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NEWS RELEASE

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FIRST-TIME HOMEBUYERS CAN NOW APPLY TO BUY FORECLOSED PROPERTIES IN THE CITY OF SAN DIEGO

*San Diego Housing Commission's
Neighborhood Stabilization Homeownership Program now accepting applications*

SAN DIEGO, CA – The pre-approval application process is now open for first-time homebuyers seeking to purchase foreclosed properties in the City of San Diego through the San Diego Housing Commission's (SDHC) Neighborhood Stabilization Homeownership Program (NSHP).

"During these difficult economic times, it is welcome news to offer this first-time homebuyer program to San Diegans who are financially stable and who have been waiting a long time for an opportunity of this kind," said Rick Gentry, President & CEO of the San Diego Housing Commission.

NSHP's primary objective is to help a first-time homebuyer from a low-moderate income (Up to 120% Area Median Income) with good credit and the ability to make mortgage payments buy a foreclosed property within the City of San Diego's targeted areas in City Council Districts 3, 4, 7 and 8 from San Ysidro to Miramar.

First-time homebuyers who believe they meet the income requirements for the program are encouraged to contact a certified NSHP lender to assist with the process; or buyers can complete the pre-approval application on their own and deliver it to:

San Diego Housing Commission
Attn: Loan Management
1122 Broadway #300
San Diego, CA 92101

The information and application are also accessible on the SDHC website at www.sdhc.org

How the Program Works:

- A first-time homebuyer is defined as an individual who has not owned a home in the last three years.
- All potential buyers are required to attend an eight-hour homebuyer education class with a SDHC approved class provider. The buyer must attend the class **before** placing an offer on a property. The classes fill up quickly, so any potential buyer considering participating in NSHP should enroll in a class today!

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- Upon receipt of the pre-approval application, SDHC will review and determine the buyer's eligibility and issue a pre-approval letter that can be submitted with the purchase offer using NSHP.
- SDHC will provide eligible buyers with a 0% interest deferred payment loan up to 17% of the sales price to assist in purchase of the home. No payments are required for 30 years, unless the property is sold, refinanced or not owner occupied, at which time the loan must be repaid. A minimum of 3% down payment from buyer's personal funds is required.
- SDHC will provide eligible buyers with a closing cost assistance grant up to 3% of the sales price. After six years, the grant is forgiven if the homebuyer still resides in the home.
- SDHC will provide eligible buyers with a 0% interest rehabilitation loan up to \$50,000. The rehabilitation loan must be used for repairs related to health and safety, curb appeal, and energy efficiency. Loans up to \$30,000 will be forgiven in 10 years; loans up to \$50,000 will be given in 15 years. If the property is sold, refinanced, not owner-occupied, or if the repairs have not been maintained, the rehabilitation loan must be repaid plus 3% interest.

The financial assistance is made possible through a \$9.4 million federal grant, which was awarded to the City of San Diego in January and is being administered by the San Diego Housing Commission.

About the San Diego Housing Commission:

The San Diego Housing Commission is a public agency working to expand affordable housing opportunities in the City of San Diego. Each year, the agency helps more than 80,000 low-income individuals with affordable housing through award-winning programs that benefit the city's economy and revitalize neighborhoods. The agency also finances affordable housing development and advises the San Diego City Council on housing policy matters.

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