



Neighborhood Stabilization Program Guidelines

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The Neighborhood Stabilization Program (NSP) is funded by the US Department of Housing and Urban Development (HUD) under the Housing Economic Recovery Act (HERA) of 2008. The goal of NSP is to revitalize and stabilize communities that have been hit by the foreclosure crisis. Guidelines have been established to ensure these funds are used properly.

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Buyers who purchase NSP properties through PRG, Inc. must have a household income below 120% of area median income. A minimum \$1,000 and maximum \$5,000 NSP incentive is required. The NSP incentive money can be used for up to 50% of the lender's required down payment or 100% of closing costs. This assistance is in the form of a deferred loan that is forgiven after five years.

If a household earns less than 80% of area median income, there is an additional \$9,999 in homebuyer assistance available for up to 50% of the lender's required down payment and closing costs, which is forgivable after five years.

People in Household	1	2	3	4	5	6	7	8
80% Limit	\$44,800	\$51,200	\$57,600	\$64,000	\$69,100	\$74,250	\$79,350	\$84,500
120% Limit	\$70,500	\$80,550	\$90,600	\$100,700	\$108,750	\$116,800	\$124,850	\$132,900

Additional Information:

If the home is resold before five years of ownership, the entire amount of NSP assistance must be repaid to the City of Brooklyn Park.

A 30-year restrictive covenant prohibits the rental of NSP properties.

Buyer must contribute \$1,000 of his/her/their own funds towards the purchase of the property to be applied to entry costs (i.e. inspections, appraisal fees, application fees, earnest money).

Housing debt ratio cannot exceed 30% of gross income (unless approved by the Brooklyn Park EDA)

