

Housing Hope NSP offers help toward home ownership

By Kathy Vogeltanz

In the current economic climate, many families have been losing the struggle with their finances, and entire neighborhoods have seen foreclosure signs blossom like dandelions. Homeowners and neighborhood associations are concerned that their quality of life, even their safety, could be in jeopardy.

There's a viable, long-term solution to the problem – the Neighborhood Stabilization Program (NSP). While it's a federal program set up by the U.S. Department of Housing & Urban Development (HUD), NSP is administered locally. Money is allocated to state and local governments to purchase and redevelop foreclosed properties that could face abandonment and become a source of blight.

In 2009, \$54.4 million was allocated

to 23 NSP-funded projects throughout Georgia. HUD awarded a third round of funding to states for NSP in September 2010, bringing an additional \$18 million to Georgia, with nearly \$5 million to the City of Atlanta, and other amounts earmarked for surrounding counties including Carroll, Clayton, Cobb, DeKalb, Douglas, Fulton, Gwinnett, Henry and Paulding.

"With that money, we're required to buy and redevelop foreclosures in the Atlanta metro area," explained Dawn Landau of Environs Residential Design & Construction, a NSP developer. "NSP homes are available in the City of Atlanta as well as surrounding counties. She said that some of the homes, but not all of them, were formerly part of the Fannie Mae program.

But that's where the similarities end between NSP and the flawed housing programs of the past, programs that lured low-income families into homeownership



situations they were unequipped to be in. NSP is intended to aid middle-income taxpayers, the folks who usually don't get the breaks that higher and lower income brackets do.

"These kinds of programs don't generally benefit as broad a group as NSP does," Landau said. "Since the NSP program will only be offered for a limited time, we're encouraging anyone who's interested in owning a home to check their eligibility."

An individual making \$60,300 or less can qualify for NSP, as can a family of four with an income of \$86,150 or less. Typically, these people hold steady jobs and are working toward buying their own homes. The NSP program gives them the push they need to take advantage of the current real estate market's low prices and interest rates by assisting them with the down payment, principle buy-down and closing costs. Homebuyers can qualify for up to \$25,000, depending on the purchase price and where the home is located.

And – this is the most important difference from the earlier failed programs – NSP participants must be able to secure their own loans. Landau clarified: "This is not a money handout program; it's a helping hand for financially soluble people, the kind of stable people who become the base of strong communities."

She emphasized that this is precisely the aspect of NSP that many people don't understand, and why many potential buyers shy away from it at first. "Our biggest challenge is getting people to take the initial step."

In addition to getting their own loans, buyers going through NSP cannot already own real estate, must occupy the home they're purchasing, and are required to complete homeowner education with a HUD-approved counseling agency.

"We want to make sure the homeowners are well-prepared and understand everything before they get into the

process," stated Chris Morris, community development director for DeKalb County. "It's important that they're always in control and have the information they need to make wise decisions."

Twenty-five homes have already been sold by DeKalb County through the program, according to Morris. She added that the program is not limited to first-time buyers, but it does require that the buyer use the property as their primary residence.

Buying through NSP is a simple five-step process. First, potential buyers should visit ANDP website (www.andphomes.org) to check that their household falls into the income range and to find specific program details for each area. Second, they need to get qualified with a reputable lender. Third, they must submit income verification, like pay stubs or income tax records. Fourth, they'll have to attend a HUD-certified homebuyer education class.

And, finally, buyers can choose a new home from the NSP houses on the market, which can be viewed on the ANDP site as well as www.NSPAtlanta.com. Currently, there are about a dozen NSP properties available in the City of Atlanta, ranging in price from \$85,900 to \$245,000, and DeKalb also boasts a good selection of homes.

Atlanta neighborhoods were hit hard by the housing crisis. The City of Atlanta ranks third nationally in the number of vacant single-family homes and rental units. In 2008, more than 85,000 foreclosures were filed in Georgia, with metro Atlanta accounting for 81 percent of them. Unfortunately, 2009 was worse; foreclosures went up 40 percent from the previous year for 10-county area of metro Atlanta.

Landau wanted to remind everyone that the NSP program will only be offered for a limited time, so it's important to find out about it as soon as possible. She's available at (404) 810-0025 or through www.NSPAtlanta.com.

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