

Market Stabilization Program

\$15,000 may be yours...

As part of the federal Housing and Economic Recovery Act of 2008, the U.S. Department of Housing and Urban Development created the Neighborhood Stabilization Program to mitigate the neighborhood effects of home foreclosures in areas of greatest need.

The Indiana Housing & Community Development Authority (IHCDA) is using **\$33.7 million** of the state's allocation from this legislation to administer the **Market Stabilization Program (MSP)**. **MSP** is designed to help qualified Hoosiers purchase AND occupy foreclosed homes in targeted neighborhoods.

Do you qualify?

There are **two steps** to determine the answer:

First, find out whether the home you're interested in is bank-owned AND in a targeted neighborhood, or an area of greatest need. Visit

www.indianahousingnow.org and click on "Market Stabilization Program". You will then be able to enter the home's address*.

*Census block groups were used to identify eligible neighborhoods, making it difficult to show general areas on a map. It may be easier to consult your REALTOR® to begin a home search. Need a REALTOR®? Click [here](#).

Second, find out whether your household income exceeds 120% of the area median income in the county in which the home is located (it cannot!). Visit www.in.gov/ihcda, click on "Home Buyers" and then "MSP Stand-Alone limits".

I/We do not qualify.

You may qualify for other IHCDA programs. Visit www.in.gov/ihcda for information. And, talk with your REALTOR®. He or she will use their experience to show you all your options, as well as negotiate on your behalf. Need a REALTOR®? Find one [here](#).

I/We qualify!

Congratulations, you are closer to receiving \$15,000* for a down payment, buyer's closing costs and/or required repairs.

*Not to exceed 20% of the purchase price

MSP requires qualified home buyers to:

- Take an eight-hour **pre-purchase education course** taught by an IHCDCA-certified counselor. Visit www.in.gov/ihcda, click on "Home Buyers" and then "State Approved Housing Counselors" for a list.
- Use an **IHCDA-participating lender** to secure financing. FHA, VA, conventional and USDA are the type of loans that can be used with MSP monies. MSP monies will be in the form of a zero-interest, non-amortizing second-mortgage loan. MSP monies do not have to be repaid as long as you use the home as a principal residence for at least 10 years. If you sell within the first five years, all MSP monies must be repaid at or before closing. The amount of repayment goes down 20% per year for years six through 10.
- Use an **IHCDA-approved inspector** for a whole-house inspection, including radon and termites. Visit www.lenderonline.in.gov/index.htm and click on "IHCDA Approved Inspector List".

More MSP Info:

- You do not need to be a first-time home buyer to participate in the MSP.
- Other IHCDCA programs can be used along with MSP monies to maximize assistance. Visit www.in.gov/ihcda for information on these programs.
- IHCDCA recommends that buyers request 60 days in their purchase agreement to close on an MSP sale.
- Required repairs called for by the inspector must be completed prior to closing and may be paid for using MSP monies. Such repairs include those required to bring the home up-to-code or livability standards. Redecorating and upgrading items may not be purchased with MSP monies.
- MSP ends when the monies are exhausted or by September 20, 2010, which is 18-months from the date the program was announced.