



Move-in Ready Program Real Estate Agent and Lender Guide

NSP eligible homebuyers receive **\$15,000** to use for closing costs and partial down payment to purchase a Move-in Ready home that has been newly improved by city of Phoenix program partners. The renovations address on health and safety issues, energy efficiency, enhanced design finishes and curb appeal.

The following information will help you navigate the process to assist your homebuyer in becoming eligible for the NSP assistance funds. For help, please contact Phoenix NSP Customer Advisory Services at **602-262-6602 (711 for TDD/TTY service)** or e-mail nsphome@phoenix.gov.

Homebuyer Eligibility Requirements

- Homebuyer(s) annual household income cannot exceed the amounts below, based on household size (anyone living in the house). In determining income, all wages and other sources of income for all household members age 18 and older are considered. *Program income requirements are different than Lender income requirements.*

Household Size	1	2	3	4	5	6	7	8
Maximum Household Income (120% of Median)	55,800	63,750	71,700	79,700	86,050	92,450	98,800	105,200

- Must have a good credit history and able to qualify for a 15- or 30-year fixed rate loan. Debt to income ratios must be at or below 31 percent / 43 percent - aligned with FHA standard guidelines.
- Cannot be on the title of any residential property.
- Must be a permanent legal resident of the U.S.
- Contributes half of the required cash down payment or a minimum of \$1,000 of **own** funds, whichever is greater. Gifted funds are not allowable.
- Funds will be secured by a promissory note and recorded subordinate deed of trust.
- Funds will be paid directly to the title company. Excess funds will be applied to reduce the first mortgage loan amount.

STEP 1: Homebuyer contacts a lender of their choice for a mortgage loan.

- A. Homebuyer and lender ensure the loan meets city program parameters.
- B. Lender forwards the loan pre-qualification letter, Loan Application and Loan Transmittal Summary to the homebuyer's housing counseling agency.

STEP 2: Homebuyer contacts one of the HUD certified housing counseling agencies below to schedule a one-on-one session with a housing counselor.

- A. The following documentation is required for everyone 18 years and older in the household that has some form of income:
 1. Most recent three years of tax returns. Not required of family members who are dependents.
 2. Previous 30 days of paycheck stubs.
 3. Most recent two months of bank statements and all other asset statements.
 4. Other sources of income (i.e. child support, social security, disability, etc.)

Chicanos Por La Causa	1402 S. Central Ave., Phoenix 85004	602-253-0838	www.cplc.org
Desert Mission Nbrhd Renewal	9229 N. Fourth St., Phoenix 85020	602-331-5833	http://www.jcl.com/desert-mission/neighborhood-renewal
Greater Phoenix Urban League	1402 S. Seventh Ave., Phoenix 85007	602-254-5611	www.gphxul.org
Neighborhood Housing Services	1405 E. McDowell Road, #100, Phoenix 85006	602-258-1659	www.nhsphoenix.org
Newtown Community Dev Corp	511 W. University Blvd., #4 Tempe 85281	480-517-1589	www.newtowncdc.org
Community Housing Resources of AZ	4020 N. 20 th St., #100, Phoenix AZ 85016	602-631-9780	www.communityhousingresources.org

STEP 3: If the homebuyer is deemed ready to become a homeowner, the housing counselor forwards the homebuyer's pre-qualification packet to Community Housing Resources of Arizona (CHRA).

STEP 4: Community Housing Resources of Arizona (CHRA) contacts the homebuyer to schedule an appointment to determine homebuyer's eligibility, once they receive a complete pre-qualification package from the housing counseling agency. See contact info below.

- A. CHRA reviews the pre-qualification packet and, if eligible, issues an eligibility letter within three days of the homebuyer's appointment. The buyer has **NOT** been deemed eligible for the program until they receive an eligibility letter from CHRA.

Tip: In order to avoid extra costs and delays, it is important that the buyer receive their eligibility letter from CHRA before looking for a home.

STEP 5: Homebuyer contacts their HUD certified housing counseling agency to schedule an 8 hour Homebuyer Education class. This step must be completed before closing escrow on a home and is required through the Neighborhood Stabilization Program.

STEP 6: Homebuyer works with a real estate professional to find a property in the "Move-In Ready" program inventory.

