



# COBB COUNTY NSP OFFICE

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## FREQUENTLY ASKED QUESTIONS

Wondering how the Cobb County Neighborhood Stabilization Program works? Interested in participating in the program? This document provides answers to many questions you may have about our program. For those wishing to participate in the program, it is highly recommended that you read this document as it will assist you in working with our program.

### Q. What is the Cobb County Neighborhood Stabilization Program (NSP)? And how does it work?

A. The Neighborhood Stabilization Program (NSP) was established by HUD to address the foreclosure crisis throughout the Country and to stabilize the decline of property values by acquiring and redeveloping foreclosed properties that might otherwise become sources of abandonment and blight within their communities. Cobb County was granted NSP funding to help stabilize the County's areas of greatest need by acquiring vacant, foreclosed residential properties, rehabilitating them into move-in ready, code complaint condition and then selling the homes to eligible NSP applicants. If eligible, applicants can receive downpayment and closing cost assistance to help purchase the NSP home.

### Q. How do I know if I meet the income qualifications?

A. Please review the income chart and, if you fall under the maximum Area Median Income (AMI) for your family size, contact the NSP office for information on how to participate in our program.

2014 Income Eligibility Category Chart			
Household Size	<50% AMI *	51- 80% AMI *	81 - 120% AMI *
1	\$22,550	\$36,050	\$54,100
2	\$25,800	\$41,200	\$61,800
3	\$29,000	\$46,350	\$69,550
4	\$32,200	\$51,500	\$77,250
5	\$34,800	\$55,650	\$83,400
6	\$37,400	\$59,750	\$89,650
7	\$39,950	\$63,900	\$95,800
8	\$42,550	\$68,000	\$101,950

Source: U.S. Department of Housing & Urban Development – Effective 12/18/13

\* This is the total household income, which includes income from all sources and represents all parties 18 years of age or older who will reside in the home. Failure to notify us of persons 18 years of age or older who are living in your household or failure to disclose income from all sources will be in violation of our eligibility requirements and grounds for disqualification.

### Q. What are the other eligibility qualifications?

- A. In order to be eligible, the household must:
1. Be U.S. citizens or "qualified" aliens/non-immigrants.
  2. Be able to qualify for an FHA, Conventional or VA fixed-rate mortgage.
  3. Attend an 8-hour HUD approved homebuyer education class.
  4. Home must be benefit recipient's primary residence (occupied by the benefit recipient a minimum of 6 months per year).
  5. Meet household income qualifications. See chart above.

### Q. If I meet the eligibility qualifications, how do I apply for this program?

A. First, applications are only accepted when you are submitting a contract on an available Cobb County NSP home. Once you are ready to submit a contract on one of our available homes, simply complete the Cobb County NSP Application and submit it, along with all required supporting documentation listed in the Application Instructions, to the NSP Office. At the same time, have your agent submit the contract to the listing agent's office. Application documents will not be processed unless all required supporting documents are received by the NSP office and a contract for an available NSP home is received by the listing agent's office. The NSP Application and instructions, including our listing agent's information, can be found on our website – www.BuyCobb.com. Or, you may contact the NSP Office to receive a copy.

**Q. Once I submit my NSP Application and a contract on an available NSP home, how long does it take to find out if I have been awarded the contract?**

A. Please allow up to 10 days for your NSP Application to be processed. To ensure that your application is processed in a timely manner, please make sure that all required documents have been submitted to the NSP Office and the contract has been submitted to the listing agent's office. Approval of your application will be delayed if all required documentation has not been received and you will be notified of the documentation required to continue processing your application. Once the NSP Office has received all needed documentation and is able to determine whether or not your household meets all program eligibility requirements, you will be notified of our determination, as well as your eligibility to purchase an NSP home. If the contract on the NSP home is awarded to another homebuyer while you are in the process of submitting required documentation, the listing agent's office will notify you that the property is no longer available and you will be offered the opportunity to submit a contract on another Cobb County NSP home, if any are available. The NSP Office will maintain your submitted documents for 90 days. After that, your documents will be destroyed.

