NEIGHBORHOOD STABILIZATION PROGRAM

HELP INSTRUCTIONS

Neighborhood Stabilization Program Initial Property Set Up

"Help" Instructions – Line by line instructions

Delivery: Requests must be emailed to the NSP mail box at nsp@mhfa.state.mn.us and original filed in the loan file. Forms not completed in their entirety will not be processed. A resubmission will be required for incomplete forms.

This form is required when you first submit a disbursement request on a property. This form must be accompanied by the Disbursement/Expenditure Request form. If the subrecipient is processing a borrower-driven activity where only down payment assistance is being offered, then the Initial Property Set Up form is not required, instead the Disbursement/Expenditure Request form and the Loan Close Out form is required.

MHFA Contract # – Enter the contract number stated in your grant agreement. Applicable for St. Paul, Minneapolis, and St. Cloud HRA:

- If the funds should be disbursed from the CRV-NSP budget then enter the MHFA Contract # for the specific agency (Habitat for Humanity, City of Lakes Community Land Trust, etc). The contract number is listed on your award letter.
- **CRV-NSP Set-Aside** – Check this box if the funds should be disbursed from the CRV-NSP budget.

High Need Zip Code – Check this box if the funds you are using is coming from your high need zip code target area. You can reference exhibit C of your contract.

High Need County – Check this box if the funds you are using are coming from your high need county target area. You can reference exhibit C of your contract.

Property Address – Complete the property address information for the disbursement you are requesting.

National Objective – LMMH– Check this box if the end use of the property is to provide permanent housing to an individual or family with an income of 120% AMI or below.

National Objective – LMMA – Check this box if the NSP activity will provide an area benefit and not a permanent housing benefit. Example: If the NSP activity is land banking, instead of providing a direct permanent housing benefit, you are documenting that the activity is benefiting individuals and or families in the area where at least 51% earn income of 120% AMI or less.

If LMMA provide ______ %. Indicate percentage of households benefiting in the neighborhood that have incomes of 120% and below.

Census Tract _____ and ***Block Group _____*** Indicate the census tracks and block groups that represent the 51% or more area benefit.

Activity (NSP-CDBG): Check the box or boxes for all activities to be performed on this property, even when the activity being requested for disbursement at the time you are completing this form is only one of the many activities to be performed.

Examples:

- If the transaction is a buyer-driven transaction activity to be expended under down payment and rehabilitation, then check the following boxes: Financing mechanism, Direct Homeownership Assistance, and Rehabilitation.
- If the transaction is a subrecipient City/County-driven transaction and the property is being acquired, demolished, then rehabilitated, check the following boxes under the Acquisition/Rehab-Homeownership category: Acquisition, and Rehabilitation, and under the Demolition category, check the Clearance activity.
- If the transaction is a subrecipient City/County-driven transaction and the property is to be acquired and redeveloped, then select these activities under the Redevelopment category, and check the Clearance box under the Demolition category.

Property Status: Check mark all boxes that describe the status of the property. Complete the date the structure was removed if it is a vacant lot.

Source of Property: Select the box that describes the source entity of how property was owned prior to the NSP investment.

Property Information: Indicate the **Purchase Price** paid by the buyer at the time of purchase or indicate the Purchase Price paid by the Subrecipient at the time the property is acquired.

Purchase Price Discount Percentage: Enter in this field the percentage difference between the Appraised Value and the Purchase Price.

Date of final offer:

- For subrecipient-driven transactions -Enter the date the Subrecipient has confirmed the contingencies are cleared. This is the date the final offer is confirmed with the seller, even when a renegotiation of the price is not required.
- For buyer-drive transactions – Enter the date the Subrecipient has confirmed with the buyer, seller, and new lender that the NSP contingencies have been cleared.

Appraised Value:

- As Is Appraisal: Enter the appraised value stated on the appraisal of the property in an “As Is” condition and used to make the final offer for activities where an appraisal is required completed to determine the 1% discount requirement.
- Subject to Plans and Spec’s: Enter the after-improved rehab value obtained for the purpose of rehabilitating or redeveloping the property. It should indicate the value of the property after improvements are completed. There are three methods for determining the after-rehab value: 1) Estimation of value, 2) appraisal, 3) Tax assessment.
- Subject to Plans and Spec’s N/A : Check the not applicable box for situations when the after-improved value is not required, such as in down payment assistance only transactions, land banking, or demolition only transactions.
- Date of Appraisal: Indicate the date of the appraisal. This date should be within 60 days prior to the final offer. The date of the final offer is when all NSP contingencies stated on the purchase agreement have been met and the seller, buyer, and new lender was notified of them being cleared.

Proposed closing date:

- o Enter the anticipated closing date.

Property Purchase / Sale Information and Financing:

Check the box with a yes or no answer.

