home Purchase Program

AFFORDABLE HOUSING PARTNERS



What is the Volusia County NSP Home Purchase Program?

The Volusia County Neighborhood Stabilization Program (NSP) Home Purchase Program is designed to help qualified, credit-worthy persons purchase a county-owned NSP home that has been repaired/ renovated.

Is financial assistance available to help potential homebuyers purchase an NSP home?

Yes. Purchase assistance for gap financing, down payment assistance and closing cost assistance based on income and need is included.

How would potential homebuyers receive this assistance?

The assistance is provided as a deferred payment loan with a term of 15 years at 0 percent interest. Buyers will sign a note and mortgage for the amount of assistance provided. The mortgage will be recorded as a lien against the property.

Will buyers have to repay this assistance?

Buyers have to pay back the amount of the loan if they stop living in the house because they sell or rent the home, or otherwise stop living in the house, before the end of the 15 years. Also, if they sell or rent the home in the first 10 years, they will have to pay back a portion of any profit they receive in addition to the full amount of the assistance.

Where are NSP homes located?

Volusia County's NSP homes are in:

- **West Volusia:** DeBary, DeLand and Orange City
- **East Volusia:** Edgewater, Holly Hill, New Smyrna Beach and Ormond Beach

The City of Deltona has a separate NSP program. Please contact the city at 386-878-8614 for more information.

NSP homes are listed for sale with the county's selected listing brokers based on their location.

Who can buy an NSP home?

Who is eligible for the NSP Home Purchase Program?

Households can apply for approval to purchase an NSP home if they meet **all** the following guidelines:

- They are a first-time homebuyer (have not owned a home within the past three years).
- They have not had a foreclosure sale in the past seven years.
- They meet NSP income limits.
- They qualify for a first-mortgage loan with a lender that meets NSP mortgage guidelines.
- They are able to contribute up to \$1,500 toward the home purchase. (The lender may require additional funds.)
- They agree to occupy the home as their primary residence.

Can a private investor purchase an NSP home?

No. NPS homes are not available for sale to private investors.

Can a cash buyer purchase an NSP home?

No. NSP homes are intended to be sold to households that need a first mortgage and purchase assistance to buy the home. In general, verifiable cash and other assets (combined with gifts from family members, if applicable) should not exceed 15 percent of the purchase price. Tax-deferred accounts may be excluded from the asset limitations.

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What is the process to buy an NSP home?

How do potential homebuyers buy an NSP home?

A contract to purchase an NSP home will be accepted only from an approved NSP buyer.

How do potential homebuyers become approved NSP buyers?

Potential homebuyers must contact an approved NSP Affordable Housing Partner to find out if they meet the requirements, then submit the required information.

What is an NSP Affordable Housing Partner?

Who are the NSP Affordable Housing Partners?

The AHP is a group of housing counseling agencies, lenders and real estate agents that were trained by Volusia County Community Assistance about the NSP Home Purchase Program and that are interested and have experience helping first-time homebuyers purchase a safe, decent and affordable house.

What is the role of an NSP Affordable Housing Partner?

An Affordable Housing Partner is responsible to:

- Help the potential homebuyer fill out the Volusia County NSP Home Purchase Program application and gather required documentation
- Determine if the potential homebuyer meets NSP income limits, including obtaining third-party verifications
- Help to ensure the homebuyer is qualified to get a mortgage
- Schedule the required homeownership counseling class (buyers must have eight hours of homebuyer education classes or have a valid certificate from a Volusia County approved HUD certified counseling agency, before they will be determined to be an approved NSP buyer)
- Submit the complete file to Volusia County for review and approval

How will potential homebuyers know they have been selected as approved NSP buyers?

- After the application is reviewed, potential homebuyers will get a letter from Volusia County Community Assistance letting them know if they qualify as an approved NSP buyer.
- The AHP will be notified and provided a copy of the approval letter.
- The listing brokers also will be provided a copy of the approval letter.

After the buyer is selected as an approved NSP buyer, what happens next?

- The approved NSP buyer is able to submit a purchase offer for any available NSP home to the listing broker

(either through their real estate agent or directly to the listing broker). The Volusia County NSP addendum must be attached to the purchase offer.

- If the purchase offer is accepted by Volusia County, the contract will govern the time frames for financing, closing and other details of the sale of the NSP home.

Does the AHP have to submit anything else to Volusia County after the contract is accepted?

- The AHP will be responsible to submit the final documentation (part two) to Volusia County.
- The AHP may need to submit documentation from the housing counseling agency to document that the approved NSP buyer completed eight hours of homebuyer education.
- If the AHP is a real estate agent representing the approved NSP buyer, he or she will be responsible for submitting a real estate commission invoice to the listing broker for review and approval by Volusia County for payment at closing.

How will approved NSP buyers know how much assistance they will receive to help make the home more affordable?

- Approved NSP buyers are required to get a first mortgage in the maximum amount that is affordable for them. Approved NSP buyers may not qualify for the maximum amount of purchase assistance.
- After the lender has issued a financing commitment, Volusia County Community Assistance will send a commitment letter to the approved NSP buyer that states the amount of assistance that will be provided.
- The amount of closing cost assistance is set according to the approved NSP buyer's income level.

How long will this process take?

The application and qualification process takes two to four months because verification from third parties of all sources of income and assets is required and the homeownership counseling course must be taken.

Important considerations

- Volusia County will not accept purchase offers unless the potential buyer is an NSP approved buyer.
- Interested persons are encouraged to apply early to become an NSP approved buyer.
- NSP homes are sold on a first-ready basis.

For further information

Visit volusia.org/nsp.