**Q. How does it work if multiple applications and contracts are submitted on the home I am interested in?**

A. HUD requires that all NSP programs give priority to any homebuyer that falls into the 50% or Below AMI Income Eligibility category. If a homebuyer in this income category submits an application and contract on the home you are interested in, their application will take priority and will be processed first. If no homebuyer in this income category submits a contract on the home, applications will be processed in the order in which they are received. Applications will be processed when all required application documents are received by the NSP Office and a contract has been received by the listing agent's office. The first homebuyer to submit all required documentation enabling the NSP Office to verify that their household meets all program eligibility requirements will be awarded the contract.

**Q. How do I know what Cobb County NSP homes are available for purchase?**

A. All available Cobb County NSP homes will be listed on an *NSP Homes* webpage on our listing agent's website. The Cobb County NSP website, [www.BuyCobb.com](http://www.BuyCobb.com), provides a link to the webpage containing the list of available homes.

**Q. Do I have to live in Cobb County to participate in the program?**

A. No. You do not have to live in Cobb County to participate in our program. However, the Cobb County NSP is designed to purchase homes throughout Cobb County exclusively.

**Q. What benefits are available to the homebuyer?**

A. Homebuyers will benefit in the following ways:

- "Move-in" ready, code compliant home
- Downpayment assistance\*
- Closing costs assistance\*
- Not just for first-time homebuyers
- 1-year Home Warranty paid for by Cobb County NSP
- Homeownership education

*\* Restrictions & Income eligibility requirements apply & financial assistance has a forgivable 10-year note*

**Q. Is there an application fee for participating in the program?**

A. No. There is no application fee to participate in our program.

**Q. Do I have to participate in, and be approved by, the program in order to purchase an NSP inventory home?**

A. Yes. Since we are funded by HUD, all eligibility requirements must be met to purchase an NSP inventory home. All required documentation must be submitted and evaluated by NSP staff in order to determine the homebuyer's household eligibility to participate in the NSP prior to a contract being accepted on an NSP home.

**Q. Can I submit my NSP application and contract before a home list listed for purchase?**

A. No. NSP application packages will only be accepted when a contract is being submitted for an NSP home that is available for purchase. Contracts will not be accepted for an NSP home until rehabilitation has been completed, the Sales Price determined and the home has been listed with an NSP Listing Agent.

**Q. Once I have been approved for the program and have been awarded the contract on an NSP home, when will I find out how much funding assistance I will be awarded?**

- A. If eligible\*, downpayment assistance will be awarded based on the HUD Income Eligibility Category of your household. Your income category will be determined by a full audit of your household's finances - see the Income Eligibility Category chart on previous page. Once you have submitted all the required/requested documentation enabling the NSP staff to determine your household's income, you will be notified which income category your household falls under. Please see the below chart for the downpayment amounts awarded for each income category. The downpayment award amount will be based on your household income category and the final sales price of the NSP home.

<b>Downpayment Assistance Based on Household Income Category</b>			
	50% or Below AMI	51 – 80% AMI	81 – 120% AMI
% of Final Sales Price	16%	12%	8%
Maximum	\$20,000	\$15,000	\$10,000

*Effective 11/20/12*

If eligible\*, closing costs assistance will be provided for up to 3.5% of the purchase price of NSP home. The amount of closing costs awarded is based on the final purchase price of the NSP home and the closing costs required by the homebuyer's lender; therefore, we cannot determine the exact amount an eligible homebuyer will be awarded to help cover closing costs until the appraisal has been submitted and the final cost of the home has been determined.

Downpayment and closing costs assistance will be provided as a soft second mortgage with a 10-year, no-interest, forgivable note.

Once an Appraisal is submitted to the NSP Office and the final sales price of the home is determined, an official award letter announcing the exact amounts to be awarded for both downpayment and closing costs assistance will be issued.

