City of Berwyn
Neighborhood Stabilization Program
General Description of NSP Program

Welcome … This is how you get started!

There is something special about buying and living in your own home. There is a feeling of accomplishment … pride of ownership … and being a permanent part of our community.

The City of Berwyn received a grant from the State of Illinois through the Illinois Housing Development Authority (IHDA) called the Neighborhood Stabilization Program (NSP). The grant is used to acquire and repair foreclosed properties, and reduce incidents of abandonment and blight in our community.

Berwyn used the grant to purchase foreclosed homes, condos and multi-unit buildings. We recently completed the rehabilitation work on several properties, and are making them available to the public. We put in new furnaces, installed energy star rated appliances, and made sure they are in move-in condition. In short they are wonderful. While visiting one of these homes the Governor remarked, *"This reminds me of my home when I grew up. Berwyn did a tremendous job – this house is beautiful."*

The following steps will walk you through the process. If you ever have a question, you can email your question to our staff at NSPinfo@ci.berwyn.il.us. Someone will answer your question by return email within 2 business days.

Step 1: Get Pre-Approved for a Mortgage!

You must be pre-approved for a mortgage so you, and the City, know you can afford to purchase the home. It doesn't matter what lender you go to, but you must be pre-approved for a mortgage to participate.

There are several additional mortgage programs being offered by the IHDA that could save you more money. Go on line to www.IHDA.org for more information about these loan programs. They also have a listing of lenders who are participating in these programs.

Once you are pre-approved for a mortgage, your lender will give you a letter that states how much they will agree to loan you to purchase a home. That pre-approval is your ticket to filling out an application to purchase an NSP home.

Step 2: Talk To A Realtor.

It is not required to have a realtor to participate in this program, but the City of Berwyn encourages you to have one. Your realtor will help you through this process, and is there to act on your behalf. If you purchase an NSP home, your realtor will receive a 2 ½ % commission paid by the NSP Program, and not by you.

Robert J. Lovero, Mayor
Community Development Dept.
Email: NSPInfo@ci.berwyn.il.us
Info: www.berwyn-il.gov

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

EQUAL HOUSING OPPORTUNITY

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Step 3: Select a Home.

Now that you know how much you can afford, you can see what homes are available. You and your realtor can visit the City's website at: www.berwyn-il.gov for a list of the homes currently available, or view them on the MLS (Multiple Listing Service).

Each home has an appraised sale price. The price you will pay depends on your income level. The NSP program offers a 10% - 30% discount from the estimated appraised value based on your income in relation to the Area Median Income (AMI).

Calculating your AMI is not hard. You need to know 2 things: the number of people who will live in the home, and the total amount of everyone's annual gross income. Use the following graph to figure out your AMI.

Area Median Income (AMI) by family size .

AMI Percent	1 Person Family	2 Person Family	3 Person Family	4 Person Family	5 Person Family	6 Person Family	7 Person Family	8 Person Family
120%	$63,840	$72,960	$82,080	$91,200	$98,520	$105,840	$113,160	$120,480
100%	$53,200	$60,800	$68,400	$76,000	$82,100	$88,200	$94,300	$100,400
80%	$42,600	$48,650	$54,750	$60,800	$65,700	$70,550	$75,400	$80,300
50%	$26,600	$30,400	$34,200	$38,000	$41,050	$44,100	$47,150	$50,200

Example: A family of 6 with a combined household income of $70,550 (or less), is "Under 80% AMI".

The reductions you will receive are in the form of a no interest, no payment, and forgivable loan from IHDA (Illinois Housing Development Authority). The discounts are as follows:

Under 50% AMI = 30% Discount | **51% to 80% AMI = 20% Discount**

81% to 100% AMI = 15% Discount | **101% to 120% AMI = 10% Discount**

If you make over 120% AMI you cannot purchase one of these homes.

Step 4: Prepare a Contract and Application.

Let's pretend you decided on that beautiful bungalow, and it is in your budget. With the help of your Realtor you will complete a standard real estate contract (your Realtor will know which one) and an NSP Application. The NSP Applications are available on the City's website. The application is short, and the directions are easy to follow. Your realtor will help.

Step 5: Submit your Contract and Application.

Your realtor will then present the Contract and Application to the City of Berwyn's Realtor:

Joanne A. Zaworski
LYNX Real Estate Services, LLC
708-395-7443 or j-zaworski@sbcglobal.net.

Step 6: Special Set Aside Homes.

Congress included a requirement that a certain percentage of NSP funds must be used for people under 50% AMI. With the approval of IHDA, Berwyn is setting aside several homes that can only be sold to families that have a combined income under 50% AMI. These set aside homes include a condominium (2 bedroom), and single family homes. These homes are listed on the City's web-site under "*50% AMI Set Aside Homes*".

If your family's income is under 50% AMI (see page 2), and you are interested in this program, contact your Realtor or the City of Berwyn's Community Development Department at 708-795-6850. Please, only call if your family's combined income is under 50% AMI. The Community Development Department will meet with you and explore your options and opportunities for home ownership under this program.

Step 7: Purchase the home.

If you are given the opportunity to purchase a home, this step is the longest. Your attorney and realtor will help walk you through this process. They will also help you understand all the details of purchasing this home, and some of the "extra" paperwork that goes along with it.

The one major difference about buying an NSP home is there will be a "soft second" mortgage on the home. This soft second mortgage does not have any interest, and you do not make any payments. Since the money came from IHDA to reduce your purchase price (the 10%-30% reduction from the purchase price), IHDA requires you live in the home and take care of it. Every month you live there and take care of the home, IHDA will reduce your soft second mortgage by a set percentage. After a few years (usually 15 years), the soft second mortgage is totally forgiven.

For more detailed information see the City's website, or email your question to NSPinfo@ci.berwyn.il.us