



MOVE-IN READY HOMEOWNERSHIP SALE POLICY

Move-In Ready sales are designed for First-Time, Owner Occupied Home Buyers looking to purchase a home that has already been renovated. Properties offered for purchase are quality homes fully rehabilitated by local M/W/DBE contractors engaged by NLB. Buyers are required to reside in the property as their principal residence for seven (7) consecutive years. In addition, properties purchased through a PRO Newark Homeownership sale are subject to a deed restriction for a period of 20 years as summarized in Section V(9) below.

I. PROPERTY ELIGIBILITY:

Properties selected for inclusion in Move-In Ready sales will be based on the current condition of the property and its potential for rehabilitation and renovation.

II. APPLICANT QUALIFICATION:

The applicant must be a first-time home buyer who will live in the property as their principal residence for seven (7) consecutive years after a CO or CCO is received by the buyer.

Applicants must provide NLB with satisfactory documentation that shows that the potential buyer has the ability to obtain a mortgage for the home. A verifiable mortgage pre-approval may be used to satisfy this requirement.

III. FURTHER CONSIDERATIONS:

Move-In Ready properties are sold in an "AS IS" "WHERE IS" condition with a limited workmanship warranty issued by the contractor.

As a precedent to closing, NLB requires all First-Time homebuyers to take a HUD-approved homebuyer education course. The homebuyer is required to have taken the course within two years prior to the closing date. To qualify as a First-Time Homebuyer the buyer must not have owned a home in the past five (5) or more years.

Move-In Ready Homeownership Sales are subject to a Use and Occupancy deed restriction for a period of twenty (20) years as summarized in Section V(9) below.

APPLICANT QUALIFICATION DOES NOT GUARANTEE APPROVAL OR PRIORITY. NLB SHALL HAVE SOLE DISCRETION FOR THE APPROVAL, OR DISAPPROVAL, OF ANY APPLICATION.

IV. PRICING:

NLB will determine the purchase price based on the development cost of the property. "Development Costs" will mean the aggregate costs of acquisition, maintenance, repair, demolition and marketing of the property. The purchase price is non-negotiable.

V. APPLICATION PROCESS:

Applications will be accepted from qualified applicants for a minimum of fifteen (15) days after the property appears on the NLB website. To submit an application for a Move-In Ready property:

1. Visit the *Purchase A Property* tab on the NLB website, and select *Move-In Ready* for properties currently in the sale.
2. Review the Property Purchase Application, and NLB General Disposition Policy.
3. If you are interested in a property and wish to see it, click "Apply". You will be asked to create an account in order to complete and submit the application, along with the **non-refundable** \$50 application fee. Incomplete applications will not be processed. Submission of an application and fee does not guarantee approval or transfer of property.
4. NLB will then notify you of arrangements to see the property. Applicants are encouraged to bring a home inspector to the visit.
5. After visiting the property, and having determined that you want to submit an offer for its purchase, go back to the website, and login to complete and submit the Move-In Ready Offer Form with your highest and best offer, and all required documents before the offer end date, which is calculated to be 15 days from the date of your property inspection. *Offers will **NOT** be accepted after the offer end date.*

A Complete Offer consists of:

- a) Completed Offer Form with your highest and best offer, signed, dated and notarized.
 - b) **Verifiable pre-approval** for a mortgage loan in an amount not less than your offer.
6. After the offer period ends, NLB will screen all offers to ensure that the potential buyers' certifications are true and correct.

NLB will let you know if your offer has been accepted within two (2) weeks.

7. If the potential buyer, with the highest and best offer, successfully passes the screening, NLB will notify the potential buyer of the accepted offer and then forward a purchase agreement in accordance with the terms in the Move-In Ready Offer Form and NLB General Disposition Policy.

If the potential buyer fails to pass the screening, NLB will consider the next highest and best qualified offer.

8. Next, within seven (7) business days of receipt, the potential buyer returns the signed purchase agreement to NLB, along with an earnest money deposit in an amount as follows:

Financed Sales: \$1,000.00

Non-Financed "Cash" Sales: 15% of the accepted bid price

Earnest money deposits are payable to the Newark Land Bank in certified funds. Failure to execute and return the purchase agreement along with the appropriate certified deposit within the specified timeframe may result in NLB rescinding the approved offer. \$500 of all earnest money deposits will be retained by NLB as an administrative fee. The balance of the earnest money deposit will be applied against the balance of the purchase price due at closing. **Should the potential buyer fail to close, through no fault of NLB, the full earnest money deposit will be forfeited.**

9. NLB will then prepare the deed and otherwise facilitate closing to occur within sixty (60) days. NLB Move-In Ready properties are sold "AS IS" "WHERE IS", with a limited workmanship warranty issued by the contractor. Title is transferred via a Quit Claim Deed subject to the following use and occupancy restrictions on the property for a period of twenty (20) years:

- Property owner must notice Invest Newark prior to marketing the property for sale
- Invest Newark has the right of first refusal to purchase the property
- Property owner is only permitted to resell to a first-time homebuyer who earns no more than (80%) of Area Median Income (AMI) as certified by Invest Newark.
- Property owner must reside in the home for a minimum of seven (7) years
- Profit from the sale of the property will be limited as follows:
 - 7-11 years - 50% of profit to homeowner, 50% to Invest Newark
 - 12-15 years - 60% of profit to homeowner, 40% to Invest Newark
 - 16-20 years - 80% of profit to homeowner, 20% to Invest Newark

10. Note- The synopsis of the deed restriction above is for summary purposes only. The full deed restriction will be a part of the purchase agreement and will be available on the resources page of the Invest Newark website at landbank.investnewark.org.

In addition to the accepted offer, less the balance of the earnest money deposit, the applicant may be required to pay any necessary fees required to facilitate the actual transfer of the property, such as closing costs, deed recording fees and transfer taxes.

BUYERS CANNOT LIVE IN THE HOUSE UNTIL A CLOSING HAS OCCURRED AND TITLE TO THE PROPERTY HAS BEEN TRANSFERRED.

Should you require additional information, you may visit the Contact tab on the website or email us at NLBinfo@investnewark.org.