

# New York State Neighborhood Revitalization Purchase Program

## PURPOSE

The Neighborhood Revitalization Program offers incentives to potential buyers who wish to purchase vacant properties in eligible communities. These communities were selected because they were hard hit by the foreclosure crisis and have an extensive inventory of vacant homes. Owner occupant buyers will bring economic stability and growth to these neighborhoods and improve property values of the surrounding homes

## MAIN FEATURES OF PROGRAM

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| <b>Interest Rate:</b>                                  | SONYMA Low Interest Rate Program Rate. If the borrower meets the income and homebuyer status required for another SONYMA program; they would qualify for the lower rate.  |
| <b>Loan Term:</b>                                      | 30 years  |
| <b>Borrower Points:</b>                                | None required.  |
| <b>Rate Lock Period:</b>                               | 120 days  |
| <b>Maximum Lender Compensation and Allowable Fees:</b> | 2.5% of loan amount. Lenders will be paid an additional .50% for any loan originated with a SONYMA Down Payment Assistance Loan (DPAL). As with traditional SONYMA financing, Lenders may charge up to \$850 in ancillary fees or \$900 for those lenders using SONYMA Express.   |
| <b>Down Payment Assistance (SONYMA DPAL):</b>          | <ul style="list-style-type: none"> <li>• Assistance can be the higher of \$3,000 or 3% of the home’s purchase price plus financed renovation costs up to a maximum of \$15,000.</li> <li>• May be used to pay all or a portion of a one- time mortgage insurance premium at closing.</li> <li>• Interest rate on first mortgage will be .375% higher except when using the Homes for Veterans, Energy Star or Graduate to Homeownership add-on programs.</li> <li>• “Soft” second mortgage.             <ul style="list-style-type: none"> <li>▪ 10-year term</li> <li>▪ Requires no monthly payment</li> <li>▪ Must be in second lien position</li> <li>▪ Bears no interest</li> </ul> </li> <li>• Subject to possible recapture.</li> </ul> |
| <b>Neighborhood Revitalization Renovation Subsidy:</b> | <ul style="list-style-type: none"> <li>• Structured the same as RemodelNY</li> <li>• Up to \$20,000 (with same terms as DPAL above) available for home repairs to be provided as work is completed after closing.</li> <li>• SONYMA will administer the funds.</li> <li>• If additional funds are needed for property repair, borrowers can use outside grant programs and/or SONYMA’s RemodelNY Program to finance the remaining repairs.</li> <li>• Subject to possible recapture.</li> </ul>   |
| <b>Eligible Borrowers:</b>                             | Owner occupants. Borrowers are not required to be first time homebuyers.  |

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| <b>Loan Purpose:</b>   | Purchase Rehabilitation Mortgage  |                       |  |                             |
| <b>Maximum Household Income:</b>   | Up to 150% AMI (See Income Limits sheet for details)  |                       |  |                             |
| <b>Eligible Property Types, Loan Limits, Max LTVs, Minimum Borrower Contribution :</b> | <b>Property Type</b>  | <b>Loan Limit</b>     | <b>Max LTV</b>                               | <b>Minimum Contribution</b> |
|  | 1-2 Units & Condos  | \$484,350             | 97%  | 1% of Purchase Price        |
|  |   | \$484,351 - \$500,000 | 95%  | 1% of Purchase Price        |
|  |   | \$500,001 and above   | 90%  | 3% of Purchase Price        |
| Cooperatives   | Up to \$500,000<br>\$500,001 and above  | 95%<br>90%            | 3% of Purchase Price<br>3% of Purchase Price |                             |
| 3-4 Units  | Up to \$500,000<br>\$500,001 and above  | 90%<br>85%            | 3% of Purchase Price<br>5% of Purchase Price |                             |
| <b>Maximum CLTV:</b>   | None  |                       |  |                             |
| <b>Eligible Communities:</b>   | 1- to 4-family homes in the following <b>eligible counties in New York:</b><br>Albany, Bronx, Broome, Clinton, Dutchess, Erie, Essex, Kings, Monroe, Montgomery Nassau, New York, Niagara, Oneida, Onondaga, Orange, Queens, Rensselaer, Richmond, Schenectady, Suffolk, Sullivan, Ulster, Warren, Washington and Westchester.  |                       |  |                             |
| <b>Purchase Price Limits:</b>  | None  |                       |  |                             |
| <b>Pre-Closing Homebuyer Education &amp; Counseling Requirements:</b>                  | Face-to-face counseling from a HomemartNY member counseling agency required for all loans. Up to \$500 may be reimbursed after closing for the homebuyer counseling fee. For more information, <a href="#">click here</a> .   |                       |  |                             |
| <b>Credit Underwriting:</b>  | <p>Standard SONYMA underwriting guidelines apply except as below:</p> <p>Exceptions granted for borrowers with prior foreclosure or short-sale specifically related to financial crisis. Borrower must document:</p> <ul style="list-style-type: none"> <li>• Reason for loss of home <ul style="list-style-type: none"> <li>▪ Job loss or job downsizing</li> <li>▪ Substantial change in payment</li> <li>▪ Relocation or other circumstance requiring sale of home that was underwater due to decreased property values.</li> </ul> </li> <li>• <b>36</b> months re-established credit with no late payments and a 12-month housing reference</li> <li>• Mortgage paid as agreed until delinquency caused by financial crisis</li> </ul> <p>Lender must be satisfied that the borrower's pre-crisis credit management demonstrates the borrower's willingness and ability to make the payments on the new mortgage obligation.</p> |                       |  |                             |
| <b>Consultant Requirement:</b>   | The scope of work to be completed on the home must be completed by a HUD or SONYMA approved consultant.   |                       |  |                             |

