



NACA

Fighting Predatory Lending with
America's Best Mortgage

PURCHASE WORKBOOK

**BECOME A HOMEOWNER
WITH NACA'S BEST IN AMERICA MORTGAGE**

MEMBER'S NAME _____

DATE OF WORKSHOP _____

NACA ID # _____



WWW.NACA.COM

Maintaining Your NACA Qualification

Congratulations on being NACA Qualified! Remember to use your Web-File to submit your documents. Until closing you must maintain the following:

- ☑ **MINIMUM REQUIRED FUNDS / SAVINGS** – Maintain and work to increase the minimum amount required to complete your desired purchase.
- ☑ **PAYMENT SHOCK** – Continue saving your payment shock each month. Document and prepare explanations for all large withdrawals and non-payroll deposits.
- ☑ **DEBT** – Do not open any new credit accounts or increase debt balances. Submit updated statements for all debt obligations including your credit cards and student loans.
- ☑ **ON-TIME PAYMENTS** – Continue to pay rent and all obligations on time each month.
- ☑ **INCOME** – Notify your Mortgage Counselor (“MC”) if any source of your documented income changes or ends. Leaves of absence may affect your NACA Qualification.
- ☑ **RENT** – Continue to document your on-time rent payments by submitting monthly verification. Pay rent in a way it can be seen coming from your bank account.
- ☑ **NEW DOCUMENTS** – Submit every paystub, bank statement, rental payment, credit card statement, student loan statement, and alternative credit documents to your Web-File as you receive them. Remember to retain your original documents.

Your Next Steps

- ☑ **VIEWING HOMES** – Prior to viewing any home, make sure it is within your affordability range as stated in your Qualification Form. When looking at homes, pay attention to other potential costs such as structural, safety or code issues that may affect property approval and affordability.
- ☑ **PROPERTY SPECIFIC LETTER** – Once you have identified a home, contact your Mortgage Counselor to obtain a Property Specific Letter to verify that you qualify for that home. Often the Listing Agent or seller requests this letter.
- ☑ **PURCHASE & SALE CONTRACT (P&S Contract)** – Once you and the seller have signed a Purchase and Sale contract (P&S), upload it through your Web-File or have your R.E. Agent upload through the Realtor Portal within 24 hours of execution.
- ☑ **INSPECTIONS** – Complete a property inspection and pest inspection within three days of executing your P&S Contract (this requirement does not apply to new construction properties).
- ☑ **CREDIT ACCESS** – Immediately after executing the P&S Contract, provide updated documents for the ones you provided at NACA Qualification. Either upload through your Web-File or schedule an appointment to provide the documents directly to your counselor so your application for Credit Access can be submitted and approved. Also address any conditions in your Web-File immediately.
- ☑ **NACA REPAIR LIST** – Review HAND repair requirements for property approval and negotiate final seller concessions, if applicable.
- ☑ **BANK APPLICATION** – After Credit Access approval, you must complete the application and sign associated documents. Your loan package must be submitted to the participating lender no later than ten days from the executed P&S.
- ☑ **HOME OWNER’S INSURANCE** – Obtain quotes and secure a Home Owner’s Insurance policy. Submit the insurance binder to NACA through your Web-File or to your Mortgage Counselor directly.
- ☑ **AMENDMENTS TO PURCHASE & SALE CONTRACT** – Submit any additional amendments to your P&S Contract once signed by you and the seller.
- ☑ **FINAL REHAB BUDGET** – If you will be completing required repairs after closing, obtain bids, evaluations and/or work write-ups. Submit these to NACA HAND Department immediately upon receipt.
- ☑ **RE-INSPECTION** – Complete re-inspection of seller negotiated repairs by the same property inspector who conducted the initial inspection.
- ☑ **CLOSING** – Address any lender conditions through your NACA Underwriter or Mortgage Counselor and close on your home within 28 days of the P&S Contract.

