

## NSP1 Multi-Family Developer RFP Questions and Answers

**Q: on page 3 of the NSP application, under "eligible activities", #2 states: "Be foreclosed upon or abandoned as defined by the NSP statute." This statement is difficult to comprehend. Is "be foreclosed upon" defined by the NSP statute, or just "abandoned" is defined by this statute?**

**A:** The NSP statute defines both the "abandoned" and "foreclosed upon" properties on Vol.73, No.194 of the Federal Register or Monday, October 6, 2008, page 58331.

*Abandoned.* A home is abandoned when a mortgage or tax foreclosure proceedings have been initiated for that property, no mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days.

**Q: What is the definition of "be foreclosed upon."**

**A:** On page 58331-32 of the October 6, 2008 NSP1 Federal Register Notice is included the following definition:

*Foreclosed.* A property "has been foreclosed upon" at the point that, under state or local law, the mortgage or tax foreclosure is complete. HUD generally will not consider a foreclosure to be complete until after the title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure, in accordance with state or local law.

**Q: Does the property have to be currently owned by the bank after being foreclosed on?**

**A:** Yes.

**Q: Can the property be owned by a private lender who recovered the property by foreclosure?**

**A:** It could be owned by a private lender who originally foreclosed on the property. It cannot be a property owned by a second lender who has bought it out foreclosure.

**Q: If the property is owned by an individual or company but has a loan with a private lender that is in default, and that lender received or plans to receive a deed in lieu of foreclosure from the current owner, does that qualify as an eligible property for this NSP?**

**A:** If the lender has already a deed in lieu of, then the lender is the owner, as per definition above. The Developer has to have the option or the contract on that property from the lender, not from a private owner.

**Q: If a property is vacant, but not under foreclosure, does this qualify as an eligible property?**

**A:** Not under this RFP. This RFP is for the acquisition, rehabilitation and occupancy of existing foreclosed properties.