



Neighborhood Stabilization Program Initial Property Set-up & Close-out Instructions

“Help” Instructions – Line by line instructions

Delivery: Reports 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/expenditure request on a project. It is required for Minnesota Housing to approve the set up of your project before expenditures are processed. Use the same original copy to report the close out status of your project. The close out section is due when the project is sold to the homebuyer or when it is leased to a renter. If the project is a land bank, the close out section is due when the development costs are fully expended, even if carrying costs will be expended in the future.

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NSP1 or NSP3 – Check the NSP corresponding box that correlates to the funding grant under which the property being funded.

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 (NSP1 only) – 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 (NSP1 only) – 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 at least 51% of individuals and or families in the area who have an 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 that applies for all activities to be performed on this property, whether the activity being requested for disbursement is included at this time or not.

Examples:

- If the transaction is a buyer-driven transaction, activities to be expended are 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.

Occupancy: Select the box that describes the occupancy status of the property.

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URA Seller Notice to Seller/Owner: Select the box that describes whether the URA Seller Notification was delivered.

URA Requirements to Tenant:

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?

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

Proposed Reuse:

- 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.
- Multifamily: Check box if unit is a multifamily dwelling, greater than 4 units.
 - # of units: Indicate number of units contained in the multifamily property.
 - Homeownership: Check box if it will be used for homeownership
 - Rental: Check box if it will be used for 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.
- 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.
- Land Banking Only:
 - Indicate if you will use Land Banking as an interim use.

Proposed Property Budget/Total Property Costs:

- Budget
 - Budget 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.
- NSP Funds Obligated to Date
 - 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.

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NSP Cumulative Total Obligations to Date(for property): This is the amount that has been obligated for the property.

Program Funds - Amount of Program funds obligated should match NSP Property Commitments on the draw form.

Program Income - Amount of Program income obligated should match the PI Commitment amount on the draw form.

Grand Total - Amount should match Total Obligated on the draw form

Activity (select all that apply): Check the box that applies for all activities that were performed on this property.

Examples:

- If the transaction was for buyer-driven transaction activities expended for down payment and rehabilitation, then check the following boxes: Financing mechanism, Direct Homeownership Assistance, and Rehabilitation.
- If the transaction was a subrecipient City/County-driven transaction and the property was 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 was a subrecipient City/County-driven transaction and the property was acquired and redeveloped, then select these activities under the Redevelopment category, and check the Clearance box under the Demolition category.

Environmental Clean Up Required: Check the box with a yes or no answer.

Lead Abatement: This applies to Lead abatement only. Check the box with a yes or no answer.

Green Standards: Were Green Standards used for this property? Check the box with a yes or no answer.

Acquisition Information:

- Purchase Price: This is the amount of the initial acquisition. For Buyer driven activities this is the sales price. For City/County Driven activities this is the amount that the subrecipient initially purchased the property for.
- Date of Final Offer:
 - For City/County-driven transactions -Enter the date the Subrecipient confirmed that the contingencies were 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-driven transactions – Enter the date the Subrecipient confirmed with the buyer, seller, and new lender that the NSP contingencies have been cleared.
- Appraised Value: 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.

- Date of Appraisal: Date the appraisal was conducted.
- After Improved Appraised Value: (For City/County Driven Transaction Only) 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.
- Date of After Improved Appraisal: Date the after improved appraisal was conducted.
- Purchase Price Discount Percentage: Enter in this field the percentage difference between the Appraised Value and the Purchase Price.
- Date of Acquisition Closing: Settlement Date of the initial acquisition. This should match the settlement date on the HUD-1.

Disposition Information:

- Sales Price to the Homebuyer: This is the price to the homebuyer. For Buyer driven activities this is the purchase price. For City/County Driven activities this is the amount that the home was sold for.
- Date of Final Closing: This is the date the the property was sold to homeowner. This date should match the settlement on the HUD-1.
- First Mortgage Amount: This is the principal amount of the new loan. This amount should match the HUD-1.
- MN Housing First Mortgage: Was the mortgage a MN Housing First Mortgage? Check the box with a yes or no answer.
- Program Income Generated: Was program income generated during the sale? Check the box with a yes or no answer.
- Amount of PI (Program Income) at time of Sale: List the amount of program income that was generated at the time of sale (this refers to the gross amount)

Down Payment Assistance: This applies to Buyer Driven or City/County Driven activities and includes DPA, soft seconds, buydowns, or price reductions. Check the box that applies to the funding type given to the homebuyer.

Rehabilitation: This applies to Buyer Driven activities only. Check the box that applies to the funding type given to the homebuyer.

Future Expected Income: This refers to whether or not the property will generate program income in the future. Check the box that applies.

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Buyer Driven Activities:

- Downpayment Assistance: Enter all DPA given to the homeowner. Minnesota Housing funds should be listed under MHFA NSP Funds. Differentiate other funding sources by using the given fields. Amounts should equal the total disbursed for the property in the Financing Mechanism activity.
- Rehabilitation: Enter all Rehabilitation given to the homeowner. Minnesota Housing funds should be listed under MHFA NSP Funds. Differentiate other funding sources by using the given fields. Amounts should equal the total disbursed for the property in the Financing Mechanism Rehabilitation activity.

City/County Driven Activities: Complete table entirely including all funds used to develop the property.