INDEX	Page
• Welcome Letter	2
NACA MORTGAGE	3
• Interest Rate Buy-Down	3
• 15-Year Wealth Builder Mortgage	5
• Eligibility Requirements for the NACA Mortgage	6
• NACA Qualification Letter	6
• NACA Qualification Form	6
MORTGAGE AMOUNT	7
• Purchase Eligibility	7
• Mortgage Amount Calculation	8
• 30-Year Mortgage Amount Calculation – Single Family	9
• 15-Year Mortgage Amount Calculation – Single Family	10
REAL ESTATE AGENT	11
• NACA’S Real Estate Department (“RED”)	11
• Types of Real Estate Agents	12
• Real Estate Agent Responsibilities & Compensation	13
• Selecting R.E. Agent & Contract	15
HOUSE PURCHASE	15
• Housing Search Preparation	15
• Grants & Non-profit Funds	16
• Property Types	17
• Construction Types	19
• Housing Search	20
• Property Specific Letter	21
• Purchase & Sale Contract	21
• Property Evaluation	23
• Property Evaluation Form	24
• Property Search Diary	25
PROPERTY CONDITION REQUIREMENTS	26
• NACA’S HAND Department	26
• Property Inspection	26
• NACA Repair List	27
• Repair Responsibilities	27
• Contractors	29
• Repair Escrow - Post Close Renovations	30
MORTGAGE PROCESSING & CLOSING	31
• NACA Credit Access & Bank Application - Mortgage Counselor	31
• How Much Money Will You Need To Buy a Home?	33
• Mortgage Processing & Underwriting - NACA Underwriter	34
• Mortgage Closing	34
• Timeline: 28 Days from P&S Contract to Closing	36
• Mortgage Prep - P&S Contract to Bank Application (Days 1 to 10)	36
• Mortgage Process - Bank Application to Closing (Days 11 - 28)	37
POST PURCHASE & PARTICIPATION (MAP)	39
Web-File	40



NACA

Neighborhood Assistance Corporation of America

Dear NACA Qualified Member,

Congratulations on being NACA Qualified and attending the NACA Purchase Workshop. This means that you have worked hard to be pre-approved for NACA's Best in America mortgage and are ready to begin your housing search. If you continue with the NACA process and adhere to our requirements and timelines you will have the opportunity to become a homeowner.

NACA's Purchase Workshop is presented by local office staff members and often a NACA In-House Agent every Thursday from 6:00 p.m. to 7:30 p.m. in the local NACA office. Members are welcome to bring their real estate agent ("R.E. Agent"), especially if their R.E. Agent is unfamiliar with the NACA process. This workshop will prepare you and your R.E. Agent to understand and meet NACA's requirements. This includes finding a home that meets your needs, is affordable based on your NACA Qualification, is at a fair price, and will have any repairs addressed.

This Purchase Workbook is your resource guide that details the housing search and mortgage process. NACA has established several requirements to ensure that the home you purchase is affordable over the long term and that repairs are made to eliminate future difficulties and costs. NACA's Home and Neighborhood Development department ("HAND") will assist you in identifying code, safety and health issues that require repairs for the property to be approved for purchase.

NACA will work with you throughout the home buying process. This is one of the most important, complicated and therefore often the most stressful purchases you will ever make in your life. Remember that at any time during this process you have access to our professionals to assist you. NACA is committed to helping you achieve your goals based on your best interests. If you follow the process and timeline stated herein you should be able to close on your home within 28 days from your executed Purchase & Sale Contract.

I want to remind you about our nationwide mission. We need you to participate in promoting economic justice, revitalizing communities, affordable homeownership, and fighting financial exploitation and discriminatory lending practices. This includes accessing local grants and city programs to help increase purchase options for low-and-moderate income households. Keep us informed about any predatory or discriminatory practices or any roadblocks you encounter that may limit or prevent homeownership, financial or other opportunities for you or your community.

We look forward to helping you become another successful NACA homeowner. I hope to meet you in the future as we work to make the NACA standard the national standard and as we continue the fight for economic justice.

Sincerely,

Bruce Marks

NACA Founder and CEO

NACA MORTGAGE

You are now NACA Qualified. This means that you are pre-approved for NACA's Best in America mortgage. You have accomplished three of the most important steps to owning a home: 1) qualifying for a Monthly Mortgage Payment you can afford; 2) having the necessary assets to close on a home; and 3) obtaining access to a mortgage product with the best terms at a below market fixed interest rate. This puts you in the strongest position when shopping for a home.

