

## **What is the Neighborhood Stabilization Program?**

The Neighborhood Stabilization Program (NSP) was created to assist low-income and moderate income homebuyers in purchasing homes by providing funds for downpayment and closing costs carried out in conjunction with the assisted home purchase.

## **What type of assistance is available?**

NSP will provide downpayment and closing costs assistance to eligible applicants in the form of a silent second shared appreciation mortgage. The interest rate will be based on the ratio of the County loan to the purchase price of the home.

For example, if your home costs \$350,000 and you receive \$35,000 in assistance from NSP, your contingent interest rate will be ten percent of the appreciation. You do not have to make regular payments on the loan. The loan will be due and payable when you go to sell your home. At that time, you would pay back the principal (\$35,000) plus ten percent of any appreciation that has accrued.

# **CONTRA COSTA COUNTY**

## **NEIGHBORHOOD STABILIZATION PROGRAM**



### **What is the maximum loan amount?**

The maximum loan amount is 15 percent of the purchase price.

### **What is the maximum purchase price?**

The maximum purchase price is \$360,000.

### **Who is eligible?**

Low- and middle-income households are eligible for the program. A low-income household has a maximum income of 50 percent of area median income, adjusted for household size (e.g. \$45,150 for a household of four) and a moderate-income household has a maximum income of 120 percent of area median income, adjusted for household size (e.g., \$108,350 for a household of four). All applicants accepted into the program must attend an approved first-time homebuyer course.

### **In what parts of the County can the funds be used?**

The funds can be used in the following High and Medium Priority areas designated by the County Board of Supervisors: HIGH Areas—Bay Point, Oakley, North Richmond, Rodeo, San Pablo, Montalvin Manor/Tara Hills/ Bayview and Rollingwood; and MEDIUM Areas—City of Brentwood and the western areas of Pinole only (Nob Hill, Pinole Shores and Pinon).

### **Can I use this program with other first-time homebuyer programs?**

NSP funds can be used with other first-time homebuyer programs. Make sure that the administrator of your other program knows that you are interested in NSP funds; there are certain restrictions that apply.

### **Do I need a downpayment?**

This program requires a three percent buyer's contribution to be used towards downpayment and closing costs. The buyer's contribution must consist of your own assets, grants, or gifts.

If an individual is buying directly from a bank, the price must be 1 percent less than the market value based on the appraisal.

### **Do I need to have a house picked out and a purchase contract to use this program?**

No, you do not need to have entered into an agreement to buy a house. Your NSP allocation will be reserved for 45 days. If you do not purchase a home within the 45 day time period, you will lose the allocation.

### **How do I apply?**

To apply for funds, have your mortgage lender complete and submit the application to:

Alicia Smith  
Redevelopment and Housing Specialist  
Contra Costa County  
Department of Conservation & Development  
2530 Arnold Drive, Suite 190  
Martinez, CA 94553

The County will notify you within 15 business days of receipt of a complete application if your application has been accepted. All accepted applicants must attend a HUD approved homebuyer counseling course.

### **What if I want to refinance my first mortgage at a later date?**

Refinancing of the first mortgage is permitted – if you choose to refinance solely for a lower interest rate, the NSP loan will be subordinated. If you refinance for a larger first mortgage amount, the NSP loan will need to be repaid.

### **Who do I contact for more information?**

Check our website at [www.ccreach.org](http://www.ccreach.org) to download the Q&A brochure, the program application, the income certification form, as well as a list of HUD approved homebuyer counseling agencies. Contact Alicia Smith at (925) 335-7217 with questions.