

Frequently Asked Questions (FAQ) about The Neighborhood Stabilization Program (NSP)

Where do NSP funds come from?

NSP is a program that originated with the U.S. Department of Housing and Urban Development (HUD) under the Housing and Economic Recovery Act (HERA) of 2008. In the fall of 2008 HUD allocated by formula funds to State Housing Agencies and some larger municipalities which became NSP-1 Grantees. The Grantees established their own state or local programs based on rules promulgated by HUD. Under NSP-2 additional funding was allocated by a competitive process under the American Reinvestment and Recovery Act (ARRA) of 2009 and by formula. In 2011 NSP-3 was allocated to states under a formula process.

How are NSP funds distributed or allocated within the State of Oregon?

To find out how NSP funds were allocated under each of the three phases of NSP funding read the sections on the main NSP webpage with the header "Background and Status". Generally, funds are allocated to cities, counties or non-profits who establish their own programs for utilizing NSP in their local jurisdictions.

If I'm looking for financing to buy a home can I access NSP assistance?

NSP assistance for homebuyers may be available in the form of down payment loans that are interest free and repayable in full at the sale of a property, refinancing or transfer of title to a third party. To find out if NSP funds are available in the area you are seeking to purchase a home you should contact the city, county or non-profit in the area that administers the program. However, you should be aware that NSP-1 and NSP-2 funds are largely expended in most jurisdictions. You should check with your local jurisdiction to see if any funding is still available. NSP-3 funds were awarded in May of 2011 and local programs will begin implementation in the fall of 2011. For current information on NSP-3 see ***NSP-3 Background, Status and Participating Jurisdictions*** on the main NSP webpage.

Can NSP funds be used for the purchase of any home?

No, NSP funds may only be expended on properties that are either foreclosed or abandoned or in some cases in the process of undergoing a short sale. Further, the home must be in a HUD designated NSP target area. Contact your local participating jurisdiction for property eligibility status.

Where or which neighborhoods is NSP financial assistance available?

Each phase of NSP has specific target areas where NSP funding may be expended on qualified foreclosed or abandoned properties. To find out the geographic location of these target areas you should contact the city, county or non-profit entity that has been designated to administer NSP funding for the location you are looking to purchase a home. You can find out which jurisdictions have NSP funding by reading Background and Status information on the main NSP webpage.

What does it mean if NSP funds are obligated or committed to a project?

A jurisdiction administering NSP funds obligates or commits NSP funds to a specific address for down payment assistance to a home buyer or a loan to a non-profit developer through an application process. In most cases the funds are expended within two to six months after funding commitments have been executed. In rare instances, obligations or commitments may be cancelled if a transaction is not completed. If a cancellation occurs, the jurisdiction with the funds generally obligates the funds to the next project on a waiting list.