The extraordinary terms of the NACA mortgage are as follows:

- NO down payment required
- NO closing costs – paid by lender
- NO fees – paid by lender
- NO points
- NO Private Mortgage Insurance (“PMI”)
- Term – 30-year or 15-year
- Interest Rate – Below market fixed rate for a 15 or 30-year term
- Interest rate buy-down – the most effective way of obtaining an affordable payment or increasing the affordable purchase price
- Renovations/Repairs – funds for renovations can be provided as part of the mortgage

Your NACA Qualification is good for both NACA's conventional 30-year mortgage and the 15-year Wealth Builder Mortgage. The Wealth Builder Mortgage empowers you to become free from debt and build wealth quickly. The 15-year rate starts at a lower interest rate than the 30-year mortgage, around one-half to three-quarters of a percent lower. Although the 15-year term does have a higher principal and interest payment each month, more of your payment will go towards the principal, increasing your net worth much faster rather than paying interest to a lender. If your budget allows, selecting a 15-year term is the fastest way to build equity and wealth.

Interest Rate Buy-Down

The NACA Interest Rate Buy-Down (“NACA Buy-Down”) is the most effective way to significantly increase your purchasing power (i.e. buy at a higher price) and/or reduce your Monthly Mortgage Payment. You can use a lump sum amount to buy-down your interest to nearly a zero percent rate. This amazing benefit is not available with any other mortgage. You can pay out of your own funds if you have sufficient savings or other assets, negotiate a seller contribution, obtain a grant, and/or use a documented gift from family that does not need to be repaid. Sellers can contribute up to 10% of the contracted sales price toward a buy-down. However, the sales price cannot be raised in order to accommodate a seller contribution. A seller contribution greater than six percent may initiate a risk review by the participating lender to verify that the NACA Buy-Down was not financed as part of a higher sales price.

The impact of the NACA Buy-Down is extraordinary. For each one percent (1%) of the mortgage (loan) amount – or “discount point” – you pay up-front, the interest rate is permanently reduced for the life of the mortgage. The reduction in rate for each discount point paid is about two times greater than what is normally available in the market. The NACA program also permits you to reduce the interest rate more than other programs in the market and for a much lower amount.

- **30-year NACA mortgage, each discount point permanently reduces the interest rate by one-quarter of one percent (0.25%) for the life of the mortgage.**
- **15-year Wealth Builder Mortgage, each discount point permanently reduces the interest rate by one-half of one percent (0.50%) for the life of the mortgage.**

The NACA Buy-Down is only available with a NACA Mortgage and is only available when submitting your bank loan application and cannot be obtained once you have closed on your loan. You must document the source of the funds to be applied to the NACA Buy-Down. Members at or below eighty percent of the median income for the area in which they are purchasing can buy-down their interest

rate to virtually zero percent. Note: this buydown is subject to change. Members above the median income are limited to about five points they can buy-down. Seller contributions for the NACA Buy-Down is limited to 10% of the property’s contracted sales price. The NACA Buy-Down cannot be financed with an increased purchase price. A seller contribution greater than six percent may initiate a risk review by the participating lender to verify that the NACA Buy-Down was not financed as part of a higher sales price.

Grants can be obtained for the interest rate buy-down. Most of these grants are funded by the federal government and sometimes enhanced by state and local municipalities. Cities and municipalities administer and provide these grants. These funds—which can be from \$5,000 to over \$25,000 for each buyer—are used for down payment and closing costs, and, in some cases, can also be used for buying down the interest rate. The most effective use of these funds is to combine them with the NACA Mortgage and to buy down the interest rate from NACA’s already below-market rate. To access these funds for the NACA Buy-Down, you need to contact your city and town officials to get them to work with the NACA Mortgage. NACA can assist you in having the government work to further enhance the NACA Mortgage.

Information You Should Consider Before Buying-Down Interest Rate

If you have funds available, you can keep them as a savings fund, use them as a principal payment (i.e. down payment) to lower the loan amount and the corresponding Monthly Mortgage Payment, or use them as discount points to permanently reduce your interest rate and the Monthly Mortgage Payment. You should consider the information below in making this decision as it applies to your circumstances.

You Are Not Required to Pay Buy-Down Discount Points – The payment of discount points is not required. It is your decision to pay or not pay discount points to permanently lower your interest rate and by how much. The NACA Buy-down may be the most effective way to be approved for an affordable payment for a property that exceeds the payment you qualified for.

