



## NEWARK LAND BANK Move-In Ready Program Term Sheet



<p><b>Program Description:</b></p>	<p>The mission of the Newark Land Bank (the “<b>NLB</b>”), a division of Invest Newark, A NJ Nonprofit Corporation (“<b>Invest Newark</b>”), is, in part, to dispose of properties in a manner that will improve the quality of neighborhoods, increase land values, create diverse housing opportunities, and return properties to the City of Newark’s tax rolls.</p> <p>The NLB has established the Move-In Ready Program (the “<b>Program</b>”) to allow eligible homes owned by the NLB to be sold to qualified low- to moderate-income first-time homebuyers for less than its market value. The Program, like all of the NLB’s programs, aims to facilitate the return of vacant, blighted, abandoned and tax-delinquent properties to productive use, thereby combating community deterioration, creating economic growth and stabilizing the housing market.</p>
<p><b>Eligible Properties:</b></p>	<p>To qualify as an eligible property under the Program, the real property must be vacant but habitable pursuant to a Certificate of Occupancy issued by the City of Newark.</p> <p><b>PLEASE NOTE:</b> <i>The NLB reserves the right, in its sole discretion, to reject, remove or limit any property from eligibility under the Program based on changing, competing or broader policy goals of the NLB, Invest Newark, or the City of Newark.</i></p>
<p><b>Eligible Applicants:</b></p>	<p><b>PLEASE NOTE:</b> <i>The following eligibility criteria are minimum qualifications only, and satisfying the minimum qualifications set forth below does not guaranty approval or priority for obtaining a property under the Program. <b>The NLB shall have sole discretion for the approval or disapproval of any application and finalization of any conditions to a transfer under the Program.</b></i></p> <p>An eligible applicant must:</p> <ol style="list-style-type: none"> <li>1. be a first-time home buyer;</li> <li>2. be earning no more than 80% of the area median income (as published by the U.S. Department of Housing and Urban Development “<b>HUD</b>”);</li> <li>3. complete a HUD-approved homebuyer education course;</li> <li>4. agree to live in the property as his/her/their principal residence for at least five (5) consecutive years after purchasing the property from the NLB;</li> <li>5. provide the NLB with satisfactory documentation demonstrating his/her/their ability to purchase the property, either with cash, grants, a mortgage loan, or a combination of any of them; and</li> <li>6. provide a \$1,000 earnest money deposit described below, of which \$500 will be nonrefundable, within seven (7) business days of notified that his/her/their application has been verified and they have been selected pursuant to the lottery process.</li> </ol>
<p><b>Application Process:</b></p>	<p>The NLB will process applications simultaneously after the published application deadline. to confirm sufficiency, completeness, and eligibility. All applications deemed complete and sufficient will be placed into a lottery, and the randomly selected eligible applicant will proceed.</p> <p>The applicant will be required to complete an approved course designed to explain the responsibilities of homeownership to first-time homebuyers to proceed to closing.</p>

<p><b>Purchase Price; Costs:</b></p>	<p>The purchase price for each eligible property under the Program shall be as published on the NLB portal when applications for such eligible property is solicited.</p> <p>Within seven (7) business days of notification that his/her/their application has been selected via the lottery, the applicant must provide to NLB the following:</p> <ul style="list-style-type: none"> <li>• \$1,000 earnest money deposit; and</li> <li>• proof of funds for down payment (which may be in the form of commitments for downpayment assistance grants) equal to at least 10% of the total purchase price; and</li> <li>• a pre-approval letter from a financial institution indicating eligibility for a mortgage loan for the remainder of the purchase price.</li> </ul> <p>If such applicant’s application fails to remain qualified, or if such applicant fails to close on the property for any reason whatsoever, the NLB shall retain \$500 of the earnest money deposit as an administrative fee and return the remainder of the earnest money deposit to the applicant.</p> <p>Successful applicants will also be required obtain and pay for title insurance and to pay all necessary fees required to facilitate the actual transfer of the property, such as closing costs, deed recording fees and transfer taxes.</p>
<p><b>Property Restrictions; Right of Reverter:</b></p>	<p>The eligible property will be conveyed to successful applicants by a quitclaim deed on an “as is, where is” basis without any warranty, expressed or implied, except warranties required by law to be provided by the contractor that constructed or rehabilitated the home. The purchase and sale agreement (the “PSA”) and the deed will require that the property be used and maintained as the purchaser’s primary residence for at least five (5) years and that, if the property ceases to be used for that purpose or if the owner fails to properly maintain the premises (by, <i>e.g.</i>, committing excessive violations of applicable codes or regulations, allowing the property to fall into disrepair, or failing to pay property taxes), then the property may, in its then-existing condition, at the option of the NLB and subject to the rights of any mortgage lender(s), revert to the NLB for the <u>least</u> of</p> <ul style="list-style-type: none"> <li>(i) the “Mortgage Satisfaction Amount”, meaning the sum of the outstanding principal balance of all promissory note(s) secured by mortgages encumbering the Property, plus accrued interest and all reasonable costs and expenses to which the mortgagee(s) thereof are entitled to pursuant to its (their respective) mortgage(s);</li> <li>(ii) the fair market value of the property at the time of the default as determined by an appraiser licensed by the New Jersey State Real Estate Appraiser Board, or any successor authority thereto, selected by the NLB in its sole but reasonable discretion;</li> <li>(iii) the purchase price paid by the purchaser.</li> </ul> <p>The deed will also provide that purchaser may not sell the property on or before the fifth (5th) anniversary of their purchase without the NLB’s prior written consent, which consent can only be granted if one hundred percent (100%) of any net proceeds from any such sale is repaid to the NLB.</p> <p>The term of these restrictions shall automatically expire on the day after the fifth (5th) anniversary of the date of the transfer of the property.</p>
<p><b>Application Fee:</b></p>	<p>A \$50 <b>non-refundable</b> application fee for each parcel, payable to the Newark Land Bank in certified funds, must accompany the submission of each complete application.</p>
<p><b>Start Your Application:</b></p>	<p>To start your application, please visit <a href="https://landbank.investnewark.org/">https://landbank.investnewark.org/</a> and select “Move-In Ready”.</p> <p>Should you require more information about purchasing a home from the NLB under the Move-In ready Program, please email us at <a href="mailto:nlbinfo@investnewark.org">nlbinfo@investnewark.org</a>.</p>