



City of Phoenix Neighborhood Stabilization Program *Move-in Ready Program* Homebuyer Checklist and Guide

NSP eligible homebuyers receive a \$15,000 loan to use for closing costs and partial down payment to purchase a home that has been newly improved by city of Phoenix program partners. The renovations focus on health and safety, energy efficiency, enhanced finishes and curb appeal. Below are the basic eligibility requirements and a checklist of the steps homebuyers take to become program eligible. More detailed information on eligibility and each step can be found on the following pages.

Eligibility Requirements

- Homebuyer(s) annual household income cannot exceed the amounts below, based on household size.

Household Size	1	2	3	4	5	6	7	8
Max. Income	52,000	59,400	66,850	74,300	80,200	86,150	92,100	98,050

- Homebuyer contributes half of the required cash down payment out of their own funds.
- Homebuyer cannot be on the title of any residential property.
- Homebuyer(s) must be legal permanent residents of the U.S.

- ☐ **STEP 1:** Homebuyer contacts a lender for a home mortgage and obtains a loan pre-qualification letter.
- ☐ **STEP 2:** Homebuyer contacts a HUD certified housing counseling agency (see page 5), to schedule a 2 hour One-on-One Credit Counseling session.
Appt Date: _____ Agency: _____
- ☐ **STEP 3:** Housing counselor sends the homebuyer's complete pre-qualification package to Community Housing Resources of Arizona (CHRA).
- ☐ **STEP 4:** CHRA contacts the homebuyer to schedule an eligibility appointment, once they receive a complete pre-qualification packet.
Appt Date: _____ Counselor: _____
- ☐ **STEP 5:** Homebuyer contacts their HUD housing counseling agency to schedule an 8 hour Homebuyer Education class.
- ☐ **STEP 6:** Homebuyer starts to work with a real estate professional to find a property in the "Move-In Ready" inventory.
- ☐ **STEP 7:** Homebuyer verifies with their real estate agent that a copy of the purchase contract has been sent to CHRA.
- ☐ **STEP 8:** CHRA performs the city's due diligence regarding the assistance loan(s).
- ☐ **STEP 9:** Homebuyer ensures lender sends loan documents to CHRA and the title company, 10 days ahead of close.
- ☐ **STEP 10:** CHRA contacts the homebuyer to schedule a Pre-close session to sign the NSP loan documents.
Appt Date: _____
- ☐ **STEP 11:** Homebuyer arranges an appointment with the title company to sign the closing documents for the first mortgage of their new home.
Appt Date: _____

For assistance, contact Phoenix NSP Customer Advisory Services at 602-262-6602 or e-mail nsphome@phoenix.gov



City of Phoenix



Neighborhood Stabilization Program

Move-In Ready Program HOMEBUYER GUIDE

The following information will help you navigate the process to open your window to homeownership and become eligible for the NSP assistance funds. For help, please contact Phoenix NSP Customer Advisory Services at **602-262-6602 (800-842-4681 for TDD/TTY service) or e-mail nsphome@phoenix.gov.**

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)	52,000	59,400	66,850	74,300	80,200	86,150	92,100	98,050

- First mortgage debt to income ratios must be at or below 31 percent / 43 percent - aligned with FHA standard guidelines.
- First mortgage term is 15- or 30- year fixed-rate, fully amortizing.
- Homebuyer contributes half of the required cash down payment out of their own funds.
- Homebuyer cannot be on the title of any residential property.
- Homebuyer(s) must be a legal permanent resident of the U.S.
- Purchase price cannot exceed 95 percent of the FHA mortgage limit for one unit.
- 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 the lender of their choice for a home mortgage loan.

- Homebuyer provides income documentation, per the lender's instruction.
- Lender and homebuyer verify the homebuyer(s) income and that the loan meets city program parameters. Good credit is needed to qualify for most loan programs and you must maintain good credit through the process. Don't make any major purchases until after the closing of your home purchase.
- Lender issues a loan pre-qualification package (see page 6), which they forward to the homebuyer's housing counselor.
- Homebuyer follows up with their housing counselor to receive the results.
- Homebuyer continues to check-in with their lender to ensure the lender is providing needed documentation to

Tip: Step 1 & 2 can be worked on at the same time.

STEP 2: Homebuyer contacts a HUD certified housing counseling agency to schedule a 2 hour One-on-One Credit Counseling.

