



NSP 1 ALERT Alert #10

TO: NSP 1 RECIPIENTS
FROM: Lorena Oseguera / EDA Housing
EFFECTIVE DATE: March 29, 2010
SUBJECT: **NSP 1 Homebuyer Subsidy Restrictions**

The EDA homebuyer subsidy when purchasing an NSP1 home is limited to a minimum of \$1,500 and a maximum of the lesser of 30% of the sales price or \$75,000.

The EDA homebuyer subsidy will be Purchase Price Assistance and will be in the form of a silent second mortgage which can be used to:

1) Reduce the first trust deed mortgage to assist the homebuyer with the purchase of the home. Assistance to reduce the first trust deed mortgage will be provided as "gap" financing. Homebuyer is to apply for the highest first mortgage homebuyer can qualify for and purchase price assistance is to be provided for the difference between the sales price and the highest first mortgage amount the homebuyer qualifies for.

AND/OR

2) Pay for reasonable closing costs associated with the home purchase on behalf of the homebuyer which cannot exceed 3% of the agreed upon sales price.

Purchase Price assistance is to be disclosed on the initial purchase and sale agreement.

For more information. If you have any questions or would like more information, contact the EDA Housing staff or [CLICK HERE](#) to visit our website.

Juan Garcia
Mervyn Manalo
Lorena Oseguera

[jugarcia@rivcoeda.org](mailto:jgarcia@rivcoeda.org)
mmanalo@rivcoeda.org
loseguera@rivcoeda.org

Contact #: 951-955-3418
Contact #: 951-955-3408
Contact #: 951-955-3281