You Should Consider Whether You Have Sufficient Savings or other Assets for Unexpected Expenses – If you are using your own savings or assets to pay discount points or to make a larger down payment, think carefully about whether you will have sufficient savings or other assets to pay unexpected expenses or emergencies. Failure to retain sufficient savings or other assets could leave you unable to pay your expense debts or cope with emergencies.

Pros of Paying Discount Points Instead of a Down Payment	Cons of Paying Discount Points Instead of a Down Payment
<ul style="list-style-type: none"> • Lower Payment – Will reduce the amount of the Monthly Mortgage Payment about three times more than using the same funds to make a down payment that reduces the amount of the loan. 	<ul style="list-style-type: none"> • Loss of Discount Points if Loan is Paid Off During Early Years - If you need to refinance or sell the property in the early years of the loan, a substantial portion of the discount points will be lost.
<ul style="list-style-type: none"> • Higher Equity in Your Home During Later Years – If funds are used to pay discount points rather than to lower the amount of the loan, your initial loan balance will not decrease but will be reduced more quickly over time. If you do not need to refinance or sell your home during the early years of your loan, your loan balance will be lower and your equity higher in later years. 	<ul style="list-style-type: none"> • Lower Equity in Your Home During Early Years – If funds are used to pay discount points rather than to lower the amount of the loan, you will have less equity in your home in the early years and it will take more years to build equity. This is not the case for the 15-year mortgage with the ability to build equity quickly.

15-Year Wealth Builder Mortgage

The 15-year Wealth Builder Mortgage empowers you to become free from debt and quickly build wealth (i.e. equity in your home). The 15-year fixed interest rate starts at a lower rate than the NACA below market 30-year fixed rate, around one-half to three-quarters of a percent lower. The 15-year term does have a higher payment each month due to the significant reduction in the mortgage term. However, more of your payment will go towards the principal and therefore reduce the interest paid to the lender. Also, you can use a greater amount of your income for a Monthly Mortgage Payment (i.e. higher housing ratio) – up to a maximum 35%.

The benefits of this revolutionary 15-year Wealth Builder Mortgage are the following:

- Quickly increase your net worth by having your Monthly Mortgage Payments largely and immediately go towards the principle.
- Build generational wealth.
- Pay very little mortgage interest each month.
- Become mortgage debt free in the home of your dreams before retirement.
- Have the freedom to afford your children’s college or post-high school tuition.
- Live out retirement free from debt and leave the next generation a house rather than a mortgage.
- Purchase a starter house today and rapidly build vast amounts of equity in a short amount of time, providing a large down payment to purchase another home in the future that meets your changing family or other needs.

30-Year NACA Mortgage compared to 15-Year NACA Wealth Builder Mortgage

The following table provides a detailed side by side comparison of NACA’s 30-year mortgage and NACA’s 15-year Wealth Builder Mortgage. It outlines the additional benefits of the 15-year Wealth Builder Mortgage with a lower interest rate and twice as effective buy-down.

The comparison assumes 4.00% for a 30-year term and 3.25% for a 15-year with a \$150,000 mortgage (loan amount). There is \$9,000 (six points) coming from seller contributions, your own funds, gifts, or a grant. These funds which would ordinarily be used for a down payment and closing costs can now be utilized more effectively with the NACA Buy-Down.

The comparison shows that with the same amount of funds, with the 15-year mortgage you would have an interest rate of almost zero percent (i.e. 0.25%). In this scenario, you would be mortgage debt free in fifteen years if you could afford to pay an additional \$256 per month. This scenario would be different with changes in the interest rate; if the interest rate is lower, there would be less of a difference between the 30-year and 15-year rate.