- The following documentation is required for every wage earner, 18 years and older, in the household:
 - Most recent three years of tax returns. Not required of family members who are dependents.
 - Most recent 30 days of paycheck stubs.
 - Most recent two months of bank statements, 401k statements, and all asset statements.

4. Other sources of income (i.e. child support, social security, disability, etc.).

HUD Certified Housing Counseling Agencies

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.icl.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: Once the homebuyer completes the One-on-One Credit Counseling, the housing counselor prepares and sends the homebuyer's complete pre-qualification packet to Community Housing Resources of Arizona (CHRA), which includes:

- A. Two-part certificate with date the homebuyer completed Step 2.
- B. Pre-qualification letter from the lender
- C. Income documentation
- D. Credit Report

STEP 4: Community Housing Resources of Arizona (CHRA) contacts the homebuyer to schedule an appointment to determine the homebuyer's eligibility, once they have a complete pre-qualification packet. Their contact info is 602-631-9780 or www.communityhousingresources.org.

- A. The following documentation is required for every wage earner 18 years or older, in the household:
 1. Most recent three years of tax returns. Not required of family members who are dependents.
 2. Most recent 30 days of paycheck stubs.
 3. Most recent two months of bank statements, 401k statements, and all asset statements.
 4. Other sources of income (i.e. child support, social security, disability, etc.)
- B. If all required documents are not provided to CHRA at the appointment, the homebuyer has 10 days to provide them. If the deadline is missed, the homebuyer will have to schedule another appointment with CHRA.
- C. CHRA will review the pre-qualification packet and issue an eligibility determination, within three days after the appointment. The homebuyer is **NOT** eligible for the program until they receive a letter from CHRA indicating eligibility.

***Tip:** In order to avoid extra costs and delays, it is recommended that the homebuyer 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. Once completed, they'll receive the two-part certificate with dates the homebuyer completed both the One-on-One Credit and the Homebuyer Education class. This step must be completed before closing escrow on a program home.

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

- A. Provide the real estate agent with your price and monthly payment expectations, along with a copy of your DU Approval or CLA.
- B. Visit www.phoenix.gov/nsphome and click on "homes" under Move-In Ready to view the list of available homes. Priced homes are also listed in ARMLS with the term "Phoenix Neighborhood Stabilization Program" in the Realtor Remarks section.
- C. Find your home and enter into a purchase contract with the NSP developer partner.
- D. Include the completed NSP MIR Addenda found in the "Documents" section of the ARMLS listing with the purchase contract.
- E. Contribute half of the required cash down payment. The assistance funds first go to closing costs and then the balance is used to reduce the loan amount. No funds will be returned to homebuyer.

***Tip:** Close of escrow will take approximately 60 days from accepted contract, but is dependent on the time it takes the lender to submit the appraisal and final underwriting on the first mortgage, to CHRA.*

STEP 7: Homebuyer verifies with their real estate agent that the agent has forwarded a copy of the complete, executed purchase contract to CHRA, 4020 N. 20th St., Suite 220, Phoenix, AZ 85016. Phone: 602-631-9780 and Fax: 602-631-9757.

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 Settlement Statement and prepares the NSP assistance loan documents.

***Tip:** An incomplete purchase contract and mortgage lender delays are the most common causes for delays.*

STEP 9: Homebuyer ensures the lender has sent all the loan documents to CHRA and the title company, 10 days prior to the close of escrow date. CHRA coordinates with the title company to complete the sale.

- A. Consult with the real estate agent regarding the status of the close of escrow.

STEP 10: CHRA contacts the homebuyer to schedule a pre-close session, which 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 NSP loan documents, which CHRA forwards to the city for approval before sending to the title company.

***Tip:** Allow 10 business days for the city to approve and the title company to receive the NSP loan documents and funds.*

STEP 11: Homebuyer arranges an appointment with the title company to sign the closing documents for the first mortgage of their new home.

CONGRATULATIONS! YOU HAVE JUST BECOME A HOMEOWNER!

*Please note that this Guide and hyperlinked documents referenced within can be found at www.phoenix.gov/nsphome under "Homebuyer, Professional and Community Resources" on the left menu.



* The \$15,000 city of Phoenix program loan for owner occupants is applied to the closing costs and half of the down payment on the purchase of a program home. Any remaining balance is applied to reduce the principal of the first mortgage loan. The NSP loan is 0% interest with no monthly payment and is forgivable over 15 years.

