

Key NSP Definitions

- **Abandoned**: Mortgage/tax foreclosure proceedings initiated, no payments 90 days and vacant 90 days
- **Foreclosed**: Mortgage/tax foreclosure complete, includes title transfer from former owner

Key NSP Definitions (Continued)

- **Blighted**: Objectively determinable deterioration that is a threat to human health, public safety and/or public welfare
- **Land Bank**: Purchase, manage, dispose of foreclosed homes and residential properties in defined area

Eligible NSP Activities

- **Category A**
Financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties
- Soft Seconds
- Loan Loss Reserves
- Shared Equity Loans
- Direct Loans
- Indirect Loans

Eligible NSP Activities (Continued)

- **Category B**
Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon in order to sell, rent or redevelop such homes and properties
 - Acquisition
 - Disposition
 - Relocation
 - Direct homeownership assistance
 - Eligible rehabilitation and preservation activities for homes and other residential properties
 - Housing counseling for those seeking to take part in the activity

Eligible NSP Activities (Continued)

- Examples of Homeownership Assistance
 - Subsidized interest rates
 - Finance the acquisition of housing
 - PMI premiums paid
 - Down payment assistance up to 50%
 - Closing costs

Eligible NSP Activities (Continued)

- **Category C**
Land banks for homes and **residential properties** that have been foreclosed upon
 - Acquisition
 - Disposition
(includes maintenance)
 - **Must have a sub recipient agreement with Land Bank**

Eligible NSP Activities (Continued)

- **Category D**
Demolish blighted structures
 - Clearance for blighted structures only

Demolition

- There are a number of eligible end uses in the short term:
-
- Removal of extreme threat to health/safety
- Concentrated revitalization effort
- Public purpose (park, community garden)
- Private purpose (sale or donation as side lot)

Eligible NSP Activities (Continued)

- **Category E**
Redevelop demolished or vacant properties
 - Acquisition
 - Disposition
 - Public facilities and improvements
 - Housing counseling public services
 - Relocation
 - New housing construction
(No previous house) delete
 - Direct homeownership assistance
 - Eligible rehab and preservation activities

NSP Low Income Targeting Rule

- HERA Low Income Set Aside
 - At least 26 percent of funds must provide housing for households with incomes of ≤ 50 percent of area median income
 - Must be:
 - Purchased and redevelopment
 - Of abandoned or foreclosed homes or residential properties
 - Calculated for each recipient not project by project

Using NSP Eligible Activities to Meet 26 Percent Rule

	Count Toward 26 percent?
A: Financing Mechanisms	Yes , if housing and occupant beneficiary equal low income
B: Purchase and Rehab	Yes , if housing and occupant beneficiary equal low income
C: Land Banks	No , unless land bank is operated as permanent rental housing for low income
D: Demolition	No , not as a stand alone activity Yes , if combined with acquisition and redevelopment of foreclosed/abandoned units for LI housing
E: Redevelopment	Only if property was abandoned or foreclosed. Units are housing and occupant equal low income