

Virginia Neighborhood Stabilization Program Frequently Asked Questions

The Virginia NSP will focus investments in neighborhoods that can be significantly impacted through a defined revitalization strategy. Emphasis will be placed on projects that retain the fabric of the existing neighborhood. **It is the intent of the Virginia NSP to ensure that projects will not significantly change the preexisting nature, characteristic, or stability of that neighborhood.**

Priority is placed on projects that provide homeownership opportunities for eligible clients. Proposals that contain a rental component will be evaluated on a case-by-case basis.

Please check back frequently for updates.

NEW!

- 1) **1) The Virginia DHCD limit of \$25,000 to complete rehab will not be enough in certain counties due to the age of the properties. Will this be increased or can exceptions be allowed?**

The original \$25,000 limit has been revised as follows.

- If the home was built after 1978; maximum NSP funded rehab \$25,000
- If the home was built prior to 1978
 - Lead based paint inspection- negative result- NSP funded rehab \$25,000
 - Lead based paint inspection-positive result– NSP funded rehab \$45,000*
- Lead based paint inspections must be performed by licensed paint inspector/risk assessor

** the increase in rehab costs must be recoverable during resale*

Should your agency wish to discuss a case by case exception on individual housing units; please contact our department. Please keep in mind that other sources of funding should be investigated. This would include CDBG or other HUD programs (particularly if you are working in an entitlement community); financing from your partner lending institutions; HUD rehab programs such as the FHA Title I Improvement Loans, and potentially, the Virginia Supplemental Loan program. The Supplemental Loan program is administered by DHCD, is currently only available in limited areas of the state, and can only serve LMI (80%) households. Contact DHCD for further information.

It is imperative to keep in mind that: 1) under no circumstances may you over improve the house for that neighborhood 2) These homes **may not** be sold at a net loss to DHCD.

NEW!

- 2) **Has the discount policy changed in Virginia as a result of the HUD Bridge Notice?**

The minimum individual discount requirement has been lowered on acquisitions. The discount has been lowered to a minimum of 1%; however DHCD continues to recommend negotiating a 5-15% discount on acquisitions. The final homebuyer may have difficulty

qualifying for a mortgage where the property was acquired at a 1% discount off “as is” appraised value plus the additional cost of rehab. Grantees are encouraged to negotiate with lenders to obtain price reductions commensurate with the avoided costs of holding, marketing and selling the homes. DHCD will begin offering a match program based on the acquisition discount negotiated. DHCD will provide a dollar-for-dollar match on any negotiated discount, up to 10%, by allowing these funds to be left in the property and not returned as program income. In turn this will ease the burden of mortgage qualification on your homebuyer.

3) If our agency wishes to purchase one or two foreclosed homes now prior to receiving notification of grant approval; can we eventually use our grant funds to reimburse our agency?

Your agency can not be reimbursed for any expenses without prior approval from DHCD. Pre- authorization is provided on a case by case basis; please contact DHCD for pre - authorization procedures. Note that one condition for any prior-authorization request is that the Environmental Review is complete.

NOTE: HUD appears to have made a recent determination that a foreclosed property acquired by a nonprofit or other local partner with non-NSP funds is no longer eligible for NSP funding as a foreclosed property because it is no longer “foreclosed”.

4) Our agency is working towards submitting a competitive proposal in July and we have a question on the 25/50 strategy. Since these grant funds are recycled do we need to meet the 25/50 strategy on every round of recycled funds or just the initial round?

The 25/50 strategy was developed for the initial round. DHCD received \$38.7 million in NSP funds during the initial funding outlay. From this initial funding DHCD must ensure 25% of the funds be expended for housing individuals and families whose incomes do not exceed 50% of the area median income.

5) Our locality has partnered with area non profits that are very proficient at reaching potential homebuyers in the 30-80% AMI bracket. How do you suggest we reach the 80-120% AMI clients who may be interested in an NSP home?

Marketing to the general public is **key** to developing a homebuyer waiting list with all income brackets. DHCD suggests you notify the county schools, local county employees, police, fire and rescue, hospitals, and large corporations/ businesses in your area. These institutions may be able to insert a printed note in with employee’s paystubs. However please remember to adhere to all Fair Housing and Equal Opportunity Laws in advertising the NSP. Targeting or exclusionary tactics may not be employed. The grantee will need to demonstrate that the pool of homebuyers does not greatly deviate from the area’s racial and ethnic demographics. Follow these direct campaigns with PSA’s on the radio, local newspapers, and websites (non profits, county governments, chamber of commerce, churches, community calendars). Print flyers and deliver them to PTA meetings, local churches, day care centers and businesses. Be Creative.

