



# Example Acquisition and Disposition Process Map



## About this Tool

### Description:

This document provides a sample process map to assist grantees and their partners in planning the acquisition and disposition processes of properties for land banking. Two maps are included – one of the acquisition process and one of the disposition process. These maps demonstrate various approaches to each process and the steps that need to be taken.

### How to Adapt this Document:

This document should be used as a guide for acquiring and disposing of NSP properties that meet the needs of the individual land bank. It addresses the major NSP functions and represents one approach for acquiring and disposing of property. However, it should not be used as-is. NSP grantees should determine if it fits the underlying program design. Details such as roles, responsibility, state and local requirements should be customized if necessary.

### Source of Document:

Substantial portions of this document come from a standard Neighborhood Stabilization Program RnLA Purchase of REO property document drafted by the Michigan State Housing Authority for the participants of the Michigan Consortium for NSP.

### Disclaimer:

This document is not an official HUD document and has not been reviewed by HUD counsel. It is provided for informational purposes only. Any binding agreement should be reviewed by attorneys for the parties to the agreement and must conform to state and local laws.

This resource is part of the NSP Toolkits. Additional toolkit resources may be found at [www.hud.gov/nspta](http://www.hud.gov/nspta)

# Acquisition by Purchase



- Estimated (HUD-1) Settlement (provide to MSHDA 2 weeks prior to closing)
- Final Closing Cost Statement
- Title Company will handle deed preparation, title work, recording of deed

## Disposition of Land Bank Property

(Residential and Commercial Improved )



Staff/Board inspects and determines the best end use for the property .



Appraisal is completed (if applicable)



Sales price is determined based on the amount equal to or less than the cost to acquire and re-develop or rehabilitate in order to bring the property up to a safe and habitable condition.



Properties are listed available for sale either through a listing with a real estate agent or thru the land bank.



The land bank is responsible for handling the application process and pre approval process, including verification of income requirements, completion of an eight hour homebuyer counseling session, and compliance with mortgage requirements, with all parties interested in a particular property.



All applications are reviewed by the staff and/or board of directors to make final approval.. The staff and/or board of directors will also review all transferees to ensure they meet NSP income limitation requirements.



Once the sale is approved a title company will handle all closing documentation including, title work, deed preparation, filing the deed with the County Register of Deeds and all transfer affidavits.



The Land Bank will keep record of all properties sold thru the Neighborhood Stabilization Program (NSP)



## Disposition of Land Bank Property

(Side-lot )

Staff and/or Board of Directors inspects and determines the property should be placed in the side-lot program .

Sales price is determined based on policies and procedures of the side lot program.

Once per year a mailing will go out to each resident that qualifies for the side lot program, based on the policies and procedures set forth by the land bank. This letter will explain the side lot program and how they can acquire a side lot and also include an application to be completed.

Properties are listed through the land bank's Office

Interested parties will fill out an application made available through the land bank.

All applications are reviewed by the staff and/or board of directors to make final approval.. The staff and/or board of directors will also review all transferees to ensure they meet NSP income limitation requirements.

Once the sale is approved a quit claim deed will be prepared by the land bank and or title company, based on the policies and procedures set forth by the land bank, for the amount set forth by the policies relating to side-lot disposition. The land bank will handle the closing and is responsible for recording the deed and transfer affidavits.

The land bank will keep record of all properties sold thru the Neighborhood Stabilization Program (NSP)