



## **RESIDENT ADVANTAGE HOMEOWNERSHIP SALE POLICY**

One of the key priorities of the Newark Land Bank (“NLB”) is to boost homeownership opportunities for Newark residents. The Resident Advantage Homeownership sale is designed **exclusively** for Newark residents who are looking to become First-Time, Owner-Occupied Home Buyers. This sale is designed to ensure that existing residents have an opportunity to remain domiciled in the City and have an equitable opportunity to achieve the dream of homeownership. Non-Newark residents are able to purchase properties through the PRO Newark Homeownership program or the Move-In Ready program.

Properties offered for purchase in this sale may be fixer-upper or turn-key properties. Applicants who are Newark residents seeking a property to renovate at their sole expense, by themselves or via a hired contractor (a “fixer-upper”), must qualify and follow the same sale process as PRO Newark Homeownership sales. Likewise, applicants who are Newark residents seeking a fully renovated (a “turn-key”) property must qualify and follow the same sale process as Move-In Ready sales.

Buyers are required to reside in the property as their principal residence for seven (7) consecutive years. In addition, properties purchased through a Resident Advantage Homeownership sale are subject to a deed restriction for a period of 20 years as summarized in Section VI below.

### **I. PROPERTY ELIGIBILITY:**

Properties selected for inclusion in the Resident Advantage Homeownership sale 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 Newark resident who will live in the property in accordance with the program guidelines.

To qualify as a First-Time Homebuyer the buyer must not have owned a home in the past five (5) or more years.

Applicants must provide NLB with satisfactory documentation that shows that the potential buyer is a Newark resident and has the ability to obtain a mortgage for the home. Documents accepted as proof of residency can be, but are not limited to, a current driver’s license, bank statements, or utility bills. A verifiable mortgage pre-approval may be used to demonstrate purchase ability.

### **III. FURTHER CONSIDERATIONS:**

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.

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 VI below.

### **IV. PRICING AND APPLICATION GUIDELINES FOR FIXER-UPPER PROPERTIES:**

Pricing and application guidelines will follow the same process outlined in the *PRO Newark Homeownership Sale Policy*.

### **V. PRICING AND APPLICATION GUIDELINES FOR FULLY RENOVATED PROPERTIES:**

Pricing and application guidelines will follow the same process outlined in the *Move-In Ready Homeownership Sale Policy*.

### **VI. DEED RESTRICTION**

Properties purchased via the Resident Advantage Homeownership Sale, in the same manner with the PRO Newark, and Move-In Ready Homeownership Sales, will be subject to the following 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

\*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](http://landbank.investnewark.org).

Should you require additional information, you may visit the Contact tab on the website or email us at [nlbinfo@investnewark.org](mailto:nlbinfo@investnewark.org).