

City of Buffalo NSP

Down Payment Assistance

- » Purchase Rehab
- » Acquisition Rehab 2 homes – Which will be completed by Wright County Community Action

• Wright County Community Action

Buffalo

CITY OF BUFFALO, MINNESOTA



Central MN
Housing Partnership

City of Buffalo NSP

Down Payment Assistance

- **\$12,500 NSP incentive based Down Payment assistance**
- **\$15,000 NSP needs based Down Payment assistance based on 28% front end ratio**
- **0% Deferred Loans**
- **If loan is for less than \$15,000, then 5 year affordability period**
- **If loan is \$15,000 - \$40,000, then 10 year affordability period**
- **If loan is for over \$40,000, then 15 year affordability period**
- **Loans will be a Forgivable Deferred Loan**
- **If sold, refinanced, or it becomes non-homestead during affordability period the loan will be repaid at a prorated amount**
- **Home being purchased must be in one of the targeted neighborhoods**
- **Must be foreclosed, vacant home**

Affordability period is based on the total amount of NSP dollars utilized (down payment and rehabilitation funds).

Purchase Rehab

- **Rehabilitation funds for homeowners who purchase foreclosed properties**
- **Used to make necessary improvements to property**
- **Maximum of \$30,000 (unless city approves a larger amount due to condition of home)**
- **0% Deferred Loan**
- **If less than \$15,000, then 5 year resale affordability period**
- **If loan is \$15,000 - \$40,000, then 10 year affordability period**
- **If loan is for over \$40,000, then 15 year affordability period**
- **Loans will be a Forgivable Deferred Loan**
- **If sold, refinanced, or it becomes non-homestead during affordability period the loan will be repaid at a prorated amount**
- **Home being rehabbed must be in one of the targeted neighborhoods**
- **Must be foreclosed, vacant home**

Eligible Income Ranges

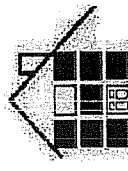
HH Size	120% AMI	50% AMI
1 Person	\$70,500	\$29,350
2 Person	\$80,550	\$33,550
3 Person	\$90,600	\$37,750
4 Person	\$100,700	\$41,950
5 Person	\$108,750	\$45,300
6 Person	\$116,800	\$48,650
7 Person	\$124,850	\$52,000
8 Person	\$132,900	\$55,350



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NSP Application Process

- **Complete and submit NSP Application (available on CMHP website)**
- **Have bank/lender send us copy of income verifications**
- **Submit a copy of the purchase agreement**
- **Submit a copy of the lender approval letter which must show rates and terms of the loan (no subprime loans)**



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NSP Application Process

- **CMHP will then order an appraisal**
- **Complete the inspection**
 - » **If Rehab is needed will develop the scope of work so the applicant can obtain 3 bids from licensed contractors – must have selected bid before loan closing**
 - » **Have the SHPO review completed – takes up to 30 days**
 - » **If pre 1978 have to have lead based paint inspection – findings will be included in scope of work**
 - » **Rehab funds will be escrowed at loan closing**