\* If downpayment and/or closing costs assistance is provided by another source, Cobb County NSP will not duplicate funds. If downpayment and/or closing costs are not required, Cobb County NSP will not provide funding assistance.

**Q. What is Area Median Income (AMI)? And who determines the AMI?**

- A. Each year, HUD determines the annual median income for all states, counties, and metropolitan statistical areas. Those income determinations are used to determine whether households are eligible for assistance through HUD funded programs, including Cobb County NSP.

**Q. When you determine my household income, what types of income are included?**

- A. When determining a household's income, all sources of income will be included for all parties 18 years of age or older that will be living in the NSP home. Income will be determined not only from wages, but also from assets. Income includes, but is not limited to: the gross amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services; the net income from the operation of a business or profession; interest, dividends, and other net income of any kind from real or personal property; the gross amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount; payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay; Welfare Assistance; periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling; and all regular pay, special pay, and allowances of a member of the Armed Forces. Cobb County NSP will request supporting documentation for the most recent consecutive 90-days; however, depending on the source of the income, we may request documentation going farther back than 90 days.

**Note:** The list is not all inclusive and is meant only to be an example of the types of income and assets counted.

**Q. I do not want any down payment or closing cost assistance. I only want to purchase one of your inventory homes. Do I still need to meet all eligibility requirements and submit the NSP Application and all required supporting documentation?**

**A.** Yes. Whether or not you wish to use NSP funding assistance, you are still purchasing a home that has been purchased and rehabilitated using NSP funding. Therefore, you are required to fulfill all eligibility requirements and submit all required/requested documentation.

**Q. I don't meet all eligibility requirements. Can I still purchase a home through the NSP and not take advantage of the funding assistance offered by the program?**

**A.** No. Per HUD regulations and the guidelines of the program, you must meet all eligibility requirements in order to purchase a home through the NSP.

**Q. Do I need to qualify for a mortgage?**

**A.** Yes, homebuyers should have sound credit and must be able to qualify for an FHA, Conventional or VA fixed rate mortgage. Please contact the NSP Office to find out if the lender you are working with has approved our program and confirmed they will be able to underwrite a mortgage for our applicants.

**Q. I have bad credit or a low credit score. Can I still participate in this program?**

**A.** Cobb County NSP does not look at your credit when determining your eligibility to participate in our program. However, you are required to qualify for a mortgage in order to participate in our program. Therefore, if your credit prevents you from qualifying for a mortgage, you will not be eligible to participate in our program. Please consult a lender to determine if you are able to qualify for a mortgage.

**Q. I have filed bankruptcy in the past. Can I still participate in this program?**

**A.** Cobb County NSP does not look at your credit history when determining your eligibility to participate in our program. However, you are required to qualify for a mortgage in order to participate in our program. Therefore, if your bankruptcy prevents you from qualifying for a mortgage, you will not be eligible to participate in our program. Please consult a lender to determine if you are able to qualify for a mortgage.

**Q. Can I use any lender with your program?**

**A.** You are more than welcome to work with the lender of your choice; however, not all lenders will work with financial assistance programs. Please contact the NSP Office to find out if the lender you are working with has approved our program and confirmed they will be able to underwrite a mortgage for our recipients. If they have not already approved our program, before we can accept your NSP Application, they must review and approve our financial assistance documentation and submit a Lender Application, confirming they will be able to underwrite a mortgage for you if you purchase a home through our program and receive financial assistance.

**Q. Must I have any money set aside to purchase a home through your program?**

**A.** Yes. First, a minimum of \$500 in Earnest Money must be submitted with the contract on the available NSP home. All recipients will also be expected to cover certain expenses such as fees for an inspection and appraisal of the property before closing. Recipients are also responsible for any additional closing costs required by their lender that are above the NSP award amount. The NSP award amount will be determined by the HUD income eligibility category of the recipient's household, the final sale price of the NSP home and the closing costs required by the recipient's lender. Please speak to your lender for information on the amounts you will be required to contribute at closing.

