

# Your guide to using Indiana's Market Stabilization Program

## Step 1

Borrowers should consult a lender to prequalify for a mortgage and to see if they qualify for the Market Stabilization Program. We also recommend verifying if the client would benefit from other IHCDA products including *First Home*, *First Home Plus*, and the *Mortgage Credit Certificate* Program.



## Step 2

Once they have pre-approval, borrowers should consult with a realtor to locate an MSP-approved property. This can be done by checking properties of interest on [www.IndianaHousingNow.org](http://www.IndianaHousingNow.org) to see if they qualify. This is also a great time for borrowers to register for their 8 hours of in-person Homebuyer Education, which is required to use the MSP program.

## Step 3

Once an MSP approved home is found, an inspection and appraisal should be ordered. The borrower should also determine how the MSP funds will be spent: as downpayment money, to cover closing costs, or to apply towards repairs necessary to bring the home up to code.

## Step 4

When the lender receives the offer from the borrower, the lender registers the loan with IHCDA. This should be done prior to preparing the application package and submitting to IHCDA. Once IHCDA receives the application package, they will review and render an approval decision (this decision is based on compliance only).



## Step 5

The lender will receive IHCDA approval of the loan package, and proceed to closing. If repairs are done prior to closing, the lender sends a request for the funds, HUD1 and invoice to IHCDA. IHCDA then wires the money to the title company for disbursement at closing. If repairs are to be done after closing and ultimately escrowed, the lender should get three estimates for the repairs. IHCDA will take the middle estimate and escrow that dollar amount.

## Step 6

Prior to closing, lender should verify with borrower that the 8 hour homebuyer education has been completed. Upon closing, lender should forward closing package to IHCDA for processing.

Working together  
to stimulate  
Indiana's Housing  
Economy

IHCDA created this program with the help and input of realtors, lenders, and housing counselors throughout the state. By appropriating a portion of the State's allocated Neighborhood Stabilization Funds we feel that the housing market in Indiana can be stimulated through this innovative new program.

But we need the help of our lenders and realtors around the state to truly make this program a success and boost Indiana's Housing Market.