

Frequently Asked Questions

Q: What are "NSP homes," and why should I buy one?

A: The City of Pompano Beach has received funding under the Housing and Economic Recovery Act (HERA) to purchase foreclosed homes with the purpose of stabilizing neighborhoods affected by foreclosures. Pompano Beach is purchasing these homes, upgrading the homes to meet energy efficiency standards and rehabilitating them when needed. Additionally, Pompano Beach is providing attractive financial incentives to the buyers of these homes. The City will not make a profit when selling these homes.

Q: Do I need to be a first time homebuyer to purchase an NSP home?

A: No, as long as you don't own any real estate property at the time you apply and purchase an NSP home. However, you still have to meet the income guidelines for the program; that is that your total household income cannot exceed 120 percent of the area's median income. Please refer to the Income Guidelines Chart on our webpage.

Q: What if there is more than one person interested in buying an available home?

A: If there are multiple prospective buyers interested in purchasing a home offered under the Program, to ensure fairness and equal opportunity for all interested buyers, a random lottery drawing will be conducted by an independent third-party to select a buyer.

Q: Can I submit an offer over the list price?

A: No. Pricing is fixed on all homes sold under this Program and all homes will be sold at the list price only.

Q: Can I purchase a home for a family member or friend, or use the home as a rental property?

A: No. All homes must be owner-occupied, so you must maintain any residence purchased under this Program as your primary residence.

Q: At what point do I need to take the Homebuyer counseling classes?

A: You must enroll in the Homebuyer Counseling classes within three days of your offer being accepted to purchase a home under the Program, and you must complete the Homebuyer Counseling classes prior to your close of escrow.

Q: What if something breaks after I move in the home? Is there a Home Warranty?

A: All homes sold under this Program come with a One-Year Home Warranty. A walk-through will be conducted with all buyers prior to their close of escrow where Warranty specifics will be reviewed on both the structure and the home's components.

Q: I own other real estate but plan to reside in an NSP home; can I still participate in the program?

A: No. The program does not allow homebuyers to own real estate at the time of application and purchase of the NSP homes. Investors are not allowed under the program.

Q: How do I register for the home buyer education course?

A: Please contact a Housing and Urban Development certified housing counseling agency to sign up for one of their home buyer education seminars. A list of qualified agencies is located on our NSP website [How to Purchase](#) page.

Q: I already took a first time homebuyer course; do I need to take it again?

A: Your homebuyer's course certificate is good for one year, as long as it is a HUD certified housing counseling entity approved by the Orange County Housing and Community Development Division.

Q: How do I know the home-price range for which I can qualify?

A: Despite its many benefits, homeownership is not for everybody. There are many responsibilities associated with owning a home in addition to the monthly mortgage payments. You must consider costs such as insurance, repairs, utilities, maintenance and taxes. You do not want to overextend yourself and be at risk of losing your house. When a lender qualifies you for a mortgage, they take into consideration other factors such as your earnings and your existing debt.

Q: How much of my own money do I need to purchase the home?

A: When you apply for a mortgage, the lender will determine how much you can afford to pay for a house and the required down payment and closing costs.

Q: Can the City of Pompano Beach assist me with the down payment and closing costs to purchase an NSP home?

A: Yes. If you are eligible to purchase an NSP home, you may obtain financial incentives for down payment and closing costs depending on the mortgage amount you qualify for, and the price of the home.

Q: If my credit is not good; can I still purchase an NSP home?

A: You must qualify for financing to purchase an NSP home. If you are not sure about your ability to obtain financing to purchase a home because of bad credit, you may want to contact your local consumer credit counseling agency to work on your credit issues before purchasing a home.

Q: I hear about mortgage scams, how do I select a lender?

A: It is important to choose the right lender that will assist you in obtaining the best terms and rates that you can qualify for. If you do not know a lender, you may want to check with your bank or credit union.

Q: What type of mortgage should I get?

A: By the time you have signed the sales contract, you should have a clear idea of what type of financing you are using to purchase the home. There are many types of mortgage loans available but you may want to consider an FHA loan. NSP does not allow subprime loans or loans that do not conform to financial industry standards. NSP does not allow ARMs, interest only loans, or other alternative loans.

Q: Can a family member or relative who is not a spouse purchase the home with me?

A: Yes, if the family member or relative is part of your household. However, they will be subject to the same income eligibility criteria and qualification process (your relative cannot own real estate property and your combined income cannot exceed the maximum income guidelines of the program).

Q: What do I need to take with me when I apply for a mortgage?

A: You should have: 1) your social security number (you will also need your spouse or relative's social security number, if you are purchasing and applying for the loan with him/her); 2) copies of your checking and savings account statements for the past 6 months; 3) evidence of any other assets like bonds or stocks; 4) recent paycheck stubs detailing your earnings; 5) a list of all credit card accounts and the approximate monthly amounts owed on each; 6) a list of account numbers and balances due on outstanding loans, such as car loans; 7) copies of your last 2 years' income tax statements (preferably 3 years); and 8) the name and address of someone who can verify your employment. Depending on your lender, you may be asked to provide additional information.

Q: I am convinced that I want to buy an NSP home, where do I start?

A: Once you have decided to become a homeowner and take advantage of what NSP has to offer, you may complete the intake form provided on the NSP web site. It is important to be familiar with the home buying process. A home buying class is required for all NSP homebuyers, including those who have owned a home in the past. Additional information about the NSP home buying process can be found on our website.