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## Neighbor Next Door Program: Housing Help for Teachers, Police, and

If you are a school teacher, law enforcement officer, or firefighter/emergency technician you may love your job, but wonder how you will ever be able to afford a home on your income. Fortunately, the government has realized that these public servants sometimes need a little help when it comes to home buying. It has created the Good Neighbor Next Door Sales Program. While it does impose some limitations, this program has some great benefits to offer those in these professions.

The Good Neighbor Next Door, or GNND program is administered through the Department of Housing and Urban Development. The purpose, as stated on the HUD website, is to “strengthen communities by encouraging employed, professional law enforcement officers, teachers and firefighters/emergency medical technicians to live in the community.” The basic benefit is that teachers, law enforcement officers, and firefighters are eligible to buy a home in a program-designated area for 50% of the list price.

The qualifications are pretty simple. You must be a full-time employee in one of the stated professions. If you are a teacher, the area where you choose to buy needs to serve students from the school where you teach.

Once you meet the qualifications, you can then apply for the program and start looking at homes listed in the program’s “revitalization areas.” The website states, “Revitalization areas are HUD-designated neighborhoods in need of economic and community development and where there is already a strong commitment by the local governments.” So these areas may not be in the most desirable parts of town, the biggest drawback of the program.

Once a home is listed by HUD, it is available for purchase for the next five days. When you find a listing you like, you let the program coordinators know that you want the house. If any other participants express interest in that home, the program administrators will make a selection based on a random lottery.

The amazing part of this program is that once you win the bid for a home, you will receive a discount of 50% off of the appraised price. For example, if HUD finds the house is worth \$100,000, you will only have to pay \$50,000! Incredible! The stipulation attached to this credit discount is that you must occupy the home as your sole residence for the next 36 months. If you use an FHA loan, your down payment will also be extremely low. (You do not have to use an FHA mortgage. You can also go with a VA loan, or traditional mortgage programs. You can even pay in cash, if you have the resources!)

You will have to sign a Second Mortgage and Note on the discounted portion of the home’s price. This states that you will become responsible to repay at least a percentage of the discount if you do not stay in the home for the required three years.

After you buy the home and live there for the full 36 months, you own the home and can sell it thereafter. All of the profit and equity from the sale are yours to keep! This means the program may be a great way to break into homeownership and help you move into a more desirable area in a few years.

If you think this program may be right for you, talk with a representative from your local HUD branch. This may be the easiest way for you to begin your dream of owning your own home!