An Introduction to NeighborWorks®
Northeast Nebraska
Service Area
Programs:

- Homebuyer Education
- Financial Pathways
- Purchase/Rehab/Resell
- New Construction
Purchase/Rehab/Resell Program:

• Renovate existing homes
  – safe, energy efficient and affordable

• To-date more than 525 homes rehabilitated.
Housing Program Requirements:

- Eligibility - HUD income guidelines.
- Homebuyer $1000 investment
- Approved for a mortgage loan
- House must be rehabilitated or newly constructed by NWNEN.
- Buyer must complete the REACH Homebuyer Education Workshop.
Down Payment / Closing Cost Assistance:

- Maximum $20,000 through PRR
- 0% Interest Rate
- Due Upon Resale
- Lien filed on Property
The rehabilitation work to the house can consist of minor or major repairs up to $25,000.
A lead based paint inspection is performed on all houses built prior to 1978.
Purchase/Rehab/Resell Process:

• Homebuyer is Pre-Approved with Lender
• Interview, application with NWNEN
• Eligibility determined
• Client seeks home
• NWNEN inspection
• Rehab Estimate
Purchase/Rehab/Resell Process: (continued)

• Offer submitted
  – Cash offer
  – Subject to homebuyers loan approval
  – Adequate appraisal value after repairs are completed by NWNEN

• Offer is accepted
Purchase/Rehab/Resell Process:
(continued)

- Sign Purchase Agreement
- Appraisal
- NWNEN Buys
- Rehab managed
- Client Buys
P/R/R Example:

**PURCHASE PRICE OF HOME:**
- Rehabilitation Work: (+) $13,000

**PURCHASE PRICE FOR HOMEBUYER:**
- Lender’s Estimated Closing Costs: (+) $4,000

**TOTAL EXPENSES TO BE PAID BY HOMEBUYER:**
- NeighborWorks® NEN Down Payment Assistance (20%): (-) $20,000
- Buyer’s Cash: (-) $1,000

**ESTIMATED MORTGAGE LOAN NEEDED:**
- $83,000
Purchase/Rehab/Resell

Challenges:

• Current Housing Market
• Homes sell quickly
• Home prices rising quickly
• Lower priced homes need too much repair
• Lower priced homes have been used as rental units
• Fewer buyers qualify for mortgage loans
• Maximum purchase price limits
Purchase/Rehab/Resell Challenges:

• $$ Future Funding??
• Finding contractors to do the smaller jobs that meet all of our qualifications
• Language barriers
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Maximum Final Purchase Price
Purchase/Rehab/Resell Program
(Recently Increased)

$149,000 in Platte Co.
$146,000 in Madison Co.
$128,000 in Remaining Co.
Purchase/Rehab/Resell Successful Strategies:

- Most properties are “Pre-Sold” not speculative
- Get Buyer’s Pre-Approval from lender before inspections
- Make inspections & estimates a priority due to quick sales
- Offers to purchase are cash offers subject to Buyer’s Loan Approval with Lender
Purchase/Rehab/Resell
Successful Strategies:

• Offers to purchase subject to appraisal of at least our sale price to buyer
• Homes are re-sold quickly (1 – 2 months)
Thank you for allowing us to introduce NeighborWorks® Northeast Nebraska.
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