

Frequently Asked Questions

- Q. Can this program help prevent losing my home to foreclosure?**
- A. No. This program is to help put people in already foreclosed homes.
- Q. I am not a first time homebuyer, can I apply for a homebuyer assistance loan?**
- A. Yes. This program is not limited to first time homebuyers. As long as you meet the income requirements, you can apply.
- Q. I was denied assistance in one of your other housing loan programs, can I apply for a loan in this program?**
- A. Yes. If you were denied because you made too much money, you may qualify for this program as the income limits were raised. As long as you meet the income requirements, you can apply.
- Q. I meet the income requirements, how do I apply?**
- A. You call the City of Atwater's Intake Specialist toll free at (866) 449-2600 to get your name on the first-come, first-served list for funding when it becomes available. You will be given more information about the application process.



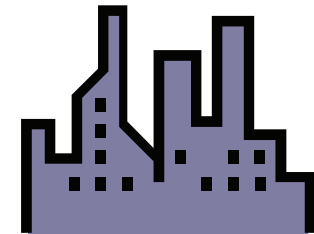
City of Atwater

Neighborhood Stabilization Program
750 E. Bellevue Road
Atwater, CA 95301
Phone: 209-357-6368
Fax: 209-357-6302 (Attention Grants Manager)
E-mail: dsmith@atwater.org

City of Atwater

NEIGHBORHOOD STABILIZATION PROGRAM

Funding for the Foreclosure Crisis



Telephone: (209) 357-6368

Just How Bad Is It?

California leads the nation with the highest number of foreclosures. There were 89,449 new foreclosures in December 2008 throughout the state. Merced County has the highest foreclosure rate in the state of California—1 in every 45 homes is in some state of foreclosure. Atwater had 705 bank-owned properties in January 2009 with 376 properties in the pre-foreclosure process (RealtyTrac).

Unemployment rates are skyrocketing as we enter in our second year of recession. Merced County's unemployment rate was at the highest level in a decade jumping to 15.5% in



December 2008. The majority of jobs lost in Merced County were in farming, manufacturing, financial, leisure and hospitality sectors. (State of California's Employment Development Department).

Housing values have plummeted due to the flood of bank-owned properties. Merced County's average sales price in 2007: \$228,000. In 2008: \$115,000—a 50% decrease in 12 months.

HOUSING AND ECONOMIC RECOVERY ACT OF 2008

The Housing and Economic Recovery Act, 2008 (HERA) appropriated \$3.92 billion for emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties. This federal funding is to be distributed nationwide by the U.S. Department of Housing and Urban Development (HUD) to areas hardest hit by the foreclosure crisis through a grant program called the Neighborhood Stabilization Program (NSP).

NEIGHBORHOOD STABILIZATION PROGRAM

In October 2008, HUD issued list of jurisdictions to receive direct allocations of the \$3.9 billion using a formula allocation based on three factors:

1. Number and percentage of home foreclosures
2. Number and percentage of homes financed by a subprime mortgage related loan
3. Number and percentage of homes in default

Those cities/counties who did not qualify for at least \$2 million or were non-entitlement communities were rolled up into each state's allocation. California was



allocated \$145,071,506 of which Atwater's portion is \$1,040,331. Grant funding is expected to be distributed to the cities and counties sometime in October 2009.

The City of Atwater decided one of the best uses of this funding would be to offer residents of Atwater low interest loans for homebuyer assistance and rehabilitation of foreclosed properties. This will be a revolving fund, as loan payments come in, more money is available to make more loans to help more people buy their own home.

HOW DOES THIS HELP ME?

If you are interested in purchasing your own home, but don't qualify for the full mortgage amount and you make \$66,950 or less for a four person household (see *income limits chart below*), you can qualify for a



low interest loan for homebuyer assistance in the form of gap financing to buy a foreclosed home.

If the foreclosed home you are interested in has suffered any damage from previous tenants or neglect, you can apply for a low interest loan to complete any repairs to make the home livable.

Homes that qualify for the NSP program must be vacant and have completed the foreclosure process, meaning they are bank-owned or REO properties with no renters living in them.

Income Limits Chart

2009 Maximum Income Limits for 120% of HUD Area Media Income
Persons per Household

| 1 | 2 | 3 | 4 |
|----------|----------|----------|----------|
| \$46,850 | \$53,550 | \$60,250 | \$66,950 |
| 5 | 6 | 7 | 8 |
| \$72,300 | \$77,650 | \$83,050 | \$88,400 |