6) We submitted a list of stakeholders for our management team; however DHCD has asked us to identify other individuals for the management team positions. Why?

The management team is critical to the success of your local NSP. DHCD will facilitate team development by requesting additional members or a change of members to your management team if we feel this becomes necessary.

Example – Your management team lists the Director of the Non profit as the rehab specialist but the non profit employs an actual rehab specialist on staff. The rehab specialist is preparing the scope of work, write ups, and inspections. He/ She then reports to the Director who then reports to the management team. In this case, the rehab specialist should also be on the team. DHCD requires that the individual viewing the properties, writing the reports and inspecting the contractors work to physically sit on the management team. The management team may need to ask questions specifically concerning this property and the rehab specialist will have expert knowledge of each unit. The management team structure allows for others to sit on the team as long as the fundamental positions are filled. Therefore the Director of this non profit may also sit on the management team, but not in the role of the rehab specialist.

7) As a Grantee we have extensive experience in rehabbing homes for low income rental units; however we have limited experience in reselling these homes. Our management team prefers to use a Realtor to help show the homes, order inspections, and write the sales contract. If we enter into an agreement with a Realtor for these services how will DHCD view this fee for service arrangement?

DHCD will allow the use of a Realtor on the resale of the home; however the agreement must disclose a reasonable flat fee per home. Remember you are already supplying the home and a list of buyers to the Realtor; therefore full commission should not be expected. A Realtor Resale Fee will be a written agreement with one or more agents that the management team has approved through procurement. Your agreement must clearly define the Realtor's role in the resale of the home and what their duties include: providing a lock box, showing the home to potential pre approved LMMI applicants, preparing the sales contract, ordering the home inspection, meeting the appraiser, and other duties as may become necessary. In order to avoid a conflict of interest the Realtor who agrees to participate in the localities management team must have a Realtor Resale Fee agreement in place if the Realtor wishes to show these homes for the locality and collect fees. If the Realtor is performing these services on a strictly free and voluntarily basis and they do not stand to gain any benefit from, a simple signed statement from the Realtor will suffice.

Your locality may choose to add this as a line item in your administrative budget or the locality may pay the Realtor Resale Fee through the program delivery fees. This fee will not be added to the sales price to recoup from the new homebuyer nor will this fee be considered a closing cost.

Remember, a Realtor is recommended during the acquisition phase as the sales negotiations with the REO asset department/ bank can become extremely involved. The Realtor should be paid by the REO asset department as part of the acquisition. The Realtor will be responsible

for gaining entrance to the property for the initial viewing, inspections, and the “as is” appraisal. The Realtor will prepare the sales contract with the correct discount, financing contingencies, inspection contingencies, and closing time frames required under the Virginia NSP.

- 8) In preliminary research our locality has determined that all 8 properties we are interested in have 2nd trusts, medical judgments, or liens still attached to the property. In an earlier FAQ DHCD advised to avoid cloudy title, are we to walk away from all 8 properties?**

This is a clarification to the earlier FAQ concerning cloudy title. In the state of Virginia when a home is foreclosed the bank/lender hires a substitute trustee to perform due diligence concerning remaining interest in the property. The substitute trustee notifies all other lien holders that a foreclosure is eminent. The remaining lien holders have the option to come forth and pay off the first trust to protect their lien, although this rarely happens. Once the first trust lien has foreclosed the remaining junior liens are wiped clean*. Due to the volume of foreclosures banks are not removing these liens until the home resells to the new homebuyer. The title company will require the substitute trustee to sign a certification stating due diligence was performed. This permits the title company to remove these junior trusts/liens at closing. The lender’s deed to the new homeowner should also state that the title is free and clear of all liens.

