



## Understanding the Neighborhood Stabilization Program

Test Administrator: \_\_\_\_\_

Location: El Paso Affordable Housing

Results: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

### Instructions

Now that you have studied the NSP2 orientation presentation please answer the following questions to the best of your ability.

- 1) Where can I complete my 8 hours of homebuyer counseling?
  - a. At the municipal clerk's office.
  - b. From El Paso Affordable Housing, or any other approved Department of Housing and Urban Development (HUD) counseling agency.
  - c. At any participating college or university.
  
- 2) \_\_\_ Before closing, you must secure a first mortgage that meets what standards?
  - a. Must not be a sub-prime loan, not have a prepayment penalty, and have reasonable closing costs.
  - b. Must be from a bank and have a variable rate.
  - c. You do not have to secure a first mortgage.
  
- 3) \_\_\_ In order to be eligible, borrower must have a minimum down payment of what?
  - a. No down payment is needed.
  - b. \$500 or 10% of the sale price, whichever is greater.
  - c. \$1,000 or 3% of the sale price, whichever is greater.
  
- 4) \_\_\_ How long is the Affordability Period?
  - a. 1 year after closing.
  - b. It depends on the amount of final NSPII assistance I receive.
  - c. For the rest of my life.
  
- 5) \_\_\_ To avoid repayment of assistance, borrower must own and reside in the home for how long?
  - a. Until it is paid in full.
  - b. For the Affordability Period (between 5 and 15 years, depending on assistance given.)
  - c. One year after the home was purchased.

- 6) \_\_\_ As a homeowner, you are expected to maintain the property and adhere to applicable required codes and standards, maintain homeowner's insurance (with the funder named as mortgagee or loss), make all property tax payments, protect the property from other encumbrances, and also?
- Make all required mortgage payments.
  - Be a nice neighbor.
  - Not paint any walls in the home.
- 7) \_\_\_ In the event you sell or convey the property, before the affordability period, what is required?
- Nothing.
  - The EPAH- NSP II program will recapture the entire amount of the NSP investment from the homeowner, from the net proceeds of the sale.
  - It must be sold for a minimum of \$100,000
- 8) \_\_\_ True or False. In order to be eligible, a buyer or borrower MUST NOT have an ownership interest in any real property or outstanding mortgage obligations at the time that they submit a purchase offer for a property under this program.
- True.
  - False.
- 9) \_\_\_ A buyer or borrower must complete what to be eligible for the EPAH NSP2 assistance?
- High school.
  - College.
  - NSPII Orientation.
- 10) \_\_\_ I must repay all of the assistance if I \_\_\_\_\_.
- Rent the house prior to the affordability period.
  - Sell the house prior to the affordability period.
  - Move out of the house prior to the affordability period.
  - All of the above.
  - None of the above.