



# Sandy Homebuyer Assistance Program

## What is this program?

The Sandy Homebuyer Assistance program (SHAP) provides financial incentives for low- and moderate- income households to purchase a home in one of the nine most impacted Sandy counties. Qualified homebuyers may be eligible for up to \$50,000 in assistance to help with the purchase of a home. The assistance is in the form of a subordinate mortgage. There are no monthly payments and the loan is forgiven 20% a year over a 5 year period.

SHAP was introduced as a 90-day PILOT Program on July 25<sup>th</sup>, 2013. Applicants applying within the first 90 days of the program must live and purchase a home in one of the nine most impacted counties. This geographic restriction will be lifted after the initial 90-days and the program will be available to households who are purchasing a home in one of the nine most impacted counties regardless of their address at time of application.

SHAP is designed to boost the purchasing power of low and moderate-income households, primarily renters displaced by Sandy to successfully purchase a home, as well as to stimulate the market for new and restored homes in the nine counties. The allocation for this activity is \$25,000,000 and will assist approximately 500 homebuyers.

## Who is eligible?

A low-moderate-income household, as defined by HUD, who is qualified for a mortgage, has a minimum credit score of 620 and is purchasing a home in one of the nine most impacted counties.

## What will the program fund?

SHAP will provide a subordinate mortgage of up to \$50,000 to be used for the purchase of a single family home. Final assistance amount will be calculated based on individual need, taking into consideration other assets. The assistance will be in form of a non-amortizing loan requiring no monthly payments, and is forgiven over 5 years as long as the purchaser retains ownership for at least that period of time.

## How do I apply?

SHAP is administered by the NJ Housing and Mortgage Finance Agency (HMFA). Program guidelines, applications forms, selection criteria and other program information are available at

<http://www.state.nj.us/dca/hmfa/homeownership/buyers/shap/>. Applicants who do not have access to a computer can call 1-855-SANDYHM and request a paper application.



## Sandy Homebuyer Assistance Program – Application Checklist

To make an application, potential homebuyers must demonstrate:

- Household income level, as determined by HUD published standards as low and moderate income, or up to 80% of AMI.
- Current residency in one of the nine target counties (required during first 90 days of program operation).
- Minimum credit score of 620.
- Evidence of cash reserves of at least \$800 remaining after the purchase of their property.