**Certain mechanics liens and tax liens may survive the foreclosure*

- 9) Our locality has decided to work with a non profit to meet the 25/50 requirement of the NSP. This local non profit has presented an outline to the management team for 25% of our foreclosed property acquisitions to be used for 50% AMI applicants. However these properties would not be for resale but they would be used as supportive housing. Can DHCD provide additional guidance on this subject?**

DHCD considers supportive housing as the top priority for meeting the 25/50 requirement. As part of the review, DHCD will evaluate the planned staffing, operation, and maintenance, expected revenues and expenses, rent structure, and other supporting financial documents to determine the appropriateness and level of NSP support, along with the need and demand for the proposed project. Targeted properties must still be eligible under NSP and meet the foreclosed and /or abandoned requirements.

Any locality who wishes to have supportive housing in their proposal should contact a DHCD representative for additional technical assistance. All Virginia NSP proposals containing a rental component must be underwritten through risk analysis to determine what must be returned to DHCD as program income and what funds can be left in the project.

- 10) Our local government already has EDI (Electronic Data Interchange) information on file with the Department of Accounts for other CDBG programs. Do we need to update information with DHCD or will this information transfer over to our NSP grant?**

Your locality does not need to submit a request for a separate suffix number from the Department of Accounts to receive your funds through EDI, if you will use the same bank

account, AND all NSP revenue/expenditures will be identified and recorded separately in your accounting system. However if you are opening a separate checking account for NSP funds or do not have EDI information on file, then your locality will need to submit the required forms available at www.doa.virginia.gov.

11) What constitutes a neighborhood?

Applicants will need to explain why the selected neighborhoods were targeted and how the area was defined. DHCD has not set a minimum number of homes that must be included in a proposed neighborhood; however, applicants should seek to target neighborhoods that have at least 10 percent of the housing units, properties, or structures that meet the approved definition of foreclosed or abandoned. There must be a sufficient number of total and eligible houses to constitute a neighborhood and provide a basis for impact on a real estate market. In the application, the targeted properties (addresses) must be included along with a discussion of how these properties are eligible under the program.

12) What program elements are necessary for a proposal?

Applicants are expected to have in addition to other elements as outlined in the RFP:

- Targeted neighborhoods and methodology for how the selection was made
- Acquisition and rehab strategy
- Leveraged funding strategy
- Pool of *qualified* clients who want to live in the targeted neighborhoods
- Property transfer strategy (for example, available mortgage financing, operation plan for rental / transitional housing)

13) At what point will NSP funds be made available for acquisition?

Once a proposal is approved and targeted properties have been determined as eligible under this program, DHCD will make NSP funds available to complete acquisition. However, applicants are expected to demonstrate they have access to a pool of interested, qualified clients. Please note that all properties targeted for acquisition may not be approved at once. DHCD will consider the applicant's redevelopment and disposition track record when evaluating requests for acquisition funding; the intent is to bring these properties back onto the market quickly and find clients that are prepared to move-in.

14) How much is available to operate this program?

Administration costs are limited to 4.68%* of the total NSP grant awarded to a successful applicant. NSP funds for Planning Grants are considered administrative and a grantee may not use any of these funds for general administrative activities. Administrative costs may be modified during the contract negotiation phase. If the applicant has an approved Program Income Plan that will continue the same activity in the same location, up to 8% of the Program Income generated will be available for administrative purposes.

* Administration allowance of 5% of Virginia award, less \$125,000 that is available for Planning Grants.

Program Delivery costs includes all costs associated with the implementation of the NSP. Program Delivery costs do not include:

- The cost of administering the project*,
- The cost of the actual NSP activities*, or
- Any cost that is ineligible for NSP funding.

* These costs are eligible under other budget line items (i.e. administrative, rehab, acquisition, etc)

The cost of appraisals is not a delivery cost, it is a closing cost

All Program Delivery fees are performance based and will be limited to a maximum based on the scale below.

Single Family Owner Occupied Program Delivery Eligible Expenses:

	<i>Single Family Detached Dwelling</i>	<i>Single Family Attached Dwelling (2-4 units)</i>
<i>Acquisition / Not to Exceed</i>	\$ 5,000 per unit / N/A	\$ 3,000 per unit / Not to Exceed \$ 10,000
<i>Rehab Specialist / Not to Exceed</i>	10% of NSP rehab cost up to \$ 2,500 per unit	10% of NSP rehab cost up to \$ 2,500 per unit
<i>Eligible Homebuyer Commitment</i>	\$ 5,000 per household	\$ 5,000 per household (homeowner only)
<i>Occupancy Bonus</i>	\$ 2,500	\$ 2,500
<i>Maximum / Unit</i>	\$ 15,000	\$ 13,000

Please note:

- Acquisition expenses may be requested in a lump sum after the closing on the property is complete and the grantee or its agent receives title to the property.
- Rehab Specialist expenses may only be requested in a lump sum after all rehabilitation work is complete unless it is scheduled differently in a pay-for-performance budget.
- Eligible Homebuyer Commitment expenses may be requested when a contract is executed for the purchase of a property. Grantee will only be able to request this one time for a single unit or eligible homeowner and will be responsible for returning the funds if the sale does not close.
- Occupancy Bonus may be requested upon the closing of the sale.

