



NSP3-1 ALERT #16

TO: NSP3-1 Recipients
FROM: Lorena Oseguera - EDA - Housing
DATE: September 7, 2011
SUBJECT: **NSP3-1 Final Notice of Offer (FNO) reduction in time frames**

The County of Riverside (County) has imposed strict guidelines regarding performance measures on the NSP3-1 Loan Agreements (Agreement) with its NSP3-1 developers due to the emphasis on the expenditure of funds by NSP 3.

Section 26 of Agreement states that the Developer is required to “Close Escrow” within 4 months from the Effective Date of the Agreement, however, as per Section 10, and at the sole discretion of the County, the County may grant an extension for up to 30 days, otherwise, any funds that have not been encumbered by a Deed of Trust will be reallocated by the County.

For the acquisition portion of NSP3-1 homes, and under the general NSP guidelines, the seller of a foreclosed home has 60 days from the date the County has performed an appraisal to accept the final sales price as per the FNO.

For future NSP3-1 acquisitions, and only for developers who are in jeopardy of not meeting the “Acquisition Deadline” of the Agreement, the County may shorten the expiration date of the FNO to align with the “Acquisition Deadline”.

The “Acquisition Deadline”, based on the Agreement, is the date that the County will use to determine if a reallocation of unencumbered funds will be imposed, even if the County has issued an FNO with an expiration date after the “Acquisition Deadline”. The expiration date of an FNO shall in no way be used by a Developer as assurance that the funds under the Agreement are available to purchase a home beyond the “Acquisition Deadline”.

For more information: If you have any questions or would like more information, contact the EDA Housing staff at (951) 955-9602 or please contact your project manager.