**Q. Where are the available homes located and how can I view a list of the homes?**

**A.** Homes available in this program are located throughout Cobb County. The homes are located in areas of greatest need as determined by HUD. You can find a link to the list of available homes on our website, [www.BuyCobb.com](http://www.BuyCobb.com).

**Q. How often is the list of the available NSP inventory homes updated?**

**A.** Our list is updated as rehabilitation is completed on a NSP home and it becomes available for purchase. Please visit our list of available homes often to learn if any new homes are available.

**Q. Can I purchase any foreclosed home?**

**A.** No. Eligible homebuyers must purchase from the list of available NSP inventory homes. We buy NSP homes

throughout the county based on HUD requirements. After acquisition, we rehabilitate the homes and sell them to NSP eligible participants. Please visit our website for a link to the list of available homes.

**Q. Can I bring a home to NSP to be purchased through the program?**

A. No. Unfortunately, all homes purchased by the NSP must meet strict HUD guidelines for the program. Each home is thoroughly researched and analyzed before it can be purchased and not all vacant, foreclosed residential properties will be eligible to be purchased by the NSP. NSP makes the decision on which homes to purchase based on HUD requirements and consumer demand. Due to the time it takes to research and analyze a home, we cannot accept homes brought to us by homebuyers.

**Q. I have already purchased a foreclosed home. Will this program help me rehabilitate my new home?**

A. No. The Cobb County NSP has a clear action plan to purchase and rehabilitate vacant, foreclosed residential properties and then we sell the homes to homebuyers who are eligible to participate in the program. Cobb NSP funding is not designed to assist homeowners in rehabilitating their home.

**Q. I have placed a bid on a foreclosed home. Can the NSP provide me with funding assistance to either purchase or rehab the home?**

A. No. The program's funding is only available for homes purchased by the NSP.

**Q. I am under contract to purchase a home, but need downpayment assistance in order to purchase the home. Can the NSP provide me with funding assistance to purchase the home?**

A. No. The program's funding is only available for homes purchased by the NSP.

**Q. I am currently under the threat of foreclosure. Can the NSP assist me so that I may keep my home?**

A. No. Unfortunately, the NSP was designed to reintegrate fully foreclosed upon homes back into the market. There are many agencies available to homeowners who are under the threat of foreclosure. A good place to start is the Georgia Department of Community Affairs (DCA):

<http://www.dca.state.ga.us/housing/Homeownership/programs/foreclosure.asp>

HomeSafe Georgia is also available to assist unemployed homeowners:

<https://www.homesafegeorgia.com/>

The Making Homes Affordable Program assists employed homeowners who are struggling to make their mortgage payments:

<http://www.makinghomeaffordable.gov>

**Q. What happens if I decide to move and rent the NSP home to another person?**

A. The program is specifically designed for owner-occupants. The program requires that the NSP home remain the benefit recipient's primary residence (occupied by the recipient for a minimum of 6 months per year) for the duration of the 10-year loan period, also known as the "affordability period." If the benefit recipient no longer occupies the NSP home as their primary residence during the first five (5) years of the loan term, any downpayment and/or closing costs assistance received must be repaid in full to Cobb County. Once the recipient has occupied the NSP home for five (5) full years, the loan indebtedness is reduced by fifty percent (50%). Once the recipient has satisfied the full 10-year affordability period, the loan is fully forgiven. The NSP Office conducts owner-occupancy verification on an annual basis to verify continued compliance with this requirement.

