

Fact Sheet

Stockton Neighborhood Stabilization Program



Neighborhood Stabilization Program:

The Neighborhood Stabilization Program (NSP) is a result of the Housing & Recovery Act of 2008 (H.R.3221) and provides targeted emergency assistance to state and local governments to acquire and repair foreclosed properties that might otherwise become sources of abandonment and blight. Community Development Block Grant (CDBG) funds allocated through the Act will be used to support this program.

The City of Stockton plans to use \$12.1 million of NSP funds that have been allocated by the U.S. Department of Housing and Urban Development (HUD) to acquire and repair vacant, foreclosed residences; to offer down payment and closing cost assistance to low and moderate-income homebuyers; and to demolish blighted structures.

Participating Non-profit Developers:

The City is contracting with local Non-profit Housing Developers to acquire, rehabilitate and resale vacant, foreclosed homes in targeted Stockton neighborhoods. The rehabilitated homes will be available for sale to eligible buyers. Following is a list of participating developers:

- Service First of Northern California – (209) 938-0593**
- STAND – (209) 937-7625**
- Villa Real, Inc. – (209) 466-3577**
- Visionary Home Builders – (209) 466-6811**

Eligible Homebuyers:

Eligible homebuyers must have an annual household income of 120% of area median income (AMI) or less. In Stockton, that means \$76,320 for a family of four. The Neighborhood Stabilization Program also seeks to protect future homebuyers by requiring that new homebuyers using this program obtain a mortgage loan from a lender who agrees to comply with sound lending practices and that each potential homebuyer complete 8 hours of HUD-approved homebuyer counseling before obtaining a mortgage loan. The sale price of a home shall be equal to or less than the cost to acquire and rehabilitate the home. In addition, the rehabilitated homes may be resold to an individual as a primary residence only.

Down Payment Assistance:

In conjunction with the Neighborhood Stabilization Program (NSP), the City will provide financial assistance to qualified homebuyers to help with down payment costs. Basic terms of the program include:

- Income limit: 120% of area median income or less
- Loan Amount: Maximum 5% of purchase price, plus closing costs
- Homeowner Investment: Minimum of 1.5% of purchase price
- Interest Rate: 3%
- Due Date: *Loan of less than \$15,000 – 5 years*
Loan of \$15,000 to \$40,000 – 10 years
Loan of \$40,000 or more – 15 years
- Eligibility: Residency or employment within the City of Stockton for a minimum of one year.

For more information on the City of Stockton's Neighborhood Stabilization Program, please visit www.stocktongov.com/Housing/NeighborhoodStabilizationProgram_000.cfm or call (209) 937-8539