- A. Visit www.phoenix.gov/nsphome to view the Move-in Ready list of available homes.
- B. Priced homes are also listed in ARMLS with the term "Phoenix Neighborhood Stabilization Program" in the Realtor Remarks section.
- C. Homebuyer must contribute fifty percent (50%) or a minimum of \$1,000 of own funds toward the down payment.
- D. The assistance funds are first applied to closing costs and the balance is used to reduce the principal loan amount. No cash funds will be returned to homebuyer.
- E. Homebuyer will be required to purchase a home warranty policy with a minimum one year coverage period, paid from the assistance loan balance.

Tip: Allow at least 60 days from accepted contract to complete steps 6-11, prior to close of escrow.

STEP 7: Homebuyer's agent **MUST** forward a copy of the complete, executed purchase contract to Community Housing Resources of Arizona, 4020 N. 20th Street, Suite 220, Phoenix, AZ 85016. Phone: 602-631-9780 and Fax: 602-631-9757.

- A. Review and complete the Neighborhood Stabilization Program Move-in Ready Addenda found in the "Documents" section of the ARMLS listing, with the homebuyer. Include the signed copies with the purchase contract.
- B. Refer to the Move-in Ready Guidelines for Offer Submittal for line-by-line instructions on how to complete the purchase contract.
- C. Note that an appraisal or inspection will not be ordered until the home has been fully renovated to avoid unnecessary expense for the homebuyer.

STEP 8: CHRA performs the City's due diligence, as follows:

- 1. Collects all relevant data and documents.
- 2. Prepares escrow instructions for the title company.
- 3. Reviews the HUD-1 and prepares the NSP assistance loan documents.

Tip: An incomplete purchase contract and/or missing NSP addenda are the most common causes for delays.

STEP 9: Homebuyer needs to ensure the lender has sent all first mortgage loan documents to the title company. CHRA will coordinate with the title company to complete the sale.

- A. Refer to the attached list of documents needed from the lender and homebuyer for Neighborhood Stabilization Program eligibility.

STEP 10: CHRA will contact the homebuyer to schedule a pre-close meeting once the lender provides a final CLA, 1003 and 1008 to CHRA and a HUD-1 is received from the escrow officer. The meeting includes:

- A. Review of the HUD-1 Settlement Statement that is an itemized list of funds paid at closing, including real estate commissions, fees, and initial escrow (impound) amounts.
- B. Review and signing the city of Phoenix loan documents, which CHRA forwards to the city for approval before sending to the title company.

C. Verify the homebuyer has identified a home warranty policy.

Tip: Allow 5 business days for the city to approve and the title company to receive the NSP loan documents. Lender loan docs might need to be re-drawn if the closing falls into the next month.

STEP 11: The homebuyer will arrange an appointment at the title company office to sign the closing documents for the first mortgage of their new home.

CONGRATULATIONS! YOUR CUSTOMER HAS JUST BECOME A HOMEOWNER!

*Please note that this Guide and hyperlinked documents referenced within can be found at www.phoenix.gov/nsphome



* This program, offered through the City of Phoenix, provide eligible buyers with a \$15,000 loan to use toward the purchase of eligible foreclosed homes. The remaining balance may be applied to reduce the principal of the first mortgage loan. The rehabilitation loan of up to \$40,000 in the Home Improvement Program is used for eligible repairs to the purchased home. Both loans are 0% interest with deferred payments that decline and are forgivable over 15 years.

