



ATTACHMENT "C"

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

**NEIGHBORHOOD STABILIZATION
FIRST MORTGAGE LOAN PROGRAM (FMLP) CONTRACT RIDER**

This program is designed to provide mortgage loan assistance to individuals and households earning up to 120% Area Median Income (AMI). Eligible properties are any foreclosed, vacant and abandoned single-family houses, townhouses or condominiums (excluding mobile homes); located within the "Eligible Areas of Greatest Need" (all condominium developments are subject to approval by Palm Beach County).

All properties must be purchased at a minimum discount of 1% below the current appraised "As Is" value and the sales price cannot exceed \$280,000. The appraised value for all properties purchased through this program will be established and determined by a County approved appraiser.

Palm Beach County shall conduct an environmental review of all residential properties purchased using Neighborhood Stabilization First Mortgage Loan Program (FMLP) proceeds. After completion of the review, a clearance notice shall be sent to the applicant indication whether or not the residential property received environmental clearance. If the property to be purchased was built in 1978 a lead-based paint risk assessment is required to determine if there is a presence of lead-based paint hazards.

Eligible homes requiring rehabilitation shall only be renovated to ensure there are no building code violations. Palm Beach County will substantially utilize its existing Community Development Block Grant rehabilitation policies when undertaking rehabilitation under the First Mortgage Loan Program. All rehabilitation work done under this program will see to upgrade the property to ensure compliance with applicable municipal, county and state housing and building standards to the extent that the repairs performed are practical and feasible. Palm Beach County will only replace code related items (*in lieu of repair*) if the items are either missing or deemed inoperable and beyond repair by the Rehabilitation Compliance Inspector.

Applicants are permitted to use up to \$35,000 of their FMLP loan proceeds to rehabilitate the property being purchased. All major code, health and safety violations must be repaired prior to occupancy, utilizing sources other than FMLP proceeds. After closing, a maximum of \$35,000 of FMLP loan proceeds can be used for other repairs required by applicable building codes. If the proposed rehabilitative work is deemed "excessive" (*in excess of \$35,000*) by Palm Beach County's Rehabilitation Compliance Inspector, the rehabilitative work may be disqualified for funding. Seller's concessions can be used to offset the cost of repair and rehabilitation for the property.

Palm Beach County requires up to ten (10) days to complete its inspection of all homes and secure repair/rehabilitation estimates from County approved contractors. Upon completion of the County's home inspection all parties will be notified of the results. The Seller further acknowledges that the Buyer is applying for NSP funding, and if the criterion for the NSP program is not met, the Buyer shall be relieved of any obligations under the Contract to Purchase, and shall be entitled to a refund of any deposit.

The _____ (seller) covenants that this property is vacant and that it was foreclosed upon on _____ (date). Additionally, I/We _____ (buyer) and _____ (seller) acknowledges the use of this Federal Program and the requirements imposed herein.

Buyer (signature)

Co-Buyer (signature)

Seller (signature)