

FORMULA ALLOCATION

Who are the grantees that received a direct NSP1 allocation?

HUD awarded grants to a total of 309 grantees including the 55 states and territories and selected local governments to stabilize communities hardest hit by foreclosures and delinquencies. For a list of grantee names and allocations awarded see link below.

<http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/nsp1.cfm>

How did HUD allocate NSP1 grant awards?

Congress intended this funding be targeted to areas of greatest need based on the number and percent of foreclosures, subprime mortgages and delinquencies and defaults. Further, Congress also required that each state receive at least \$19.6 million. Many states received significantly more than this mandatory minimum.

Again, following congressional intent to make sure these funds have maximum impact and are targeted to States and local communities with the greatest needs, HUD analyzed data from several different sources:

- The Mortgage Bankers Association *National Delinquency Survey* and the Census Bureau's *American Community Survey*;
- The Federal Reserve's Home Mortgage Disclosure Act (HMDA) data on high-cost loans at greatest risk of default and foreclosure;
- Office of Federal Housing Enterprise Oversight (OFHEO) on home price declines;
- Unemployment data from the Bureau of Labor Statistics; and
- U.S. Postal Service data on home vacancies.

Why didn't MY community receive a grant...we have needs too?

All communities will have access to grants, but Congress was very clear that the purpose of this funding was to target those areas with the greatest exposure to foreclosures, subprime mortgages, delinquencies and defaults. At Congress's direction, we believe we have developed a fair and data-driven formula that will do exactly that. We also wanted to make certain that this funding will have a meaningful impact at the State and local level.

The Housing and Economic Recovery Act of 2008 requires that State's must "give priority emphasis and consideration to those metropolitan areas, metropolitan cities, urban areas, rural areas, low- and moderate-income areas, and

other areas with the greatest needs. If your state government agrees that certain areas that didn't receive direct grants from HUD should get this funding, then it is incumbent on your state to target their funds to these areas.

What will this money do?

This funding is intended to stabilize neighborhoods. To do this, State and local governments can:

- Buy abandoned or foreclosed homes;
- Redevelop demolished or vacant properties;
- Demolish or rehabilitate abandoned, foreclosed or blighted properties;
- Offer down payment and closing cost assistance to low- to moderate-income homebuyers
- Reuse properties for affordable rental housing

In addition, these grantees can create “land banks” to assemble, temporarily manage, and dispose of vacant land for the purpose of stabilizing neighborhoods and encouraging re-use or redevelopment of property.