Multi-family properties will be evaluated and negotiated on a case-by-case basis. **DHCD should be contacted early in the process to discuss any potential multi-family projects.** In general, the following program delivery costs will be allowed:

- *Rental Occupancy*: \$2,500, not to exceed \$10,000 per project is available for occupancy of an eligible tenant if no other developer or administrative fees are available.
- *Supportive / Special Needs Housing*: Up to \$5,000 will be available upon acquisition of an eligible building / property. Ten percent of NSP rehab cost up, to \$ 2,500 per unit will be available per project.

Lease purchase situations will result in a modification to the eligibility schedule for program delivery expenses. Program delivery expenses will be reimbursed according to the following:

<i>Lease Purchase</i>	
<i>Acquisition / Not to Exceed</i>	\$ 5,000 per unit / N/A
<i>Rehab Specialist / Not to Exceed</i>	10% of NSP rehab cost up to \$ 2,500 per unit
<i>Lease Purchase Commitment</i>	\$ 3,750 for 1 time per unit
<i>Completed Purchase</i>	\$ 3,750
<i>Maximum / Unit</i>	\$ 15,000

Each individual unit will be eligible to receive the reimbursement of \$3,750 for the first lease purchase commitment only. Applicants will have to consider alternatives for recruiting lease-purchase occupants if additional occupants are needed. The completed purchase reimbursement will be available after the lease-purchaser completes the purchase and closes on the home. In the event the NSP contract is closed prior to the completion of the transfer, the grantee will be able to draw the final \$3,750 for closing at the time of close-out.

15) Are multi-family project eligible under the Virginia NSP?

Multi-family properties will be evaluated and negotiated on a case-by-case basis.

DHCD should be contacted early in the process to discuss any potential multi-family projects

16) What methods are acceptable in defining a neighborhood to obtain the 10% foreclosure target?

Build your neighborhood from the inside out. Your first step will be identifying clusters of foreclosed properties in your locality. From this cluster begin working outward until you have mapped out a justifiable neighborhood. This “neighborhood” may not have standard characteristics; just be able to justify your boundaries. Project areas should, however, have clear boundaries from a logical rationale. While your “neighborhood” may be a subset of a traditional subdivision in the city, streets, geographic boundaries or other means should be used to define the boundaries. You should not attempt to define the neighborhood with jagged boundaries that results from trying to pick only eligible properties.

Example - Your agency identifies 7 homes within 2 blocks all in the \$100-150k range; begin by identifying this cluster and work outward. One block to the north the homes increase in size, value & age. Three blocks to the south the homes decrease in size, value & age, work within those bounds to identify your “neighborhood” of like homes.

17) If the goal is to raise neighborhood values, isn’t this program counterproductive if the homes are not sold at a profit. Won’t you be devaluing all other homes within that neighborhood?

This is a statutory requirement to sell the home at acquisition cost plus rehab. The goal of NSP is neighborhood stabilization. Therefore if we can stop the neighborhood from declining *further*, eventually the healthy neighborhood should rebound.

18) With markets continually changing when do key items have to be met? 1) Appraisal to purchase from bank 2) 10% foreclosure target

The appraisal must be dated within 60 days of the sales contract to purchase the home from the bank/ mortgage company. This must be an “as is” walk through interior appraisal and

take into account damage and significant need for rehabilitation or repair. The report will be consistent with the Uniform Standards of Professional Appraisal Practice (USPAP), the Supplemental Standards Rule and the Jurisdictional Exception Rule of USPAP where applicable.

Applicants should seek to target 10% when submitting a Proposal to DHCD. DHCD realizes markets are consistently changing and that this target can change after submission.

19) Can an applicant use funds from their VIDA account towards a home purchase?

Yes.

