

Appendix A

NSP Homebuyer Compliance File Checklist

Neighborhood Stabilization Program (NSP) Housing and Community Development

This checklist is used by State monitoring staff to review NSP1 homebuyer files for compliance with NSP statutory, regulatory, and Action Plan requirements, including NSP Federal Register Notices (73 FR 58330; 74 FR 29223).

A. Program and Property Eligibility

- NSP activity approval / setup documentation
- Property address and census tract
- Evidence property meets NSP eligibility (foreclosed, abandoned, or vacant)
- Acquisition documentation (if applicable)

B. Homebuyer Eligibility

- Completed NSP homebuyer application
- Government-issued photo identification
- Household size and composition certification
- Income source documentation (third-party verifications or source documents)
- Income calculation worksheet
- Evidence household income is within NSP income limits at time of qualification

C. Environmental Review (24 CFR Part 58)

- Environmental Review Record (ERR)
- Evidence of environmental clearance
- Documentation showing clearance occurred **prior to commitment or expenditure of NSP funds**
- Related correspondence and approvals

D. Property Standards and Value

- Appraisal establishing fair market value
- Documentation demonstrating purchase price compliance with NSP requirements
- Property inspection report
- Evidence property meets applicable housing quality standards
- Lead-based paint disclosures and risk assessment, if applicable

E. NSP Financial Assistance

- Subsidy calculation worksheet
- Documentation of eligible NSP costs
- Loan or grant agreement
- Evidence of NSP fund disbursement

F. Closing and Affordability Requirements

- Executed purchase agreement
- HUD-1 Settlement Statement or Closing Disclosure
- Recorded deed
- Recorded NSP affordability covenant (recapture or resale)
- Affordability period calculation and documentation

G. Post-Closing Compliance

- Evidence of owner-occupancy as principal residence
- Ongoing affordability or occupancy certification, if applicable
- Recapture or resale tracking documentation

H. Federal Cross-Cutting Requirements

- Conflict of interest certification
- Fair Housing and Equal Opportunity acknowledgment
- Section 3 documentation, if applicable

I. Record Retention

- File retention consistent with NSP and CDBG requirements
- Documentation retained for at least five (5) years after affordability period or grant closeout, whichever is later

Monitoring Result:

- Compliant
- Concern
- Finding

Corrective Action Required: _____

Deadline: _____