1) Was there a bona fide tenant in the property at time of foreclosure?
2) If yes, do you or the successor in interest have documentation that complies with NSP's 90 day tenant notice?
3) If no, are you assuming the responsibilities for any penalties that may be required?
4) URA Seller Notification Delivered?

Check the box that indicates the status of the Environmental review work performed.

<u>Proposed Reuse</u>:

- o Single Family: Check this box together with the number of units
  - # of units: Indicate number of units, either 1, 2, 3 or 4 units
  - Homeownership: Check box if it will be used for homeownership
  - Rental Check box if unit will be used for rental
  - Household at or below 50% AMI: Answer yes or no if the household to occupy the property earns an income of 50% AMI or less. Subrecipients must answer this question even when they can't be certain of the answer.
  - # of Households at or below 50% AMI: Indicate the number of households to occupy the property that earn an income of 50% AMI or below.
- o Multifamily: Check box if unit is a multifamily dwelling, greater than 4 units.
  - # of units: Indicate number of units contained in the multifamily property.
  - Rental only: Confirm purpose the purpose is rental housing.
  - # of Households at or below 50% AMI: Indicate how many households will benefit from being housed in the multifamily dwelling that earn an income of 50% AMI or less.
- o Public facilities: Check box if it will be used as a public facility.
  - Answer yes or no if funds will be used for demolition only
  - If not please explain by providing a narrative of the proposed reuse.
- o Land Banking Only:
  - Indicate if you will use Land Banking as an interim use.
- o New Construction Only:
  - Answer Yes or No if the intended approval was received for satisfying Green Criteria.

Proposed Property Budget/Total Property Costs

- **<u>Budget</u>** amounts: List all budgeted amounts for each NSP activity proposed only for this property. Indicate amounts even if they are estimated.
- Total the amounts at the end of the column.

<u>NSP Funds Obligated to Date</u>

- Of the funds budgeted, indicate how many funds are actually obligated for this property by activity. Then total the amount at the end of the column. Down payment assistance can be listed under other costs.
- Disbursement/Expenditure Request Attached – When submitting the Loan Set Up form, attach the Disbursement/Expenditure request in all cases.

        - Disbursement/Expenditure Request Administration Costs Attached – check box when disbursement of administration costs is attached.

Attachments

Certification and Authorizing Signature and Date

- Signature of Subrecipient: Subrecipients must sign and date the form.
    - Subrecipients may authorize their administrators to sign the request form by submitting their authorization in writing to Minnesota Housing.

Neighborhood Stabilization Program - Disbursement/Expenditure Request

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Property Address – Complete the property address information for the disbursement you are requesting.

NSP total request net of Program Income – Complete this section even when you have no Program income to report:

- Total disbursement/expenditure request – indicate amount of your request for this property
- NSP Program Income Previous Balance – indicate program income amount remaining from previous transaction (not used in last transaction).
- NSP Program Income Received – indicate program income received since last disbursement/reimbursement request.
- Total – NSP Program Income – Add total of both amounts listed above (Previous balance + Income Received since).
- Program income applied to this request – Indicate maximum amount of program income that can be applied to this request.
- Balance of NSP Program Income – Subtract the Program income applied to this request from the Total NSP Program Income and indicate result here.

- Balance to be funded by NSP funds – Subtract the Program Income applied to this request from the total Disbursement/expenditure request total and indicate result here.

Disbursement Request table

Bring down the total NSP request net of Program Income and list amounts requested beside activities being requested for disbursement/reimbursement.

- C**olumns**:
- **Property Budget** – Enter the amount budgeted under each activity and specific for this property.
- **NSP funds obligated** this period – Enter the amount of obligations made since last disbursement/reimbursement request only for this property, by activity. Only amounts since last request.
- **Previously Disbursed** – Enter the amount previously disbursed for this property, by activity.
- **Current disbursement source; NSP Funds** – Indicate amount being requested for **disbursement/reimbursement for this property, by activity**, that should be disbursed from NSP program funds.
- **Current expenditure source; NSP Program Income** – Indicate amount expended for this property through program income, by activity.
- **Rows**:
  - List amounts requested by the corresponding activity being conducted for this property. Amounts listed are only eligible if available in your contract. Reference exhibit C for more information.

NSP Funds Obligated to Date

- Indicate the total amount of funds obligated previous to this transaction for this property.
- Added funds Obligated this period - Indicate amount of funds obligated during the processing of this transaction, since the last transaction, only for this property.
- **NSP Cumulative Total Obligations to Date** – Indicate the total funds obligated by adding the previous balance and the amounts obligated during this period (only for this property).

Certification and Authorizing Signature and Date:

- Signature of Subrecipient: Subrecipients must sign and date the form.
- Subrecipients may authorize their administrators to sign the request form by submitting their authorization in writing to Minnesota Housing.