The Virginia Individual Development Accounts (VIDA) program is a special savings account program that triples your savings: VIDA matches \$2 for every \$1 you save in a VIDA account. Matching funds are limited to \$4,000 per participant with a maximum of two participants per household. The combined savings can be used to buy your first house.

To learn more about the VIDA program please visit our website at www.dhcd.virginia.gov ; click on the Homelessness to Homeownership tab; and follow the link to VIDA.

20) If the bank's REO department requires an EMD (earnest money deposit); how will these funds be paid?

When submitting a sales contract the REO department will require an EMD. These funds are a deposit until the sale of the home is complete and will then be applied towards closing. The localities are encouraged to cover the EMD and be reimbursed with NSP monies for the acquisition. However, DHCD recognizes that pre-authorization for the EMD may become necessary for some localities. Contact DHCD for further information

21) Can repairs or upgrades exceed HQS?

DHCD Housing Quality Standards are the *minimum* standards required. When the home requires updates above HQS and these updates are *in line* with the neighborhood then you may upgrade the home. This rehab may not exceed the defined limits. Be careful not to *over improve* the home. DHCD recognizes the issue of vandalism with regard to the foreclosed properties. NSP allows items to be repaired/replaced due to vandalism but these items must remain within the prescribed cost limit. Exceptions due to extreme situations may be evaluated provided documentation can support the claims.

Examples of upgrades: Energy Star appliances, double pane windows, increased insulation, energy efficient hot water heater, etc.

22) In older homes a home inspector or appraiser will require additional inspections such as a structural engineering report; how will these be handled under the Virginia NSP?

DHCD recognizes that additional reports are required on certain homes for financing contingencies, etc. If an additional report is required this *will not* be a closing cost and will need to be handled within delivery fees.

23) Can a home warranty be included in the transaction to entice a potential homebuyer?

Yes, a homebuyers warranty can be included in the transaction and treated as a closing cost. The terms should be discussed with DHCD in advance.

24) Will the Virginia NSP allow manufactured homes?

DHCD will allow manufactured housing as long as the property is taxed as *real estate* and not personal property.

25) As a locality that has purchased and rehabbed a home in a neighborhood where values are continuing to decline, are we now liable for the difference between NSP funding/rehab costs and eventual sales price to new homeowner?

DHCD will require documentation of said loss due to market conditions through comparables, appraisals, etc. The net loss to DHCD will require written approval. Acceptable forms of documentation and market conditions will be addressed within the NSP manual. You will also be required to submit documentation regarding how the property has been marketed.

Note: DHCD will not accept a loss on property that was over improved for the neighborhood due to extensive rehab/upgrades.

26) Our locality has reviewed several foreclosed properties, however we are concerned we can not find a substantial cluster of foreclosures that will meet the 10% target. Maybe we should not apply.

DHCD's intent is to apply the NSP to localities with greatest need. If you can identify the areas of greatest need within your neighborhoods and this cluster does not meet the exact 10% target rate, please go ahead and send in the proposal or contact our staff with your locality's unique situation.

27) How will the Environmental Review process work?

Virginia's priority activities for the NSP are: **acquisition, rehabilitation, financing mechanisms and sale of abandoned or foreclosed residential properties.** We see these activities as **Categorically Excluded subject to 24 CFR 58.35(a) (3) (i) and (3) (ii).**

DHCD will be the Responsible Entity for the state program, excluding entitlement areas who will amend their current Environmental Review Record to include the additional NSP activities or prepare a new ERR.

The DHCD ERR will cover the above activities for non-profit sub-grantees, redevelopment and housing authority sub-grantees, planning district commission sub-grantees, and non-entitlement local government sub-grantees.

With DHCD as the Responsible Entity – DHCD will:

1. Draft the Environmental Review Record pending comments.
2. Run Notice of Intent to Request Release of Funds (allow 7 day comment period)
3. Submit RROF to HUD (allow 15 day objection period)
4. Require the sub-grantee to prepare a Statutory Checklist for each individual house and for those homes 50 years or older, prepare the DHR review form.

With local government (entitlement) as the Responsible Entity – the steps are as follows:

1. Amend or Prepare an Environmental Review Record
2. Submit Request for Release of Funds to DHCD (allow 15 day objection period)
3. Prepare a Statutory Checklist for each individual house with DHR consultation on those over 50 years old.

