

Good Neighbor Next Door Sales Program

<u>PURPOSE</u>	to improve the quality of life in distressed urban communities.
<u>OVERVIEW</u>	<ul style="list-style-type: none"> • Enables a full-time law enforcement officer, teacher, or firefighter/emergency medical technicians to purchase a specifically designated HUD-acquired home • At a 50 percent discount from the list price; • Property must be located in a revitalization area • Successful bidder is selected by random lottery • Offers must be submitted through real estate brokers
<u>PURCHASER QUALIFICATIONS</u>	<ul style="list-style-type: none"> • Law enforcement officer • Teacher • Firefighter/emergency medical technician • Good faith intent to remain in employment status for one year • Earnest money • Fulfill owner occupancy period • No residential real property ownership for 1 year preceding offer submission date by either spouse • No prior participation in program by either spouse. • Only one spouse may purchase
<u>LAW ENFORCEMENT OFFICER</u>	<ul style="list-style-type: none"> • Employed full-time by a law enforcement agency of the federal government, a state, unit of general local government, or an Indian tribal government; and • In carrying out such full-time employment, the person is sworn to uphold, and make arrests for violations of, federal, state, tribal, county, township, or municipal laws.
<u>TEACHERS</u>	<ul style="list-style-type: none"> • Employed as a full-time teacher by a state accredited public school or private school that provides direct services to students in grades pre-kindergarten through 12; and • The public or private school where the person is employed as a teacher serves students from the area where the home is located in the normal course of business.
<u>FIREFIGHTER/EMERGENCY MEDICAL TECHNICIAN</u>	<ul style="list-style-type: none"> • employed full-time as a firefighter or emergency medical technician • by a fire department or emergency medical services responder unit of the federal government, a state, unit of general local government, or an Indian tribal government • serving the area where the home is located.
<u>EARNEST MONEY</u>	<ul style="list-style-type: none"> • Required • 1% of list price, but no less than \$500 and no more than \$2,000.
<u>OWNER-OCCUPANCY TERM</u>	<ul style="list-style-type: none"> • 36 months • Starts on 30, 90 or 180 days from closing according to property condition
<u>INTERRUPTION OF O-O PERIOD</u>	<ul style="list-style-type: none"> • Permitted if the interruption is necessary to prevent hardship as determined by HUD • Requires request in writing received 30 days or more from desired vacation date • Agrees to resume occupancy
<u>SPECIAL FHA FINANCING INCENTIVES</u>	<ul style="list-style-type: none"> • Finance all reasonable and customary closing costs • Downpayment of \$100
<u>FINANCING LIMITATIONS</u>	<ul style="list-style-type: none"> • Conventional financing may not exceed discounted sales price

	<ul style="list-style-type: none"> • FHA financing limited to discounted sales price plus closing costs plus rehab costs if 203(b) or 203(k) used.
<u>SUBORDINATE MORTGAGE</u>	<ul style="list-style-type: none"> • Required • Must equal 50% of the list price • 36 months term • Self-amortizes monthly • Pro rata balance due for non-compliance computed from month of violation
<u>REFINANCING</u>	<ul style="list-style-type: none"> • Permitted with restrictions • 95% LTV including balance of subordinate mortgage
<u>REFINANCING PURPOSES</u>	<ul style="list-style-type: none"> • Will result in a lower annual percentage rate (APR) on the first mortgage; • Will be undertaken pursuant to HUD's Section 203(k) Rehabilitation Loan Insurance Program in order to rehabilitate or repair the home; or • Is necessary to prevent the law enforcement officer, teacher, or firefighter/emergency medical technician from defaulting on the first mortgage.
<u>MULTI-UNIT PROPERTIES</u>	<ul style="list-style-type: none"> • No
<u>POST-PURCHASE OBLIGATIONS</u>	<ul style="list-style-type: none"> • Continue to own, and live in as his/her sole residence, the home purchased through the GNND Sales Program; and • Certify initially and once annually thereafter during and at the conclusion of the owner-occupancy term that s/he was at all times fully in compliance with paragraph (a) of this section.