Phoenix Neighborhood Stabilization Program

HUD Certified Housing Counseling Agencies

<p>Chicanos Por La Causa 1402 S. Central Ave., Bldg A Phoenix, AZ 85004 www.cplc.org</p>	<p>602-253-0838</p>	<p>Hours: 8 a.m. to 6 p.m. Mon.-Fri. Monthly Classes: 2nd Saturday 8 a.m. – 5 p.m. 4th Saturday 8 a.m. – 5 p.m. (Spanish)</p>
<p>Desert Mission Neighborhood Renewal 9229 N. Fourth St. Phoenix, AZ 85020 www.jcl.com/content/neighborhoodrenewal</p>	<p>602-331-5833</p>	<p>Hours: 8 a.m. to 5 p.m. Mon.-Fri. Monthly Classes are usually: 2nd Tues. & Thurs. 3 – 7 p.m.* 3rd Saturday 8 a.m. – 4 p.m. Check website for schedule</p>
<p>Greater Phoenix Urban League 1402 S. Seventh Ave. Phoenix, AZ 85007 www.gphxul.org</p>	<p>602-254-5611</p>	<p>Hours: 8 a.m. to 5 p.m. Mon.-Fri. Monthly Classes: 1st Tues & Wed 5:30 – 9:30 p.m. * 3rd Saturday 8 a.m. – 5 p.m.</p>
<p>Neighborhood Housing Services of Phoenix 1405 E. McDowell Road, Suite 100 Phoenix, AZ 85006 www.nhsphoenix.org</p>	<p>602-258-1659</p>	<p>Hours: 8 a.m. to 5 p.m. Mon.-Fri. Monthly Classes: Orientation: 2nd & 4th Monday, 6-7 p.m. 8 Hr Class: 1st & 3rd Saturday, 8 a.m.-5 p.m. Classes held in Spanish once each quarter Check web site or call for schedule</p>
<p>Newtown Community Development Corp. 511 W. University Blvd., Suite 4 Tempe, AZ 85281 www.newtowncdc.org</p>	<p>480-829-5759</p>	<p>Hours: 8 a.m. to 5 p.m. Mon.-Fri. Monthly Classes: 2 Saturdays per month, 8 a.m. – 5 p.m. Locations vary</p>
<p>Community Housing Resources of Arizona 4020 N. 20th St., Suite 220 Phoenix, AZ 85016 www.communityhousingresources.org</p>	<p>602- 631-9780</p>	<p>Hours: 8:30 a.m. to 5 p.m. Mon.-Fri. Offers One-on One credit counseling but does not offer Homebuyer Education Classes</p>
<p>*must attend both Sessions Schedules might vary, so call for current dates and times</p>		

NSP Eligibility and Loan Administrator

<p>Community Housing Resources of Arizona 4020 N. 20th St., Suite 220 Phoenix, AZ 85016 www.communityhousingresources.org</p>	<p>602- 631-9780</p>
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Phoenix Neighborhood Stabilization Program Required Financial Documents Checklist

The following documents need to be provided to the housing counselor when the homebuyer attends their one-on-one credit counseling session. Please note that the homebuyer will need to provide updated documents with the most current information (paystubs, bank statements, etc.), if they are referred to Community Housing Resources of Arizona for eligibility determination.

From Homebuyer:

- Current Pay Stubs: Most recent 30 consecutive days for all household members over 18
- Other Income Documentation:
 - Social Security Income Disability Income
 - Child Support Alimony
 - Unemployment Pensions
 - Worker’s Comp
- Recent two month’s statements for all assets including:
 - Bank Accounts
 - Retirement Accounts, IRA, Stock.
- Most recent 3 years Federal Tax Return & W2’s

From Lender:

- Loan Transmittal Summary (1003) to verify meets NPS ratios 31.00%/43.00%
- Loan Application (1008) to verify names and amounts match
- Loan Prequalification including Purchase Power Amount \$ _____
- Credit Report

PLEASE NOTE: The city assistance dollar amount of \$15,000 should be entered into Subordinate Financing on the 3rd page (Details of Transactions) of the Uniform Residential Loan Application (1003). The funds are a lien not an asset to the borrower.

Phoenix Neighborhood Stabilization Program Move-in Ready Homebuyer

GUIDELINES FOR OFFER SUBMITTAL

The items listed below are required and must be submitted in their entirety to be considered a valid purchase offer. Move-in-Ready (MIR) offer submittals are reviewed on a first come, first served basis. The MIR Partner / Seller will review the items according to Neighborhood Stabilization Program (NSP) Guidelines and respond to any offer submittals within three (3) working days.

All submitted forms must be typed or printed neatly and clearly. All forms should be filled out completely and signed where necessary. All required items **must** be included in the initial submittal. Purchase offers without all items will be deemed incomplete. **Incomplete offer packets will not be accepted.** Forms that are missing any required information or contain white-out will not be processed and will be returned to the buyer's representative.