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| <p><b>Contractor Requirements:</b></p>  | <ul style="list-style-type: none"> <li>• If the subject property was constructed prior to 1978 and there is lead based paint remediation, more than 6 square feet of painted space being disturbed, or the windows are being replaced, the contractor must be Lead Based Paint Certified, per EPA regulations.</li> <li>• If there is mold remediation, the contractor must be certified to perform such work.</li> <li>• If there is asbestos removal, the contractor must be certified to perform such work.</li> <li>• Contractors should be licensed to perform any work requiring licensing.</li> <li>• Contractors should provide their liability insurance policy (in an amount no less than the loan amount).</li> </ul>   |
| <p><b>Eligible Improvements</b></p>   | <ul style="list-style-type: none"> <li>• <b>Any outstanding health and safety items, building code violations or structural items must be addressed</b></li> <li>• <b>Plumbing.</b> Installation of new plumbing fixtures is acceptable, including interior whirlpool bathtubs.</li> <li>• <b>Repair or Reinstallation of Well and/or Septic System.</b> Work must be complete prior to beginning any other repairs to the Eligible Property. The reinstallation or the repair of an existing well is allowed provided there is adequate documentation to show the well will produce a sufficient amount of potable water for the occupants. Work must be completed in accordance with applicable local health and building codes, ordinances, and requirements.</li> <li>• <b>Roofing, Gutters and Downspouts.</b></li> <li>• <b>Flooring, Tiling and Carpeting.</b></li> <li>• <b>Repair of Termite Damage.</b></li> <li>• <b>Energy Conservation Improvements.</b> New double pane windows, steel insulated exterior doors, insulation, solar domestic hot water systems, caulking and weather-stripping, etc.</li> <li>• <b>Landscape Work and Site Improvement.</b> Patios, decks and terraces that improve the value of the property or are required to preserve the property from erosion. The correction of grading and drainage problems is also acceptable.</li> <li>• <b>Tree removal</b> is acceptable if the tree is a safety hazard to the property.</li> <li>• <b>Repair of existing steps, walks and driveway</b> is acceptable if it may affect the safety of the property.</li> <li>• <b>Repair of exterior decks, patios, porches and fences.</b></li> <li>• <b>New walks and driveways</b> are also acceptable.</li> <li>• <b>Improvements for Accessibility to a Disabled Person.</b> Remodeling kitchens and baths for wheelchair access, lowering kitchen cabinets, installing wider doors and exterior ramps, etc.</li> <li>• <b>Installation of appliances.</b> Stove, refrigerator, dishwasher, washer, dryer, and microwave.</li> <li>• <b>Repair of an Existing In Ground Swimming Pool.</b> The repair of an in-ground swimming pool, not to exceed \$1,500. Repair costs exceeding the \$1,500 limit must be paid into the contingency reserve fund by Mortgagor.</li> </ul> |
| <p><b>Post-Closing Early Delinquency Intervention Counseling Requirements</b></p> | <p>Required in the event of a delinquent (1 x 60) mortgage payment post-closing.</p>   |

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| <b>Special Circumstance for Purchase of a Vacant Property Renovated and being sold by a Municipality or Nonprofit</b> | <p>NRP funds may be used entirely for down payment assistance to purchase vacant properties that have been renovated and sold as-is by a nonprofit agency or municipality.</p> |
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| <b>APPLICATION PROCESS</b>   |
| <ol style="list-style-type: none"> <li>1. Homebuyers must be under contract to purchase a vacant home in an eligible community;</li> <li>2. Homebuyers must apply through a SONYMA participating lender</li> <li>3. If approved by SONYMA participating lender and MI Company, lender can work with SONYMA to procure DPAL and Renovation funds prior to closing.</li> <li>4. Borrowers meeting requirements for SONYMA traditional bond programs should use traditional program disclosures at borrower application.</li> </ol> |

For more information, contact SONYMA’s Customer Service Center by calling (800) 382-HOME (4663), emailing [sherri.eckles@nyshcr.org](mailto:sherri.eckles@nyshcr.org), or by visiting the SONYMA website at