**Q. What happens if I decide to sell the NSP home?**

A. The program is specifically designed for owner-occupants. The program requires that the NSP home remain the benefit recipient's primary residence (occupied by the recipient for a minimum of 6 months per year) for the duration of the 10-year loan period, also known as the "affordability period." If the benefit recipient no longer occupies the NSP home as their primary residence during the first five (5) years of the loan term, any downpayment and/or closing costs assistance received must be repaid in full to Cobb County. Once the recipient has occupied the NSP home for five (5) full years, the loan indebtedness is reduced by fifty percent (50%). Once the recipient has satisfied the full 10-year affordability period, the loan is fully forgiven. The NSP Office conducts owner-occupancy verification on an annual basis to verify continued compliance with this requirement.

**Q. Can the Cobb County NSP assist me if I wish to purchase in another county/state?**

- A. No. The Cobb County NSP is designed to purchase homes throughout Cobb County, Georgia exclusively. If you are interested in participating in a NSP in another county or another state, you will need to contact their office directly and go through their application process separately. Please see HUD's website for a listing of other NSP programs:  
<https://www.onecpd.info/grantees/?granteesaction=main.searchresults&programid=10>

**Q. My lease ends soon. Can I be in a home through your program before it ends?**

- A. It depends on a few factors. First, you must be ready to submit a contract on an NSP home that is currently available for purchase. And, you must be able to submit all required NSP application documentation in a timely manner enabling the NSP staff to verify your NSP eligibility. Then, once the contract has been awarded to you, your lender must be able to process your mortgage in a timely manner. If all these factors are timely, it is possible to close on an NSP home in less than two months. Once you have been awarded the contract on an NSP home, the length of time it takes to close depends mostly on how long it takes your lender to process your loan. Once your loan has cleared your lender's underwriting department and is cleared for closing, the next factor will be the funding source used by NSP to acquire the home (HUD or GA DCA) and their requirements, as well as any county accounting requirements.

**Q. My elderly mother lives with us. Do we have to include her in our application process?**

- A. Yes. Any adult 18 years of age or older who will be residing in the home must be included in the application process. As required by HUD, if they receive any form of income, such as social security or a pension, this income must be included on the NSP Application whether or not they will be included on the mortgage. Additionally, she must also provide ID, as well as verify her U.S. citizenship or alien status.

**Q. Are there any deadlines to close on a home through the program?**

- A. No. There is no deadline to close on a NSP home. However, homebuyers cannot postpone a closing to fit their own deadlines. Once a homebuyer's mortgage approval has cleared their lender's underwriting department, the closing must be scheduled as soon as possible.

**Q. Are both myself and my spouse required to take the 8-Hour HUD approved homebuyer education class?**

- A. No. Only one of the applicants, either applicant or co-applicant, is required to attend the class. It is preferred that the primary applicant is the one to attend the class, but that is not a requirement. However, if only one of you will be on the mortgage, the person listed on the mortgage must be the one to take the class.

**Q. Can we use our VA home loan with this program?**

- A. Yes. The VA does not require that you contribute any downpayment toward the purchase of a home when taking out a VA mortgage. Therefore, since no downpayment is required to purchase the home, NSP will not provide any downpayment assistance. However, you will still be eligible for assistance with closing costs, if applicable.

**Q. Can we use this program in conjunction with other down payment assistance programs?**

- A. Yes and no. It depends on the program. As long as all NSP policies, procedures and regulations are followed, you fulfill all NSP requirements and submit all required documentation you may use our program in conjunction with other programs. If down payment and/or closing cost assistance is provided by another program, NSP will not award duplicate assistance; however, the homebuyer may still be able to purchase the NSP home. Cobb County must always be the secondary lien holder on the mortgage. There are some programs that cannot be used in conjunction with our program. Please contact our office to request information regarding the specific program you wish to use in conjunction with the NSP.

**Q. Can I negotiate the sale price of the NSP home?**

- A. No. NSP must sell the home for the cost to purchase, rehabilitate and sell the home. The sale price of the home is non-negotiable.

