



**NEIGHBORHOOD STABILIZATION PROGRAM (NSP)
APPLICATION FOR NSP LOAN**

Program Guidelines

Income limits per household	Maximum Income
1	\$48,150
2	\$55,000
3	\$61,900
4	\$68,750
5	\$74,250
6	\$79,750
7	\$85,250
8	\$90,750

Homebuyer Requirements	<ul style="list-style-type: none"> ○ Not a current homeowner ○ Must occupy the home ○ Ability to secure a first mortgage with approved income
Home Education	<ul style="list-style-type: none"> ○ Completion of HUD Certified Home Buyer Education Program (Copy of certificate required)
Minimum Investment	<ul style="list-style-type: none"> ○ Minimum cash investment of 1.75% from homebuyer(s) for down payment
Preference	<ul style="list-style-type: none"> ○ First preference to households who live and/or work in the City of Los Banos
Priority	<ul style="list-style-type: none"> ○ Applications will be processed on a first-come, first-served basis
Maximum Loan Amount	<ul style="list-style-type: none"> ○ Gap financing loan, not to exceed 50% of the total cost of the home, including minor rehabilitation and closing costs
City Loan Terms	<ul style="list-style-type: none"> ○ Loan term is for 30 years, 0% interest, with monthly installments
Occupancy Requirements	<ul style="list-style-type: none"> ○ Home to remain owner-occupied during the term of the loan
Number of Bedrooms	<ul style="list-style-type: none"> ○ Maximum number of bedrooms allowable equals total number of persons in household plus one - Maximum of two occupants per bedroom

Please submit completed applications to Sandra Benetti at Los Banos City Hall, 520 J Street, Los Banos, CA 93635. **Completed** applications will be date & time stamped upon receipt and processed in the order that they are received. Incomplete applications will not be processed. For questions about the program or assistance with this application, please contact Sandra Benetti at (209) 827-7000 ext. 148.

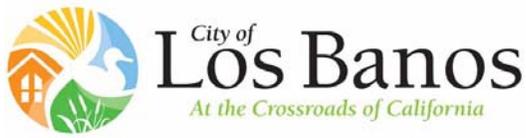
NEIGHBORHOOD STABILIZATION PROGRAM (NSP) LOAN APPLICATION CHECKLIST

Unless “original only” is noted below, please submit copies of the listed required documents.

- Application for NSP Loan: Complete all applicable sections (original only)
- Primary lender pre-approval letter
- Consent to Gather Information (original only)
- **Four (4) most recent** months of employment pay stubs for **all** household members over the age of 18 (Persons intending to occupy the home are considered household members)
- **Six (6) most recent** months of complete bank statements (savings, checking, certificate of deposit, 401K, retirement fund, etc.) for all household members over the age of 18
- **Three (3) most recent** years of federal income tax returns for **all** household members over the age of 18, including W-2s for those three years
- All other sources of income for all household members over the age of 18 (Social Security, Pensions, Unemployment, Annuity, Interest, etc.)
 - Self-employed individuals will be required to submit most recent 12 months of personal and/or business checking account statements
- Legal proof of child support, spousal support, child custody, etc. that affects family income
- Household members over the age of 18 attending school full-time must provide proof of enrollment
- Completion of HUD Approved Home Buyer Education Program (copy of certificate required)
 - Certificate may be turned in after application has been approved for NSP.

Applications will not be processed until all required documents are submitted with the application. Applicants will receive written notice of program approval and further instructions regarding the home.

Please see pages 4-5 for resale restrictions and program definitions.



CONSENT TO GATHER INFORMATION

As applicants for a loan from the City of Los Banos Neighborhood Stabilization Program (NSP), I/we hereby give my/our consent to the City of Los Banos and/or its authorized agents to exchange, disclose and obtain any and all information concerning my/our employment, checking and/or savings accounts, obligations and all other credit matters that the City may require in connection with my/our application for a loan. This form may be reproduced or photocopied and that copy shall act as effective consent as the original, which we have signed.