- #1 MHFA NSP Funds: Enter the amount of Minnesota Housing NSP Funds expended to develop the property. Breakdown costs into the subsequent area in which they were spent: Acquisition/Purchase Price, Rehab, Demo, Redevelopment/New Construction, Soft Costs, and Other Costs. The total at the bottom of the column should match the total amount of Program Funds that were disbursed for the property.
- #2 MHFA NSP Program Income: Enter the amount of Minnesota Housing NSP Program expended to develop the property. Breakdown costs into the subsequent area in which they were spent: Acquisition/Purchase Price, Rehab, Demo, Redevelopment/New Construction, Soft Costs, and Other Costs. The total at the bottom of the column should match the total amount of Program Income that were disbursed for the property. **NOTE: Total for column #1 and #2 should equal total disbursed on the draw form.**
- #3 Other Funds, Source of funds and amounts: The left column is reserved for the source of funds. List the name of the entity or program that supplied the funds. The right column is for the amount. Breakdown costs into the subsequent area in which they were spent.
- Total1+2+3: These totals automatically calculate. Make sure that the Grand total is equal to the TDC for the property.

Interim Financing Loan Amount: Complete this section if the you used interim financing (construction loan) to develop the property.

Value/Affordability Gap:

- Value Gap: Check the box if this applies. This is the difference between TDC and the after improved appraised value. Indicate the source of value gap funds and the amount provided.
- Affordability Gap: Check the box if this applies. This is the difference between the after improved appraised value and the sale price to the homebuyer plus any seller paid closing costs, down payment assistance, or soft seconds. Indicate the source of affordability gap funds and the amount provided. **(NOTE: In case of recapture the amount of MHFA NSP Funds should be the amount used to determine affordability period)**

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Final Use or Change of Use:

- **Final Use:** Check the box if this the final use of the property. (**NOTE: Do not complete if the property is landbanked**)
- **Change of Use:** Check the box if the use has changed from previous closeout. This generally in the case of a landbanked property that has been developed and is now changing use. (**NOTE: Redeveloped landbanked properties will check both boxes**)
- **From what use:** Indicate the activity change.
- **National Objective met:** Check the box the applies as to whether the property benefited a LMMH (low, moderate, middle income household or a LMMA (low, moderate, middle income area) objective.
- **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 was used for homeownership
 - Rental: Check box if unit was used for rental
 - Household at or below 30% AMI: Answer yes or no if the household that occupied the property earns an income of 30% AMI or less.
 - # of Households at or below 30% AMI: Indicate the number of households that occupied the property that earn an income of 30% AMI or below.
 - Household at or below 50% AMI: Answer yes or no if the household that occupied the property earns an income of 50% AMI or less.
 - # of Households at or below 50% AMI: Indicate the number of households that occupied the property that earn an income of 50% AMI or below.
- **Multifamily:** Check box if unit is a multifamily dwelling, greater than 4 units.
 - # of units: Indicate number of units contained in the multifamily property.
 - Homeownership: Check box if it was used for homeownership
 - 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.
- **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.
- **Land Banking Only:** Indicate the year that you plan to change use and final use is anticipated.

Homeownership Housing and Household Characteristics- Complete this section if the unit is Homeownership

- **Owner Occupied:** Check the box if the property is owner occupied
- **Livable space:** Enter the square footage of the property
- **Gross Household Income (Annual):** Enter the gross annual income of the household.
- **# of persons to live in the home:** Enter the # of persons currently living in the property.
- **Lease to Own:** Check box if the unit is Lease to Own.

- Contract for Deed: Check box if the unit was purchased via Contract for Deed.
- Mortgage Payment: Check box if the unit was purchased via Mortgage.
- Monthly Payment: Enter the monthly payment. This is the principal and interest amount without taxes and insurance. Note: include even if purchased via Contract for Deed.
- Taxes & Insurance: Enter the amount of taxes and insurance to be paid by the homeowner. Note: include even if purchased via Contract for Deed.
- Total Payment: Equals Monthly Payment plus Taxes Insurance.
- Monthly Debt Payment: Enter the amount of the total debt payments of the household including PITI. Note: include even if purchased via Contract for Deed.
- Head of Household Race: Indicate the race of the head of household. Check the box that applies.
- Head of Household Ethnicity: Indicate the ethnicity. Check the box that applies.
- Female Headed Household: Check the box if the head of household is female.
- Attach HUD-1 Settlement Statement (acquisition): Check the box indicating that you have included the document in your attachment.
- Attach HUD-1 Settlement Statement (disposition): Check the box indicating that you have included the document in your attachment.

Rental Housing and Household Characteristics – Complete this section if the unit is Rental

- Attach Utility Allowance Chart: Check the box indicating that you have included the utility allowance chart used to calculate rent amount.
- Attach Lease Agreement: Check the box indicating that you have included the signed lease agreement in your attachment.
- Attach HUD-1 Settlement Statement (acquisition): Check the box indicating that you have included the document in your attachment.
- Attach HUD-1 Settlement Statement (disposition): Check the box indicating that you have included the document in your attachment.
- # of required NSP units per NSP investment: Enter the amount of NSP units that are required based upon the NSP investment. $\text{NSP investment} / \text{total development costs} = \text{amount of NSP investment} \times \text{total number of units} = \text{required amount of NSP units}$.
- Unit #: Enter the number of the unit.
- # of bedrooms: Enter the number of bedrooms in the unit.
- Livable space: Enter the square footage of the unit.
- Monthly Rent: Enter the amount of rent charged to the tenant.
- Utility Allowance: Enter the utility allowance amount for the unit.
- Gross Household Income (Annual): Enter the gross annual income of the household.
- # of persons in household: Enter the # of persons currently living in the unit.
- Race: Indicate the race of the head of household. Use the Initial that corresponds.
- Hispanic or Latino: Indicate the ethnicity. Use Initial that corresponds.
- Female Headed: Indicate whether the head of household is female. Choose the initial that corresponds.