

**Clayton County Neighborhood Stabilization Program
Supplemental Addendum to the Purchase and Sale Agreement**

Buyer Name: _____ **Buyer Name:** _____

Property Address: _____

This property is acquired under the guidelines of Clayton County Neighborhood Stabilization Program (NSP), and is rehabilitated to County standards before resale.

At time of this offer, Buyer must enclose a copy of the Buyer Eligibility Letter from one of the participating Certified Lenders on the list

1. Buyer must be income eligible by family size according to the HUD Income limits at the time of contract. Maximum sales price of existing home is \$165,000 and new construction, \$200,000 if using HOME funds for mortgage assistance.
2. Buyer must complete a total of 12 hours of Home Buyer Seminars prior to closing.
 - 8 Hours of Home Buyer Education Counseling - from HUD approved agency
 - 4 Hours of Home Owners Training- offered by NSP.
3. Buyer must qualify for a standard home loan with fixed interest rate through one of the Clayton County NSP certified and HUD approved Lender prior to submitting an offer. Lender will provide a buyer eligibility letter with contract submission.
4. When Buyer is purchasing a CC-NSP Home, a 5(five) year **Shared Equity** provision will be applied and recorded with the deed. This means that if the property is sold after the:
 - 1st year of occupancy, Buyer receives 20% of the equity
 - 2nd year of occupancy, Buyer receives 40% of the equity
 - 3rd year of occupancy, Buyer receives 60% of the equity
 - 4th year of occupancy, Buyer receives 80% of the equity
 - After 5th year of occupancy, Buyer receives 100% of the equity(Equity is defined as the positive difference between original purchase price and current sale price)
5. Buyer **will** ____ or buyer **will not** ____ need the Mortgage Assistance from Clayton County NSP. Funds will come from either NSP or the HOME Investment Partnership funds, depending on program criteria.
6. The Clayton County NSP Mortgage Assistance will ordinarily be according to the following formula:
 - \$7,500 for Buyers with household income 50% and below of Area Median Income.
 - \$ 5,000 for Buyers whose household income is above 50% to 120% of Area Median Income.

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7. Buyer understands and agrees the full amount of mortgage assistance is in the form of a **Soft Second, zero % interest** loan with no monthly payments required, and will be recorded with the deed. If property is sold prior to the end of the affordability period - 5 years of occupancy - the full amount of the mortgage assistance shall be repaid, if there are sufficient funds from the net proceeds of the sale. After buyer lives in the home for 5 years, the loan is forgiven.
8. During the affordability period, buyer will be obligated to show proof of owner occupancy on an annual basis. This will be monitored by the Clayton County Community Development Department, Office of HUD Programs, through annual letters mailed to the homeowner's address. Buyer must return the requested information to comply with the HUD regulations.
9. Seller will pay closing costs of up to 4% of the sales price, to be used in accordance to the Items Paid by Seller at closing paragraph in the Purchase and Sale Agreement. Buyer must have at least **\$1,000** of their own funds (*this is Not Earnest Money and will not credit to the Buyer at closing*) to pay for the credit application, Appraisal, or any cost associated with the purchase.
10. Buyer must select one of the two a law firm from the Clayton County NSP approved list of closing attorneys:
 - Brochstein and Bantley, P.C.
Phone: 770-507-1766 Fax: (770) 507-1085 Initial here: _____
 - William A. Miller, P.C.
Phone (770) 994-0440 Fax : (770) 994-0448 Initial here: _____
 - Burgess Title Initial here: _____
11. Property Sold Subject to Due Diligence per paragraph 10 of Purchase and Sale Agreement. During the due diligence period, Buyer may also propose an amendment to repair or replace **defective items**.
12. The term "defect" shall mean any portion of an item on the property which is not
 - In good working order and repair
 - Constitutes a non-grandfathered violation of applicable laws or governmental codes or regulation
 - Has not been substantially completed or constructed in accordance with the plan or specifications
 - Is a defect as that term defined in any warranty provided by SellerSeller agrees to correct the defects in good and workmanlike manner prior to closing
13. Buyer and Seller will conduct a walk through. Buyer understands the walk through is not a formal home inspection.
14. At closing, the Seller agrees to provide a Buyer's Protection Plan Home Warranty from a company of their choosing, at a cost not to exceed \$400.00. The Term of the Home Warranty shall be for at least one year from the date of closing.
15. At no cost to Purchaser and one year from date of closing, Seller provides One Year material and workmanship warranty only for items they have repaired.

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16. At closing, Seller shall provide Buyer with an Official Georgia Wood Infestation Report (“Report”) from a licensed Georgia pest control operator which covers all dwelling and garages located on the Property. In the event Report reveals any active infestation from termites or the other wood destroying organisms listed in the Report, Seller agrees to have the termite company issuing the Report treat the infestation in accordance with the standards set forth by the Georgia Department of Agriculture.
17. Buyer and or Buyer’s representative is responsible for ensuring his/her Mortgage Lender will furnish a completed and signed **Mortgage Lender Letter** to include all supporting documents (signed copy of the borrower’s **Uniform Residential Loan Application and Loan Estimate, copy of the Appraisal Report, Certificates for the 8 and 4 hours educations**), and any other **required documents** to Clayton County NSP.
18. By their signature below, Buyer authorization is given for the release of the Uniform Residential Loan Application, and any other loan, credit, mortgage/rent, or employment information or verification, as needed for participation in the Clayton County Neighborhood Stabilization Program and in connection with my/our contract for the purchase of a home under the NSP program, as well as a copy of the final appraisal on the home, and any other documents that may be required by HUD and/or Clayton County NSP.
19. The sale and any mortgage assistance is contingent upon Clayton County NSP final approval.

Buyer Signature

Date

Buyer Signature

Date

Seller Signature

Date

HUD Programs Signature

Date