

THE STATE OF IDAHO's NEIGHBORHOOD STABILIZATION PROGRAM (NSP1) SUBSTANTIAL AMENDMENT is hereby updated to read as follows:

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C. DEFINITIONS AND DESCRIPTIONS

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities previous description is hereby deleted and amended to read as follows:

Rehabilitation Standards:

Any identified deficiencies will require rehabilitation prior to sale to the homebuyer. Home Inspection reports are required to identify deficiencies based on the following:

- Local code/property standard/ordinances
- 2012 Idaho Residential Code for existing structures
- NSP property standard (HQS)
- IHFA Rehabilitation Standards as outlined in HOME Admin Plan Exhibit C

Page(s) 15/16/17:

G. NSP INFORMATION BY ACTIVITY for Acquisition/Rehabilitation and Resale-Homebuyers

(4) Activity Description When implementing NSP eligible Activity B, Acquisition/Rehabilitation, for Homebuyer Activity is hereby deleted and amended to read as follows:

When implementing NSP eligible Activity B, Acquisition/Rehabilitation, for Homebuyer Activity, by either a Subrecipient or Developer, the GRANTEE shall utilize the Recapture method of affordability by requiring homeownership assistance to the homebuyer, for a minimum of \$1.00, entitled Homeownership Assistance and defined as a "homebuyer subsidy". Homeownership Assistance can be used towards Principal Write Downs and/or Interest Write Downs and or Closing Costs. The required legal mechanism for ensuring the Period of Affordability will be met by securing a second position, Deed of Trust that is recorded against the assisted property. The Deed of Trust shall be evidenced by a Note with zero percent interest, no monthly payments due, that is due on payable on sale, transfer, or failure to comply with conditions of the Note and Deed of Trust. The maximum amount of Homeownership Assistance that can be offered to the homebuyer is 20% of the Sales Price or a maximum of \$40,000.00, whichever is less. GRANTEE reserves the right to lower the maximum Homeownership Assistance available and implement additional homebuyer restrictions based on future program analysis. The Homeownership Assistance amount is based on the homebuyer's underwritten "need". Therefore, the amount of final approval is determined by the IHFA/NSP Grant Program staff. The total amount of homebuyer subsidy determines the length of time the property must remain affordable. GRANTEE will enforce this time period based on these set amounts:

Minimum Period of Affordability in years:

Assistance Amounts:	Minimum Period of Affordability in years:
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15

Calculation of household's annual income will be in accordance with 24 CFR 5.609. The NSP assisted property must remain occupied by the assisted family for the designated Period of Affordability. Whenever the property does not continue to be the principal residence of the family for the duration of the Period of Affordability, or if the recapture requirement is triggered by the sale (voluntary or involuntary) or if default occurs hereunder, the entire principal sum and accrued interest shall immediately become due and payable without notice. Homebuyer is also required to immediately notify the GRANTEE in writing of any sale (voluntary or involuntary). If the Recapture requirement is triggered by the sale (voluntary or involuntary) of the property, and there are no net proceeds or the net proceeds are insufficient to repay the entire homebuyer subsidy amount, the GRANTEE may only recapture the net proceeds, if any. NSP affordability requirements will end upon recapture of the homebuyer subsidy. However, the Period of Affordability will not be terminated as a result of early pay off of the loan unless it is in conjunction with the sale (voluntary or involuntary) or transfer of the subject property. Yearly occupancy compliance monitoring, only during the Minimum Period of Affordability in years, will be conducted by GRANTEE to ensure that the home is still the homebuyer's primary residence.