Phoenix Neighborhood Stabilization Program

HUD Certified Housing Counseling Agencies

Chicanos Por La Causa 1402 S. Central Ave., Bldg A Phoenix, AZ 85004 www.cplc.org	602-253-0838	Hours: 8:30 a.m. to 5:30 p.m. Mon.-Fri. Monthly Classes: 1st Saturday 8 a.m. – 5 p.m. (English) 3rd Saturday 8 a.m. – 5 p.m. (Spanish)
Desert Mission Neighborhood Renewal 9229 N. Fourth St. Phoenix, AZ 85020 http://www.jcl.com/desert-mission/neighborhood-renewal	602-331-5833	Mon, Tues & Thurs: 8:30 a.m. - 4:00 p.m. Wednesday: 8:30 a.m. - 5:30 p.m. Friday: 8:30 a.m. - 2:30 p.m. Monthly Classes: 1 Saturday and 1 Tuesday of the month Click on website link for a 2014 schedule http://dmnr.wildapricot.org
Greater Phoenix Urban League 1402 S. Seventh Ave. Phoenix, AZ 85007 www.gphxul.org	602-254-5611	Hours: 8:30 a.m. to 5:30 p.m. Mon.-Fri. Monthly Classes: Last Saturday each month 8 a.m. – 5 p.m.
Neighborhood Housing Services of Phoenix 1405 E. McDowell Road, Suite 100 Phoenix, AZ 85006 www.nhsphoenix.org	602-258-1659	Hours: 8 a.m. to 5 p.m. Mon.-Fri. Monthly Classes: Saturday, 8:00 a.m – 5:00 p.m. Call or visit the webpage for HBE class schedule in (English) and (Spanish). www.nhsphoenix.org/education.html
Newtown Community Development Corp. 511 W. University Blvd., Suite 4 Tempe, AZ 85281 www.newtowncdc.org	480-829-5759	Hours: 8 a.m. to 5 p.m. Mon.-Fri. HBE Class is offered (online only) **NSP participants are required to take the HBE class on-site.
Community Housing Resources of Arizona 4020 N. 20th St., Suite 220 Phoenix, AZ 85016 www.communityhousingresources.org	602- 631-9780	Hours: 8:30 a.m. to 5 p.m. Mon.-Fri. Offers One-on-One credit counseling but does not offer Homebuyer Education Classes
Schedules might vary, so call for current dates and times		

NSP Eligibility and Loan Administrator

Community Housing Resources of Arizona 4020 N. 20th St., Suite 220 Phoenix, AZ 85016 www.communityhousingresources.org	602- 631-9780
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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
- ___ Closing Cost Estimates Worksheet (does not need to be a GFE)
- ___ Loan Prequalification including Purchase Power Amount \$ _____
- ___ Credit Report

PLEASE NOTE:

- An estimate of closing costs is needed for a buyer to be deemed program eligible, prior to purchasing a property.
- 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 Selecting a Real Estate Agent

The following information is provided for you to consider when choosing a real estate agent who will be committed to forming a strong business relationship with you before, during and after the sale.

- Ask friends and family for recommendations
- Research online websites or call the local Association of Realtors
- Interview at least 3 agents and pick one you feel will work best for you
- Check the agent's professional record at www.azre.gov
- The agent's fee or commission is not paid by the buyer, it is paid by the seller of the property.

Questions to ask during the interview can include:

- How long have you been an agent and how many transactions do you handle each month?
- Have you worked with buyers using NSP or other assistance programs? Have you had training on any?
- What is your communication style?
- Will you monitor the NSP inventory and how often?
- How often will you update me and how long should I expect to wait for a return call?
- Are you available evenings and weekends?

PLEASE NOTE:

The city of Phoenix does not endorse or promote any agent or lender. Participants in the Phoenix Neighborhood Stabilization Program are free to work with any real estate or lender professional, they choose.

Move-In Ready Program Target Areas

Neighborhood Stabilization Program (602) 262-6602

Move-In Ready Program

Selection of newly remodeled homes throughout Phoenix that feature sustainable energy-efficient systems, improved design finishes and enhanced curb appeal. The program offers helpful guidance throughout the process plus \$15,000 to use towards closing costs and down payment.

Neighborhood Stabilization Program (NSP)

- Move-In Ready Program Target Areas
- City Limit

Data Source: - Neighborhood Services Department (NSD) Program 3

