# Neighborhood Stabilization Program

## Overview

The **Neighborhood Stabilization Program (NSP)** was developed by the U.S. Department of Housing and Urban Development (HUD) as a response to the proliferation of residential foreclosures that have adversely affected the housing market and greater economy over the last few years. There are three phases of NSP funding and each phase is described in more detail below. The purpose of NSP is to stabilize neighborhoods with high inventories of foreclosed residential properties by providing a financial incentive to homebuyers and qualified non-profit developers. Oregon Housing and Community Services (OHCS) is the primary grantee and administrator of NSP funds in the State of Oregon. OHCS allocates NSP funding to various cities, counties and non-profit developers via either a formula basis or by competitive applications.

**NSP-1** was created under Federal Legislation known as the Housing and Economy Recovery Act of 2008 (HERA). Oregon Housing and Community Services (OHCS) received an award of $19,600,000 that was allocated to various cities, counties, non-profit and housing authorities. As of September 16, 2010 100% of NSP-1 funds were committed to projects in eligible target areas throughout the state.

**NSP-2** was created under Federal Legislation known as the American Reinvestment and Recovery Act of 2009 (ARRA). Oregon Housing and Community Services (OHCS) and the Cities of Bend, Medford and Salem and the Counties of Clackamas and Washington applied for NSP-2 as a Consortium on a competitive basis to HUD Headquarters in Washington D.C. OHCS and its Consortium members were awarded $6,829,635 in NSP-2 funds. In January of 2011 the City of Salem dropped out of the Consortium and its funds were reallocated to other Consortium members. Currently, all members of the Consortium have committed their funds to projects. As a result, no participating jurisdictions are accepting applications for funding.

**NSP-3** was created under Federal Legislation known as the Dodd-Frank Wall Street Reform Act. OHCS was awarded $5,000,000 in NSP-3 funds in January of 2011, 100% of the NSP-3 Funds have been committed. NSP-3 similar to NSP-1 and NSP-2 provides down payment, closing cost and minor rehabilitation financial assistance to home buyers with household incomes below 120% of the area median income. Homes purchased with NSP-3 must be foreclosed or abandoned.

## For more information, please contact:

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Funds have been committed