

**Princeton Neighborhood Stabilization Program 2009-2010  
Fact Sheet**

The City of Princeton received grant funds through the Housing & Economic Recovery Act (HERA) to address issues associated with the large number of foreclosed homes in the city limits. These funds will be used to acquire vacant and foreclosed properties within the defined target areas that will either be:

- Rehabilitated (new windows, doors, roofing, siding, etc.) and resold to qualified buyers;
- Demolished and redeveloped into affordable housing for qualified buyers or tenants;
- Demolished and converted into space for public use.

These funds will also be used to assist qualified buyers with down payments and gap financing, if needed.

**Qualified buyers are:**

- Persons and households with income within the following limit (120% and less than the area median income [AMI].):

Household Size	1	2	3	4	5	6	7	8
Income Limit	\$47,650	\$54,450	\$61,250	\$68,050	\$73,500	\$78,950	\$84,350	\$89,800

Preference will be given to applicants with income below the following limits (50% and less than the AMI):

Household Size	1	2	3	4	5	6	7	8
Income Limit	\$19,850	\$22,700	\$25,500	\$28,350	\$30,600	\$32,900	\$35,150	\$37,400

- Persons and households that have been approved (pre-approved) for a mortgage. These grant funds can not be used to mortgage the home for applicants. Applicants must contact a lender or bank to apply for a mortgage to purchase the property. The pre-approval letter and amount must be supplied at application time. First-time homebuyers can contact Minnesota Housing Finance Agency for first-time homebuyer mortgages at 800-657-3701 or [www.mnhousing.gov](http://www.mnhousing.gov).
- Persons and households that have taken an 8 hour HUD approved homeownership training course. Applicants must enroll in a class as soon as possible, as no funds can be committed to the project until this class has been completed. Central MN Housing Partnership (CMHP) offers these classes, contact CMHP at 320-259-0393, or email at [lenee@cmhp.net](mailto:lenee@cmhp.net) or visit their website at [www.cmhp.net](http://www.cmhp.net) to enroll or for more information. Certification of the training must be provided.

**Other Program Information:**

Applicants that purchase a home using down payment assistance through NSP, or a home that has been rehabilitated using NSP funds will enter into an agreement with the City to maintain ownership of the property for a certain period of time (term). The term is dependent on the amount of assistance:

NSP \$\$	Term	Interest Rate	Repayment Requirement
Less than \$15,000	5 years	0%	Decreases 20% each year
\$15,000 to \$40,000	10 years	0%	Decreases 10% each year
More than \$40,000	15 years	0%	Decreases 7% each year

For example, an applicant that received \$5,000 down payment assistance to purchase a home that was rehabilitated with \$20,000 in NSP funds (for a total of \$25,000 in NSP funds) would have to maintain ownership for 10 years, after which the loan would be forgiven and considered a grant. If the property was sold during that term, the loan would have to re-paid back to the City. However, each year that the applicant owns and occupies the home, the loan amount decreases. In the case of the example stated, the loan would decrease 10% each year.

For more information or for an application contact:

**Lakes & Pines Community Action Council, Inc.**

**Energy-Housing Department**

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[www.lakesandpines.org](http://www.lakesandpines.org)

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