

NHSA Intends to Apply for Funding under the US Dept. of HUD Neighborhood Stabilization Program National Round (NSP2)

Oakland, California – Neighborhood Housing Services of America (NHSA) is applying for funding assistance under HUD's NSP2 National Round of grants under the Housing and Economic Recovery Act (HERA) of 2008. NHSA will be performing in its role as a non profit secondary market, to encourage and stimulate mortgage lending activity as a strategy to provide financial mechanisms in communities to mitigate foreclosure activity. This notice is a requirement for NHSA's submittal for grant assistance, and is intended to enlist response from the geographic areas within which NHSA plans to use funds from NSP2, should a grant be awarded. NHSA is posting this notice at its Websites: www.nhsaonline.org and www.justprice.org to solicit and receive comments relative to its request for funding assistance. We encourage citizen review of our proposed geographic target areas and our proposed uses of NSP2 funds. The required comment period for citizen response is 10 days prior to submission of our application to HUD, which is projected to occur no later than Friday, July 17, 2009. All citizen responses will be summarized for submittal with our formal application to the US Dept. of HUD.

NHSA is applying for eligible uses of NSP2 funds under HERA, as amended by the Recovery Act. Our application is being formulated to request assistance from HUD to use NSP2 funds under the following eligible categories of activity: a) establish financing mechanisms for the purchase and redevelopment of homes that have been foreclosed upon, inclusive of soft second mortgages, loan loss reserves, and shared equity loans for households not to exceed 120% of AMI; b) purchase and rehab of vacant residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties; c) establish land banks for homes and residential properties that have been foreclosed upon; d) redevelop demolished or vacant properties into residential housing; and, d) provide homebuyer education services to prospective borrowers of vacant and abandoned or REO properties.

The amount of funding assistance that is being requested by NHSA under the NSP2 National Round is \$85,187,474 which is planned to leverage \$505,732,000 in private sector secondary market loan purchases in the following areas.

The geographic areas within which NHSA will focus its activities under NSP2 include: New Haven, CT; eligible areas within the state of Illinois; eligible areas within Hamilton County, OH; Cincinnati, OH; Ventura County, CA; Santa Barbara County, CA; Miami-Dade County, FL; Santa Fe, NM; Manchester, NH; Washington, DC; Richmond, CA; Los Angeles, CA; Detroit, MI; Springfield, MA; Manchester, VT; St. Paul, MN; and eligible areas within the state of Colorado.

The primary use of NSP2 funds received by NHSA will be used facilitate and benefit households whose income do not exceed 120% of area median income (AMI).