28) In reviewing some foreclosed /abandoned homes our locality has seen other liens on title. Can NSP funds be used to pay “back taxes,” clear tax liens, mechanics liens, code enforcement fines, etc. if they are associated with acquisition costs?

NSP funds can not be used to pay back taxes if the locality that is purchasing the property levied those taxes to begin with. The locality must waive the back taxes or pay them from other leveraged funds. Other liens may be paid under NSP guidelines on a case by case basis, please check with DHCD. However please keep in mind that clearing *clouded* titles can be a costly and time consuming proposition. NSP is designed to be a fast paced innovative program with an 18 month timeframe. Should you encounter a title mired in legal issues or liens, DHCD strongly encourages you to move on to another acquisition.

29) If our waiting list of potential homeowners has a few applicants who currently or previously have owned a home, would it still be necessary for the applicant to complete homebuyer counseling to participate in the Neighborhood Stabilization Program?

Yes, all applicants who wish to participate in the Neighborhood Stabilization Program must complete the homebuyer counseling requirement.

30) What type of homebuyer counseling is acceptable under the Neighborhood Stabilization Program? Who can counsel the prospective homebuyer?

The prospective homebuyer is required to attend counseling through a HUD approved counseling agency (including VHDA sub grantees) with a Certified Housing Counselor. The 8 hour counseling requirement can be accomplished using classroom style, individual (one on one) or a combination of both. Online classes will not be permitted. VHDA’s *Introduction to Homeownership* will meet this requirement.

31) If the seller of a foreclosed home will not agree to the discount price, can our locality use local funds to cover the difference, thereby using only NSP funds for the “discounted” portion of the sales price?

No. Title III of the Housing and Economic Recovery Act of 2008 requires that any property purchased in whole or in part with NSP funds must be purchased at a discount, regardless of the sources of the money.

32) We have targeted a total of 18 homes in 3 neighborhoods within our locality. Will DHCD provide NSP funding to purchase all 18 within the same time frame (first 60 days of contract)?

DHCD does not expect to allow an applicant to purchase all targeted/identified units at once; we need *reasonable assurance* that properties will be sold before a significant number can be acquired. During contract negotiations an initial targeted number of properties will be discussed with each individual locality based on their capacity and proven track record to acquire, rehab, and resell these properties in an acceptable timeframe.

33) Our locality is working on an open submission package that will include a mix of homeownership and rental properties. Can you provide additional guidance on the Virginia NSP’s policy on long term rental?

Our primary focus within the NSP is to promote homeownership through neighborhood stabilization. This will be accomplished through the acquisition of foreclosed property, the rehab of this property and the *resale* to a homebuyer. A lease –to-purchase may be acceptable if the lessee purchases the property within the prescribed timeframe (not to exceed 3 years). The lessee will need to demonstrate capacity to purchase the home within the prescribed timeframe (income, credit, homeownership counseling, homeownership education, and savings).

We expect that rentals will only be a component in helping achieve the 25/50 requirement. Please keep in mind that the rental units in your proposal must be consistent with neighborhood characteristics, and that the applicant should understand that any rental component will be underwritten. As part of the application, there must be a clear discussion of how rents were determined and why these are appropriate.

34) Our locality would like to use NSP funds to help our potential homeowners with closing cost assistance. According to the RFP the NSP funds used for closing costs will be considered program income and need to be returned to DHCD. Can you elaborate on this statement; are you requiring 100% of the closing cost to be returned or a predetermined portion?

DHCD is issuing a clarification on this section of our RFP. DHCD will continue to allow NSP funds to be used for closing cost assistance. If the closing costs are \$5,000 or less then the amount *is not* required to be returned to DHCD and is immediately forgiven. Should the

closing costs exceed \$5,000 then the difference between the forgivable first \$5,000 and the total closing costs will be recorded as a soft second with 0 interest and no payments expected. DHCD has set a maximum of \$10,000 for closing cost assistance per unit with a 10 year term of affordability. (See example below)

Acquisition from REO	\$ 155,000.00
Rehab	\$ 20,000.00
NSP Sales Price	\$ 175,000.00
Closing Costs	\$ 11,700.00
NSP Pd Closing Costs	\$ 10,000.00
Borrower Pd/ Seller Pd	\$ 1,700.00

NSP Paid Closing Costs	\$10,000.00
1 st 5k forgivable	- \$ 5,000.00
2 nd Deed of Trust	= \$ 5,000.00