



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 annual income below 120% of area median income. A minimum \$1,000 incentive to the buyer is required with the potential to receive up to \$7,500. The NSP incentive money can be used for up to 50% of the lender's required down payment and/or 100% of closing costs. This assistance is in the form of a deferred loan and is forgiven after five years.

| People in Household | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---------------------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|
| 120% Limit | \$69,150 | \$79,000 | \$89,900 | \$98,750 | \$108,750 | \$106,650 | \$122,450 | \$130,350 |

Additional Information:

If the home is resold within five years of ownership, the entire amount of NSP assistance must be repaid to, Hennepin County.

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

Housing debt ratio cannot exceed 30% of gross income (unless approved by EDA staff).
Affordability funds must bring homeowner to a ratio between 28% and 30%.

Homebuyer must complete an approved NSP homebuyer workshop with a HUD approved counseling agency.

Homebuyers are encouraged to use a participating NSP lender

Homebuyer cannot have ownership interest in another property



Buyer

Date