30-Year NACA Mortgage	15-Year NACA Wealth Builder Mortgage
Fixed Rate: 4.00% Loan Amount: \$150,000 Buy-down Amount: \$9,000 Interest Rate after Buy-down: 2.50% (1% reduces .25%) <u>First payment</u> Principal: \$280 (47%) Interest: \$313 (53%) Principal and Interest payment = \$593 <u>In Five years:</u> Interest paid = \$17,673 Principal paid = \$17,909 Equity Percentage: 12% Loan Balance = \$132,093 <u>In 10 years:</u> Interest paid = \$32,964 Principal Paid = \$ 38,196 Equity Percentage: 25% Loan balance = \$111,804 <u>In 15 years:</u> Interest paid = \$45,556 Principal Paid = \$61,184 Equity Percentage: 41% Loan balance = \$88,816 Principal & interest payment = \$593 for 15 more years	Fixed Rate: 3.25% Loan Amount: \$150,000 Buy-down Amount: \$9,000 Interest Rate after Buy-down: 0.25% (1% reduces .50%) <u>First payment</u> Principal: \$818 (96%) Interest: \$31 (4%) Principal and Interest Payment = \$849 <u>In Five years:</u> Interest paid = \$1,572 Principal Paid = \$49,368 Equity Percentage: 33% Loan balance = \$100,632 <u>In 10 years:</u> Interest paid = \$2,524 Principal Paid = \$ 99,356 Equity Percentage: 66% Loan Balance = \$ 50,644 <u>In 15 years:</u> Interest paid = \$2,846 Principal Paid = \$150,000 Equity Percentage: 100% Loan Balance = \$0 Principal & interest payment = \$0

Eligibility Requirements for the NACA Mortgage

You must comply with the following NACA eligibility requirements:

- Owner Occupancy – you must occupy the property during the life of the loan.
- Other Property Ownership – NACA is not an investor program or available to investors. If you own other property you must sell it prior to closing on a NACA loan. You may purchase other properties after closing on the NACA Mortgage, but you must live in the property you bought with the NACA mortgage.
- Volunteer in five actions or activities a year in support of NACA's mission in whatever way you feel comfortable. This can include participating in NACA's campaigns for economic justice as well as volunteering or providing a testimonial during upcoming workshops.
- Register to Vote – unless prohibited by law or religious belief, you must register to vote.
- You agree to all NACA policies and guidelines.

Qualification Letter

You have received comprehensive counseling through NACA's housing counseling subsidiary the Neighborhood Stabilization Corporation. By attending the Purchase Workshop, you have decided to access the NACA Mortgage and continue with the mortgage process through NACA. The NACA Qualification letter is a public document that states that you are pre-approved for NACA's Best in America Mortgage. This letter does not have any of your personal financial information so that you may provide this letter to any seller or R.E. Agent to support a purchase offer. It states that NACA has pre-approved you after a comprehensive review that includes the following: your tri-merge credit report, income, tax returns, rental verification, assets, and other supporting documentation. This underwriting verifies that you have the necessary funds and have met the NACA criteria to close on a home. If your financial circumstances change you must contact your Mortgage Counselor to determine if you are still NACA Qualified and update your Maximum Mortgage Amount.

The Qualification Letter also explains to the seller and Listing Agent the major benefits of working with a NACA Qualified Member. These include: 1. NACA's streamlined mortgage process facilitates closing loans within 28 days of the Purchase & Sale Contract execution date; 2. NACA is funded with over \$15 billion with \$10 billion through Bank of America to provide affordable homeownership to thousands of homeowners nationwide; 3. Almost all property types are eligible for financing: one-to-four-family residential, condo, co-ops, mixed use, new construction, and properties in need of repair; and 4. Virtually no one who is NACA Qualified is denied a mortgage. This letter is far stronger than the typical pre-qualification provided by mortgage lenders.

Qualification Form

The Qualification Form is solely for your private use since it shows your personal financial information used to determine your NACA Qualification. This includes the following: Maximum Mortgage Amount, Monthly Mortgage Payment for the 30-year and 15-year NACA Mortgage, Monthly Payment Shock, Minimum Required Funds, Monthly Gross Income, and Total Debts. This information is solely for your records and you should use it to provide your R.E. Agent a range of prices for your housing search. Nevertheless, be very cautious in showing or sharing this form with your R.E. Agent, Listing Agent or seller, since you want to be able to purchase at the lowest price and not the maximum you can afford.

Your financial information on the Qualification Form must stay the same or improve to maintain your NACA Qualification status and your Maximum Mortgage Amount. This includes remaining current on all your payment obligations including, but not limited to: rent, credit card(s), car loan(s), student loans and other debts. Your total debts should not increase since this may indicate that you are borrowing to maintain your standard of living. In addition, your savings should increase by at least your monthly surplus shown on your budget and/or your Payment Shock savings. The information in this form provides the basis to determine both your Maximum Mortgage Amount and your status as a Priority Member (defined in the Qualification Form). If there are any significant changes to your financials, contact your MC to determine if your affordable Monthly Mortgage Payment should be higher or lower than the amount stated on the Qualification Form.

