



## Neighborhood Stabilization Program Property Resale Procedures



### Overview

The City of Memphis is in the process of acquiring foreclosed properties for the City's Neighborhood Stabilization Program (NSP). The properties are for resale to individuals or families that have incomes of 120% or below the area median income for Shelby County. The NSP properties will be rehabilitated and brought up to code standards for livability before any of these homes can be purchased. The acquired properties offered for resale must be located in the following zip codes: 38106, 38109, 38111, 38114, 38115, 38116, 38118, 38127, 38128 and 38141.

All NSP properties for resale will be listed on the City's website as they become available for purchase. The purchase of these properties will be on a first-come first-serve basis and is dependent upon the applicant's ability to meet income eligibility and other program requirements.

Although a particular property is selected by the applicant, it may not be available at the time the applicant completes all requirements of the program. If the property selected is no longer available, the applicant may select another City of Memphis NSP Property to purchase. Program requirements include income eligibility, housing counseling, and a processed mortgage loan application from a reputable mortgage lender.

### NSP Property Resale Process

- Applicants must contact the Housing Finance Department (HFD) at 901.576.7474. Applicants must provide identification verification and income eligibility documentation to the Housing Finance Analyst (HFA) to determine if the applicant is eligible to participate in the city's NSP Program. Applicants must continually monitor the City of Memphis NSP properties listed on the City's website to identify available properties to purchase.
- The following information must be provided to the Housing Finance Analyst by fax or mail before the applicant can receive counseling:
  - Current check stub, not more 30 days old
  - Social security income verification, not more than 6 months old
  - 2008 Income Tax Returns for self-employed (\* Good until April 15, 2010)
  - State issued identification
- If the applicant is determined to be income eligible, the HFA will assign the applicant to one of the HUD/NSP certified housing counselors to complete a minimum of eight (8) hours of housing counseling. All applicants must



## Neighborhood Stabilization Program Property Resale Procedures



complete the housing counseling to be eligible to purchase one of the city's NSP properties.

- The applicant must contact their assigned housing counseling agency to schedule an appointment for counseling. If applicant has not contacted the housing counseling agency within 30 days, their application will be withdrawn from the city's NSP program.
- The housing counseling agency is responsible for providing a certificate of completion with recommendations to the Housing Finance Department after the applicant has completed the required eight (8) hours of housing counseling.
- After the applicant has completed their minimum housing counseling requirements (8 hours) and has a certificate of completion stating the "applicant is mortgage ready", the applicant must contact the HFD Department at 901.576.7474. If the applicant's housing counseling certificate states he/she is "not mortgage ready" the applicant must contact their HFA to determine what additional NSP home purchase assistance may be available..
- If the applicant is "mortgage ready", the HFA will provide a list of mortgage lenders that the applicant can contact in order to submit an application for a mortgage loan. The applicant may contact any other reputable mortgage loan company of their choice, or apply through the City's NSP Mortgage Loan Program.
- If the applicant applies through a bank or mortgage company, the applicant must provide the HFA the original decision letter (approved or declined) drafted by the mortgage loan company. This letter must be signed and dated by an authorized official of the mortgage loan company that the applicant submitted their application to, and not be more than 12 months old.
- Once the applicant has received a decision on their mortgage loan application (approved or declined) they must contact the HFD Department at 901.576.7474 to determine what additional NSP home purchase assistance may be available.

Revised Feb 2010