

Massillon NSP Program: Direct Homeowner Assistance

A. Activity Description

This activity is for financial assistance for an income eligible household to acquire a foreclosed, abandoned home; a foreclosed, abandoned home that has previously been acquired and rehabilitated with NSP funding; or a new dwelling unit that has been constructed on an NSP developed site.

If the homebuyer is directly acquiring a foreclosed, abandoned home, this activity will also include rehabilitation assistance, as needed, to ensure that the home meets required housing quality standards.

B. Client/Project Selection

Beneficiaries will be restricted to low-, moderate-, and middle-income clientele, as defined by NSP requirements. All participants will be restricted to the income levels below 120% Area Median Income as set forth by HUD for this purpose.

Project sites will be selected from within the designated NSP Target Areas.

C. Limits of Assistance

The City will provide an eligible applicant up to \$5,000 to be used towards downpayment and/or closing costs. Funds cannot exceed lender's criteria regarding third party contributions and some funds must come from the purchaser's resources. Pre-paid expenses, such as insurance, taxes, interest, and loan discount fees may not be paid through this assistance program. Downpayment assistance will be provided in the form of a 0% deferred interest loan, and will be secured by a Promissory Note and Mortgage and will be forgiven without repayment after five years, provided the property continues to be in the name of and the principal residence of the applicant.

The City will utilize NSP funds, in amounts of up to \$30,000, for rehabilitation of the property in accordance with the requirements of ODOD Housing Handbook Part II – 2008 Residential Rehabilitation Standards (RRS). NSP assistance shall be in the form of a 0% deferred payment loan, with the term based on the amount of NSP rehab assistance, in accordance with HOME affordability requirements and the Ohio NSP Guidelines. Recapture/repayment provisions of the Ohio NSP Guidelines shall apply.

D. Housing Rehabilitation Standards

As a CDBG entitlement community, the City of Massillon has operated a housing rehabilitation program for over 25 years, utilizing technical assistance provided by the Stark County Regional Planning Commission (SCRPC). In November 2008, SRPC adopted the ODOD RRS standards for its residential rehabilitation programs, including NSP. As a result, Massillon's NSP rehabilitation program will comply with RRS standards. In addition, as part of its rehab program, Massillon utilizes the Canton City Health Department for all required lead risk assessments and clearance testing.

E. Homebuyer Counseling

NSP regulations require that all NSP assisted home buyers receive a minimum of 8 hours of counseling from a HUD Certified Counseling Agency. HUD certified agencies in Stark County include: ABCD Inc., Catholic Charities of Stark County, Stark County Out of Poverty Partnership Inc, and the Stark Metropolitan Housing Authority.