MORTGAGE AMOUNT

The Mortgage Amount is the purchase price plus any Repair Escrow consisting of funds you would need to complete repairs after closing (“Mortgage Amount”). Your maximum Mortgage Amount uses your affordable Monthly Mortgage Payment consisting of your principal, interest, taxes, insurance, and any homeowners’ association payment. We encourage you to purchase a home for less than your maximum Mortgage Amount to have an even more affordable Monthly Mortgage Payment.

Property Eligibility

NACA's mission is to provide affordable homeownership to low-to-moderate-income people and communities. Therefore, access to NACA's Best in America Mortgage is limited to low-to-moderate income people (“Priority Members”) and people purchasing in low-to-moderate income communities (“Priority Areas”). NACA's eligibility is based on the median family income for a Metropolitan Statistical Area (“MSA”). The median income divides the number of people in an MSA in half between low-to-moderate income people and higher income people. The result is that the low-to-moderate income people that constitute half of the MSA are NACA Priority Members. An MSA, which is usually named for a large metropolitan center, is a large area that encompasses a metropolitan area and surrounding communities. Since NACA offices service several MSAs, each with different median incomes, you may be a Priority Member in one MSA and not in another. Also, check with the local NACA office to verify the purchase eligibility criteria, since there may be local adjustments such as higher income limits in some areas.

The maximum Mortgage Amount is based on your approved Monthly Mortgage Payment or the current conforming loan limits, and cannot be exceeded. The current Mortgage Amount or purchase price limits are \$484,350 for a single family home in most areas and \$726,525 in high cost areas with considerably higher amounts for multi-family properties. A buyer cannot pay additional funds to the seller as a down-payment to reduce the mortgage amount to be within conforming loan limits but with an out of range purchase price.

The area where a Member can purchase is determined by their income as defined below. The below information is also provided at www.naca.com in the Purchase Section under Eligibility.

Priority Member: Low-to-moderate income Members (i.e. borrowers and co-borrowers) whose combined income is less than the median family Income for the MSA where they are purchasing a home.

- Priority Members can purchase any property within the MSA within the conforming loan limit.

Non-Priority Member: Members (i.e. borrowers and co-borrower) whose combined income is equal to or greater than the median family income for the MSA where they are purchasing a home.

- Non-Priority Members can only purchase in the MSA's Priority Area with loan and required repairs within the conforming loan limit.

Priority Area: Is a census tract (an area or neighborhood between 3,000 and 6,000 people) where the median family income of the tract is less than the median income of the MSA. To find out which MSA and census Tract a property is in, go to <https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx>.

- a. Type the property address in the address bar and click search.
- b. Click the gray box for Census Demographic Data.
- c. The 6th box down in the grid tells the percentage of the median income. Anything below 100 is a Priority Area. The third box down is the median income for the MSA.
- d. If the address is not found, check the box on the left “user select tract” and place the dot where the house is on the map. This may require the use of Google maps and zoom in and out to find the place to drop the dot on the FFIEC map.

MSA Median incomes: Found at <https://www.ffiec.gov/Medianincome.htm>

- a. Select the most recent year.
- b. Open the report in PDF or Excel and select the MSA by name – Furthest column on the right is the median income for the corresponding MSA.

Conforming Loan Limits: Visit <https://www.fanniemae.com/singlefamily/loan-limits> to see current single and multi-family conforming loan limits.

Mortgage Amount Calculation

Your Maximum Mortgage Amount is determined by your affordable monthly Mortgage Payment and consists of your principal, interest, taxes, insurance, and any HOA fees. This calculation requires estimates of the monthly taxes and insurance particular to the area you want to purchase and the type of property. Real estate taxes range from 1% to 4% of the value of your house and your monthly property insurance payments generally average between \$45 to over \$100 per unit (i.e. multi-family homes have significantly higher insurance costs). Your property insurance is based on the age, location, cost to rebuild, your credit score, distance from fire hydrants and other factors. Condos and some other properties require monthly homeowners' association dues. Ask your Counselor or Purchase Meeting presenter for the tax and insurance rates in the area(s) you want to purchase. During your housing search as you identify properties you should use the taxes and insurance particular to that house to determine the Mortgage Amount. You can calculate this through NACA's website or manually. Both are described below.

