



Clackamas County  
Community Development Division (CDD)  
**Neighborhood Stabilization Program (NSP)**  
**Lender Process Flowchart**



### 1. GETTING READY

- Buyer completes an approved homebuyer training class.  
(Find a list of classes on Oregon Housing and Community Services' website at [www.oregonbond.us](http://www.oregonbond.us).)
- Buyer chooses a Lender and gets pre-qualified. Lender's pre-approval letter estimates amount needed for down payment. Lender must sign the County's Lender Compliance Certification.  
(See *Lender Document List*.)
- Buyer chooses a real estate professional.
- Buyer, Lender and Realtor meet with CDD Rehab Advisor, Kathy Rock, for an initial consultation. Rehab Advisor provides an overview of the NSP program along with printed materials to assist the Buyer search for eligible foreclosed properties.  
(See *Quick Reference for Lenders* for definition of "eligible property".)
- Lender requests and CDD emails a complete application packet of NSP forms in PDF format.  
(See *Lender Document List* for a list and description of the NSP forms.)

### 2. SHOPPING FOR A HOME

- Rehab Advisor helps Buyer and Realtor locate eligible properties and assists Buyer by inspecting and evaluating potential properties.  
Buyer shops for eligible property within price-range and selects potential house.  
(See NSP property inspection information sheet.)
- Buyer makes an offer. Purchase agreement must contain two NSP-required Addenda.  
(See *Lender Document List*.)

### 3. DEVELOPING THE REHAB WORKLIST

- Rehab Advisor conducts inspections and arranges energy audit.
- Rehab Advisor helps Buyer identify other needed inspections and develop a work plan for the rehabilitation
- Rehab Advisor prepares a cost estimate and bid package for the rehab work
- Buyer obtains bids and selects a contractor to perform the rehabilitation

### 4. APPLYING FOR NSP FUNDS

- When Buyer has an accepted offer, Lender and Buyer fill out NSP application. Lender certifies that Buyer meets all NSP borrower requirements.  
(Page 2 of *NSP Application* calculates the NSP funds needed for purchase and rehabilitation.)
- Lender mails or delivers the completed original NSP application packet to CDD. No faxes or email accepted.  
(See the *NSP Application* for a list of the required NSP forms and supporting documentation.)

### 5. NSP LOAN PROCESSING & TENTATIVE FUND RESERVATION

Upon receipt of the **completed original** NSP application packet, CDD tentatively reserves NSP funds and begins processing the loan application. CDD:

- Sends the information and disclosures required by RESPA and TILA to the Buyer
- Reviews the application and supporting documentation for compliance
- Verifies income and establishes eligibility for NSP funds. CDD will use Lender's VOE or VOI if it is current, complete and acceptable. Allow more time if CDD has to verify income
- Conducts the Environmental Review and other required inspections and assessments

## **6. NSP LOAN COMMITMENT**

If Buyer and property are eligible CDD reserves funds and notifies Buyer and Lender

## **7. PRIOR TO CLOSING -- LENDER RESPONSIBILITIES**

- Lender submits the required NSP forms and supporting documents to CDD as soon as possible after application and prior to closing  
(The *NSP Application* lists the NSP forms and supporting documentation required prior to closing)
- Lender schedules a closing date. Lender submits NSP closing notification form to CDD

## **8. PRIOR TO CLOSING -- CDD AND TITLE COMPANY**

- Title Company faxes Preliminary HUD-1 to CDD for review and approval
- CDD sends the CDD-originated NSP loan documents to the Title Company
- CDD provides the NSP funds for closing costs & down payment to the title company in the form of a check – NSP funds cannot be wired. The check must be held until the required documents are returned to and approved by CDD.  
Clackamas County holds the NSP funds for the rehabilitation work to be done after closing
- Funds and documents are not released until all required documentation has been received
- After closing and prior to funding, Title Company sends executed documents to CDD

## **9. REHAB PHASE**

- Owner will use contract documents supplied by CDD to hire a Contractor to perform the repairs listed on the rehabilitation specifications prepared by the Rehab Advisor.
- The Rehab work will be completed within 60 days of closing.
- All work must be inspected and approved by CDD prior to payment.

## **10. ANNUAL MONITORING**

CDD will obtain certification of primary residence from the homeowner each year.