Borrower Signature Date

Co-borrower Signature Date

Borrower Print Name

Co-borrower Print Name

Street Address/City/State/Zip

Other Household Qualifying Income Members:

Signature Date

Signature Date

Print Name

Print Name

I hereby certify this to be a true and correct copy of the original by:

Authorized City of Los Banos NSP Representative Date

NEIGHBORHOOD STABILIZATION PROGRAM (NSP)
RESALE RESTRICTIONS AND LOAN TERMS

- 1) Buyer agrees to use funds for acquisition of the home and further agrees to repay the City of Los Banos ("City").
- 2) Term of the loan is 30 years, 0% interest. No interest shall accrue on the principal balance of the loan.
- 3) Repayment terms will be monthly for 360 months unless home is sold before the 30-year term. The monthly payment will be calculated by dividing the total amount of the loan by 360 months.
 - a. **Example:** \$35,000 loan amount equals \$97.22 monthly ($\$35,000 / 360 = \97.22).
- 4) Buyer agrees to notify the City in writing prior to any refinancing or modification of the primary loan. Buyer also agrees to get written consent from the City for any refinancing or modification of the primary loan.
- 5) Resale of the home must be pre-approved by the City. A notice of intent to sell form will be submitted to the City prior to sale of the home. Home cannot be sold during affordability period without the City's approval.
- 6) Resale of the home during the affordability period must be to a homebuyer who meets NSP eligibility requirements. The required affordability periods are shown on the following table:

Neighborhood Stabilization Program Required Affordability Period	
If Loan Amount is:	Affordability Period is:
Less than \$15,000	5 Years
\$15,000 - \$40,000	10 Years
Greater than \$40,000	15 Years

- 7) Housing unit must be a City owned NSP home.
- 8) All Housing Units must meet Section 8 Housing Quality Standards prior to occupancy.
- 9) Housing Units within 100 year flood zone will be required to provide proof of flood insurance with an endorsement naming the City as additional insured in order to close escrow.

NEIGHBORHOOD STABILIZATION PROGRAM (NSP) AND PRIMARY LOAN REQUIREMENTS

Purchase Price Limit: The value of the Housing unit cannot exceed 95% of the area median purchase price as established by HUD. (HUD determines purchase price for each county.)

Qualifying Ratios: Primary loans underwritten by FHA, USDA Rural Development, Fannie Mae, Freddie Mac, or CalHFA will be acceptable to establish creditworthiness, repayment ability, and dependability of income.

The front-end ratio shall be between 25% and 35% and is the percentage of a borrower's gross monthly income (before deductions) that would cover the cost of PITI (principal + interest + taxes + insurance). The back-end ratio shall be between 25% and 42% and is the percentage of a borrower's gross monthly income that would cover the cost of PITI plus any other monthly debt payment such as car or personal loans and credit cards.

Primary Loan Interest Rate: The Primary Loan interest rate must be fully amortized and have a fixed interest rate that does not exceed the current market rate as listed at: <http://www.efanniemae.com/syndicated/documents/mbs/apeprices/archives/cur30.html>.

No temporary interest rate buy-downs are permitted.

Primary Loan Terms: The Primary Loan Term shall be fully amortized and have a term "all due and payable" in no fewer than 30 years. There shall not be a balloon payment due before the maturity date of the Program loan.

Impound Account: All households will be required to have impound accounts for the payment of taxes and insurance to ensure they remain current.

Maximum NSP Loan Amount for "Gap" Financing: Prior to obtaining a loan from the City, a homebuyer will secure a primary loan and must provide evidence of financing for the maximum amount the Primary Lender is willing to loan. This evidence shall be in the form of a Mortgage Credit Allowable Worksheet from the Primary Lender.

NSP Program Funding: If the homeowner is financed through the NSP, 12 months after loan signing the homeowner shall be ineligible for further NSP or HOME program assistance for a 15-year period. During the 12-month period, the Subsidy Limits would apply to all HOME funded programs.