**Q. Can I request additional rehabilitation work be done on the home?**

- A. No. NSP is accountable to HUD, Georgia Department of Community Affairs (DCA) and Cobb County for all monies spent on work done on every NSP home. Each home has a set budget that must be adhered to in order to meet guidelines for the program. NSP is required by HUD guidelines to rehabilitate the home into

move-in ready, code compliant condition, which may include work such as paint, flooring, cabinets, counters, lighting fixtures, appliances (refrigerators are not included) and landscaping, depending on the condition of the home. Once rehabilitation is complete and the home has passed the final NSP inspection, the home is sold to an eligible participant in “as-is” condition. Any reasonable additional work requested by the participant above the budget would increase the sale price of home accordingly, as NSP must sell the home for our cost.

**Q. I live out of state, but will be relocating to Cobb County. Will I still be able to purchase a NSP home?**

A. Yes. If you are relocating to Cobb County, you can complete the program’s application process via email, fax or mail.

**Q. I will be the only one on the mortgage. Does my spouse/significant other also have to be included on the NSP application?**

A. Yes. When purchasing an NSP home, the household is participating in the program. Eligibility to participate in the program is based on household information; therefore your spouse/significant other would be included in the application process. Additionally, anyone 18 years of age or older living in the home would be included when determining income and must provide ID, as well as verify their U.S. citizenship or alien status.

**Q. I meet the NSP eligibility requirements, but I currently own a home. Am I still eligible to participate in the program?**

A. Yes. Applicants can own other property *as long as the NSP home is their primary residence* (occupied by them for a minimum of 6 months per year) for the duration of the 10-year loan period, also known as the “affordability period.” The program is specifically designed for owner-occupants and owner-occupancy is verified on an annual basis. You must also keep in mind, however, that when we are determining your household’s eligibility to participate in the program, any property a household member is on the title of will count toward the household’s income. This will include any current or anticipated rental income, as well as the real estate itself as an asset.

**Q. I am currently receiving benefits from the Post-911 GI bill. Will this be included when determining my income eligibility?**

A. No. Any benefits received through the Post-911 GI bill will not be counted toward your annual household income. However, you will be required to submit the award letter as supporting documentation.

**Q. I meet the NSP eligibility requirements and will be the person listed on the mortgage; however, my spouse currently has a Work Only Temporary Protected Alien Status. Will I be allowed to purchase an NSP home?**

A. No. Per HUD regulations, anyone 18 years of age or older that will be living in the NSP home must be a U.S. citizen or “qualified” alien or nonimmigrant. The following is a list of “non-qualifying” alien statuses:

- a. Citizens of Marshall Islands, Micronesia or Palau;
- b. Immigrants paroled into the U.S. for less than one year;
- c. Immigrants granted temporary protected status; or
- d. Nonimmigrants who are allowed entry into the U.S. for a specific purpose usually for a limited time are also nonqualified. Examples include:
  - i. Business visitors;
  - ii. Students; and
  - iii. Tourists.

**Q. Am I allowed to refinance my mortgage in the future to take advantage of lower interest rates once I've purchased an NSP home?**

**A.** Yes, you can refinance your loan; however, Cobb County NSP must approve the refinancing prior to it being done and there are a few stipulations:

- You can only do so to reduce your monthly mortgage payment,
- You cannot receive any money back at closing,
- The new mortgage must be an FHA, Conventional or VA fixed rate mortgage,
- Cobb County NSP must remain the second lien holder, and
- You can only refinance one time during the affordability period.

If you decide to refinance, please have your loan originator contact our office.

**Q. I see that appliances are not currently installed in the NSP home. Will I have to purchase my own appliances or are they provided by NSP?**

**A.** Appliances are included in all NSP homes, with the exception of a refrigerator, which NSP does not provide and will be the responsibility of the homebuyer. In most cases, appliances will be installed prior to inspection once a binding contract has been submitted on the home. Most NSP homes will include a stove, dishwasher and either microwave or range hood, depending on the kitchen layout. The appliances will be GE appliances and, in most cases, will be black unless white is more fitting to the kitchen. Appliances are pre-ordered; therefore requests for specific appliances cannot be made by the homebuyer.