



NEIGHBORHOOD STABILIZATION PROGRAM

Homebuyer Incentive/Rehabilitation Program for foreclosed properties

Utilizing federal Neighborhood Stabilization Program (NSP) funds, the Massachusetts Department of Housing and Community Development (DHCD) is encouraging low- and moderate-income homebuyers to purchase and improve foreclosed properties in neighborhoods hard-hit by foreclosure. NSP funds must be used in conjunction with safe and affordable mortgage products offered by lenders participating in MHP's SoftSecond Loan Program and MassHousing's Purchase & Rehab programs, along with any rehabilitation financing offered by lenders. Program features include:

ELIGIBLE LOCATIONS:

Enhanced mortgage financing is available in NSP-eligible census block groups in 39 municipalities (see next page). Rehabilitation funding is available in a subset of these communities where there is an approved local rehabilitation program.

ELIGIBLE HOMEBUYERS:

Households with total family income below 120 percent of area median. Buyer must occupy as principal residence. First-time homebuyer requirement is applicable for MassHousing loans.

ELIGIBLE PROPERTIES:

Condominiums, single family and 2- and 3-family homes that have been foreclosed upon or abandoned.

ASSISTANCE PROVIDED:

Preferred mortgage product through SoftSecond or MassHousing; rehabilitation assistance up to \$20,000 per unit up to a maximum of \$40,000 per property.

PROGRAM ADMINISTRATION:

Local rehabilitation agents will manage rehabilitation funding and provide assistance to homebuyers.

REPAYMENT:

Repayment of rehabilitation funds upon sale up to 10 years from purchase with annual "burn off" of repayment obligation. No resale restrictions will apply.

REHABILITATION SCOPE:

Rehabilitation must bring the property in compliance with the Massachusetts State Sanitary Code. Other basic improvements are allowed, with energy efficiency and conservation improvements strongly encouraged.

HOMEBUYER COUNSELING:

Homebuyers must receive at least eight hours of homebuyer counseling. Counseling agencies must be approved by the Massachusetts Homeownership Collaborative.

PROGRAM TIME FRAME:

18 months from DHCD's receipt of NSP funds, estimated from April 2009 through October 2010.

ELIGIBLE COMMUNITIES:

Attleborough, Barnstable, Billerica, **Boston, Brockton, Chelsea, Chicopee**, Dracut, Everett, **Fall River**, Falmouth, **Fitchburg**, Framingham, **Haverhill, Holyoke, Lawrence, Leominster, Lowell, Lynn**, Marlborough, Marshfield, Methuen, Milford, **New Bedford**, Peabody, Plymouth, Quincy, Randolph, **Revere**, Salem, Saugus, **Somerville, Springfield**, Stoughton, Taunton, Wareham, Weymouth, **Worcester**, Yarmouth.

Note: Only specific census block groups are eligible for federal funding in each of the eligible communities listed above. Communities in **bold** are eligible for homeowner rehab grants through approved local rehabilitation programs and terms may differ by community, according to local needs.

How can Massachusetts banks participate?

Banks are strongly encouraged to offer these new loan products to help strengthen neighborhoods and reduce the impact of foreclosures. For additional information, visit the state's foreclosure response website at www.mass.gov/foreclosure. For information on how to become an approved lender, visit www.mhp.net and www.masshousing.com.

MORE INFORMATION:

Commonwealth of Massachusetts: www.mass.gov/foreclosure

Department of Housing and Community Development: www.mass.gov/dhcd

MassHousing: www.masshousing.com

Massachusetts Housing Partnership: www.mhp.net/homeownership

February 27, 2009