Interest Terms and Rate: The loan term shall be for 30 years. The interest rate shall be 0%. All Program loans shall be repaid on a monthly basis for 360 months. The borrower will have their repayment ability calculated in combination with the primary loan.

Definitions:

Household: One or more person who will occupy a housing unit.

Annual Income: Generally, the gross income of all adult household members that is anticipated to be received during the coming 12-month period.

Number of Persons in Family: All of those who live within the household at the time of loan approval. Exceptions are subject to approval of the Loan Committee and must be compliant with State regulations.

Borrower(s) Information

Borrower Information				Co-borrower Information			
Name		_____		Name		_____	
Street		_____		Street		_____	
City/State/Zip		_____		City/State/Zip		_____	
How long at this address?		_____		How long at this address?		_____	
Phone Number		_____		Phone Number		_____	
Date of Birth		_____		Date of Birth		_____	
Social Security #		_____		Social Security #		_____	
Gender		__ Male __ Female		Gender		__ Male __ Female	
Marital Status		__ Single __ Married __ Divorced __ Widowed __ Separated		Marital Status		__ Single __ Married __ Divorced __ Widowed __ Separated	
Borrower Employment Information				Co-borrower Employment Information			
Occupation		_____		Occupation		_____	
Years on job		_____		Years on job		_____	
Employer		_____		Employer		_____	
Address		_____		Address		_____	
Self-employed?		_____		Self-employed?		_____	
Borrower Gross Monthly Income				Co-borrower Gross Monthly Income			
Salary		\$ _____		Salary		\$ _____	
Hourly Pay		\$ _____		Hourly Pay		\$ _____	
Commission		\$ _____		Commission		\$ _____	
Tips		\$ _____		Tips		\$ _____	
Annual Bonus		\$ _____		Annual Bonus		\$ _____	
Other		\$ _____		Other		\$ _____	
Total		\$ _____		Total		\$ _____	
All other income including Social Security, Child Support, Alimony, Unemployment, Rental Income, Pensions, Etc.						Monthly Amount	
						\$	
						\$	
						\$	
Other Household Members							
Name	Gender	Age	Birthdate	Relationship	Social Security #	Monthly Income	
						\$	
						\$	
						\$	
						\$	
						\$	

Obligations/Debts

(include all household debt information and attached additional sheet if necessary)

Creditor Name	Address	Minimum Monthly Payment	Unpaid Balance	Final Payment Date
Rent Payment:		\$	\$	
Telephone Payment:		\$	\$	
Credit Card Payment:		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	

Declarations

Do you or any household member presently own real estate? Yes No

Have you or any household member owned real estate in the past 3 years? Yes No

Are you a United States Citizen or Legal Resident?
 Borrower: Yes No Co-Borrower: Yes No

Have you received any government, federal, state, county or city loans in the past 15 years? Yes No
 If yes, explain type of loan, jurisdiction and year received:

How much money do you have for a downpayment?
 Do you expect to have the required 1.75% downpayment at time of purchase? Yes No

RACE/ETHNICITY/DISABILITY

The following requested information is confidential and is only used for government reporting purposes to monitor the lender's compliance with Equal Opportunity laws. You are not required to furnish this information. The law provides that a lender may neither discriminate on the basis of this information, nor on whether or not this information is provided.

Race:	Hispanic/Latino:
American Indian _____	Mexican _____
Black/African _____	Cuban _____
White _____	Puerto Rican _____
Asian & White _____	Other Latino _____
American Indian/Alaska Native & Black/African American _____	
Asian _____	
Native Hawaiian/Other Pacific Islander _____	
American Indian/Alaska Native & White _____	
Black/African American & White _____	
Other: _____	Number of disable individuals in household: _____

BORROWER'S CERTIFICATION

I/we certify that all information on this application is true and correct to the best of my/our knowledge and I/we understand that any deliberate falsifications are grounds for rejection of the application.
 I/we consent to all verification of any information contained herein.

Borrower Signature	Date	Co-borrower Signature	Date
Print Name		Print Name	