



# Neighborhood Stabilization Program (NSP)

## Purpose of Program

The Neighborhood Stabilization Program (NSP) was created to respond to rising residential foreclosures and property abandonment. The main purpose of the NSP is to stabilize neighborhoods negatively impacted by foreclosures. Lee County will use NSP funds to assist with acquisition, repair, and sale of foreclosed homes.

## Home Buyer Benefit

Prospective home buyers will have the opportunity to purchase homes that have received necessary rehabilitation/repairs prior to the closing. Homes will be sold at affordable prices.

Qualified buyers will receive assistance in the form of a subsidy (second mortgage to be provided by Lee County).

## Eligible Applicants

- Cannot currently own a home; not limited to first time homebuyers
- Must meet income guidelines (See Income Chart Below)

Lee County, Florida			
Income Guidelines Chart			
Your annual income must fall within the categories below			
Household Size	Low Up to 50% MI	Moderate 50.01-80% MI	Middle 80.01-120% MI
1	\$21,250	\$34,000	\$51,000
2	\$24,300	\$38,850	\$58,320
3	\$27,300	\$43,700	\$65,520
4	\$30,350	\$48,550	\$72,840
5	\$32,800	\$52,450	\$78,720
6	\$35,200	\$56,300	\$84,480
7	\$37,650	\$60,200	\$90,360
8	\$40,050	\$64,100	\$96,120

- Must be buyers primary, homesteaded residence
- INVESTORS ARE NOT ALLOWED to purchase under this program
- Must have legal right to reside permanently in the United States

## Funding

- First Mortgage Products – Minimum 30 Year Fixed Rate; No Balloons or ARMS
- Conventional Mortgage loans
- Veterans Administration loans (VA)
- Federal Housing Administration loans (FHA)
- United States Department of Agriculture (USDA)
- Minimum Principal, Interest, Taxes and Insurance (PITI) Debt-to- Income Ratio of 20%
- Maximum PITI Debt-to- Income Ratio of 30%
- Maximum Total Debt-to-Income Ratio of 45%
- Reasonable Closing Costs included

## Homebuyer Maximum Assistance

- Low Income Category Up to 50% of Sales Price\*
  - Moderate Income Category Up to 40% of Sales Price\*
  - Middle Income Category Up to 30% of Sales Price\*
- \*plus reasonable closing costs

## Buyer Contribution

- Low Income Category - \$500
- Moderate Income Category - \$1,000
- Middle Income Category - \$1,200

## Homebuyers Education / Post Purchase

Homebuyers are required to complete a homebuyer's education class from a HUD approved agency in order to participate in the program. Post purchase counseling will also be made available.

## Target Locations

Qualified homebuyers will be matched up with a single family home in one of these locations:

- East Fort Myers
- Lehigh Acres
- Suncoast Estates and Palmona Park, N. Fort Myers
- San Carlos Park, S. Fort Myers
- Pine Manor and Page Park, S. Fort Myers

## Resale Provisions

Lee County will provide a second mortgage with a fifteen (15) year term at 0% interest. No reduction during first five (5) years; then reducing 10% per year during remaining ten (10) years. Lee County's assistance (subsidy) must be repaid if the property is sold, rented, or refinanced without prior approval of Lee County or ceases to be owner occupied during the lien period (subject to subordination policy).



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