All documents listed below **must** be submitted:

- 1. **PURCHASE CONTRACT**- **must** be an AAR Residential Resale Real Estate Form.
 - a. Include Agency Disclosure and other applicable addendums, such as HOA or Lead.
 - b. Please refer to the *Purchase Contract Submittal Line-by-Line Requirements* – see Exhibit A below.
- 2. **NSP MIR ADDENDUM** - This addendum, located in the “Documents Tab”, **must** be signed and dated by the buyer, the buyer's representative, and submitted with the Purchase Contract.
- 3. **NSP MIR QUESTIONNAIRE or NSP Eligibility Letter** - Questionnaire is to be completed by the buyer and is located in the “Documents Tab”. If buyer has an NSP eligibility letter then questionnaire is not required. Questionnaire serves only as a NSP MIR pre-qualification and assessment tool for the buyer and seller to determine the viability of the offer.
- 4. **LOAN PRE-QUALIFICATION OR LOAN STATUS REPORT FROM 1ST MORTGAGE LENDER**

**Please sign that you have read and understand these guidelines and forward with the offer.

Selling Agent: _____ Agent Code: _____

Thank you for your offer.

We appreciate your time and commitment to stabilizing neighborhoods.

**Phoenix Neighborhood Stabilization Program
Move-in Ready Homebuyer**

Questionnaire

Date: _____

Buyer(s): _____

Seller: _____

Premises Address: _____

The Phoenix Neighborhood Stabilization Program to verify all information provided below.

- Buyer(s) understands Community Housing Resources of Arizona, which serves as the NSP underwriter for the program will determine final approval and eligibility. Yes No

- Total gross annual household income is below 120 % of area median income (**see Household Income Chart -120% of Median**) Yes No
- Buyer(s) has obtained a Conditional Loan Approval or Desktop Underwriting Approval from a first mortgage lender Yes No
- First mortgage debt to income ratios are at or below 31percent / 43 percent – aligned with FHA standard guidelines Yes No
- First mortgage term is 15 or 30 year fixed rate, fully amortizing Yes No
- Buyer(s) will contribute 50% of the required cash down payment or a minimum of \$1,000.00 (whichever is greater) from personal funds Yes No
- Buyer(s) does not own or is on title of any other residential real estate Yes No
- Buyer(s) will occupy the property as a principal residence Yes No
- Buyer(s) is either a US Citizen or a legal resident of the US Yes No
- Buyer(s) will complete a 2 hour One-on-One Credit Counseling session with a HUD Certified Housing Counseling Agency within 10 days of accepted purchase contract (No Cost to Buyer) Yes No

- Buyer(s) will agree to complete an 8-hour Homebuyer Education class with a HUD Certified Housing Counseling Agency, before close of escrow
(No Cost to Buyer) Yes No

- Buyer(s) understands the decision to grant NSP MIR Homebuyer Assistance is within the sole discretion of the Neighborhood Stabilization Program and is dependent upon the buyer meeting all NSP program eligibility requirements prior to close of escrow date Yes No

* To commence eligibility determination process, the buyer(s) will need to provide the following documentation to a designated Neighborhood Stabilization Program (NSP) Certified Housing Counselor Agency for all household members over the age 18 within 10 days of accepted purchase contract:

- Most recent 3 years of income tax returns
- Most recent 30 days of paycheck stubs
- Most recent 2 months of bank statements and all assets statements
- Other sources of income (i.e. child support, social security, disability, etc.)

Phoenix Neighborhood Stabilization Move-in Ready Program

Buyer Addendum

The buyer(s) has/will apply for the Neighborhood Stabilization Move-in Ready Program (MIR) Homebuyer Assistance. A HUD Certified Housing Counseling Agency will determine homeownership readiness and Community Housing Resources of Arizona will determine homebuyer eligibility for assistance per the Neighborhood Stabilization Program (NSP) Guidelines. I/we, the buyer(s), hereby acknowledge and agree to the following:

- A) **The decision to grant NSP MIR Homebuyer Assistance is within the sole discretion of the Neighborhood Stabilization Program**, and is dependent upon the homebuyer meeting all eligibility requirements of the Neighborhood Stabilization Program, as well as the availability of funds.
- B) The NSP MIR Homebuyer Assistance is to be used in conjunction with a mortgage loan for the purchase of a Neighborhood Stabilization Program property. The property is to be used as my primary residence.
- C) **The decision to grant the first mortgage loan is completely within the discretion of the mortgage lender** with whom I/we have applied. The Neighborhood Stabilization Program makes no decision in regard to the approval of any first mortgage loan.
- D) **The decision of which home to buy is within the sole discretion of the buyer** and the buyer understands that the NSP MIR Homebuyer Assistance Program is limited to a specific MIR property. The buyer has performed their investigation of the housing market, and has independently selected a NSP Move-in Ready eligible home to purchase.
- E) The buyer(s) shall satisfy themselves as to the condition of the home prior to closing escrow.
- F) The buyer(s) must attend a required One-on-One Credit Counseling and 8-hour Homebuyer Education Class, as soon as possible in the purchase process, and that **NSP MIR Homebuyer Assistance shall not be approved and escrow will not close on an NSP MIR property until the buyer attends the required classes and all NSP eligibility requirements have been met.**
- G) I/we acknowledge that a material misstatement made by me/us in connection with my/our NSP eligibility determination and approval for NSP MIR Homebuyer Assistance will result in my/our eligibility being denied and the purchase contract being cancelled.
- H) I/we are responsible for satisfying all NSP requirements during the contract period and maintaining NSP eligibility. The seller's obligations under the purchase contract are contingent upon the NSP eligibility.
- I) If the seller terminates this agreement for any reason permitted under the Contract or this Addendum, the seller shall have no obligation to pay or

reimburse the purchaser for the purchaser's appraisal, inspections fees and or any other closing costs or fees associated with the NSP MIR transaction.

By affixing my/our signature to this document, I/we acknowledge that I/we have read and understand all of the components indicated, and give my/our consent to proceed with the eligibility determination for NSP MIR Homebuyer Assistance Program through the Neighborhood Stabilization Program.

Signature of Buyer: _____

Printed Name: _____ Date: _____

Signature of Buyer: _____

Printed Name: _____ Date: _____

Signature of Buyer: _____

Printed Name: _____ Date: _____

Signature of Buyer: _____

Printed Name: _____ Date: _____

Acknowledgement / Witness

Signature of Buyer
Representative: _____

Printed Name: _____ Date: _____

Signature of Authorized Seller
Representative: _____

Printed Name: _____ Date: _____

Exhibit A

Purchase Contract Submittal Line-by-Line Requirements

Please enter the following language on each line item:

Line 2 - Seller of Record

Line 9 - \$500.00 (Minimum Earnest Money Requirement)

Line 16 - Estimate a 60 Day Close of Escrow.

Line 27- NSP MIR Buyer Addendum

Line 43 – All mortgage financing required appliances and fixtures will be installed on or before close of escrow.

Line 91 – Title / Escrow Company shall be determined by Seller.

Line 260 – Buyer

Line 261 – Buyer Choice (buyer must choose a company that provides a 3 year warranty plan not to exceed \$1,500.00).

Line 262 – \$1,500.00 – Buyer (paid by down payment assistance funds).

Line 304 – Buyer waives Seller Property Disclosure Statement (SPDS) and insurance claim history disclosure.

Line 306 – Offer is contingent on the buyer successfully completing a One-on-One Credit Counseling session with an NSP HUD certified housing counseling agency, within 10 days of purchase contract acceptance and obtaining final eligibility approval for the Neighborhood Stabilization Program from Community Housing Resources of Arizona.

Line 308 – Before close of escrow buyer will successfully attend and complete 8-hours of Home buyer Education classes with a HUD certified housing counseling agency.

Line 310 – If approved, the Buyer will use the \$15,000 Neighborhood Stabilization Program Down Payment Assistance towards principal reduction, fees, warranty, prepaid and other closing costs.

Line 312 – Buyer inspection and due diligence period begins when buyer NSP eligibility has been approved and property rehabilitation has been completed.

Line 314 – Buyer will contribute fifty percent (50%) or a minimum of \$1,000 (whichever is greater) of personal funds for the down payment.

Line 362 – Allow seller a 72 hour response time

How Offers are Selected:

Acceptance of a full market value offer is contingent on the buyer successfully completing a One-on-One Credit Counseling session with an NSP HUD certified housing counseling agency within 10 days of contract acceptance and obtaining final eligibility approval for the Neighborhood Stabilization Program.

Back up Offers:

The MIR Partner / Seller will select 2 back up offers on a first come first served basis. Each back up offer will be subject to the buyer successfully completing a One-on-One Credit Counseling session with an NSP HUD certified housing counseling agency within 10 days of contract acceptance and obtaining final eligibility approval for the Neighborhood Stabilization Program.

Each back up offer will be subject to a 10 day contingency period to complete the One-on-One credit counseling session for pre-qualification. This contingency period will begin on the effective date of the purchase contract.