NACA Website Mortgage Calculator

You can calculate the purchase price or monthly payment for a 30-year or 15-year term using NACA's current daily below market fixed interest rate, property type and NACA Buy-Down. Go to www.naca.com and select Purchase Program option at the top then scroll the bottom of the page to Mortgage Calculator.

Select either: Your Desired Payment, or Your Desired Purchase Price

Enter the following fields:

- Location: zip code for purchase area you want to purchase.
- Property Type: condo, single family, two family, three family or four family. If multi-family input the estimated rent for the rental unit. The calculation will use 75% of the rent.
- Mortgage Term: 30 years or 15 years.
- Buy-down Amount – each one percent of mortgage reduces the interest rate by 0.25% for 30-year and 0.50% for 15-year down to virtually zero percent. The new interest rate will be calculated.
- Principal Reduction – optional since there is no down payment or closing costs with the NACA Mortgage.
- Monthly Payment Estimates: taxes (i.e. input rate or amount); insurance per unit; HOA/condo fee.

Calculate: show either of the below:

- If entered “Desire Payment” – Show: “Desired Purchase Price”
- If entered “Desired Purchase Price” – Show: “Desired Monthly Payment”

Manual Mortgage Calculation

Complete the steps below to do a manual mortgage calculation to determine a Mortgage Amount based on a Monthly Mortgage Payment:

Line A: The Monthly Mortgage Payment you can afford.

The payment would be between your current affordable rent and Housing Ratio that is 31% of your gross income or up to 33% with documented affordability (max of 35% for the 15-year mortgage).

Line B: Deduct monthly real estate taxes.

Monthly real estate taxes are generally between 1% and 4% of the purchase price depending on where you purchase. To determine the monthly taxes, multiply the estimated property value (usually the NACA loan amount) by the tax rate and divide by 12.

Line C: Deduct monthly insurance.

Monthly insurance payments average generally between \$45 to over \$100 per month per unit.

Line D: Homeowners Association (“HOA”).

Enter this if applicable - mostly applies to condos and Plan Unit Developments (“PUD”).

Line E: Principal and Interest (P&I). Calculated by taking your Monthly Mortgage Payment (line A), minus monthly real estate taxes (line B), minus monthly insurance (line C) and minus any HOA line (D).

Line F: Interest Rate.

NACA's below-market fixed-interest rate for the NACA Mortgage accessed at www.naca.com.

Line G: To determine the Mortgage Amount for a single-family house use NACA's current fixed-interest rate (Line F) and move down the chart on the following page to get close to your P&I Amount (Line E). The corresponding loan amount on the far-left column shows the Mortgage Amount based on the current NACA fixed-interest rate and monthly mortgage payment that you can afford.

30-Year Mortgage – Mortgage Amount Calculation – Single

Monthly Mortgage Payment (PITI) (line A): \$ _____
 Less:
 Monthly Taxes (line B): \$ _____
 Monthly Insurance (line C): \$ _____
 Homeowners Association (line D): \$ _____
 Principal & Interest (line E: select below) \$ _____
 Current Interest Rate: _____% (line F: select below)
 Monthly Mortgage Amount (line G: select below): \$ _____

Mort. Amt.	.5%	1%	1.5%	2.0%	2.5%	3.0%	3.5%	4.0%	4.5%	5.0%	5.5%
\$100,000	\$299	\$322	\$345	\$370	\$395	\$422	\$449	\$477	\$507	\$537	\$568
\$110,000	\$329	\$354	\$380	\$407	\$435	\$464	\$494	\$525	\$557	\$591	\$625
\$120,000	\$359	\$386	\$414	\$444	\$474	\$506	\$539	\$573	\$608	\$644	\$681
\$130,000	\$389	\$418	\$449	\$481	\$514	\$548	\$584	\$621	\$659	\$698	\$738
\$140,000	\$419	\$450	\$483	\$517	\$553	\$590	\$629	\$668	\$709	\$752	\$795
\$150,000	\$449	\$482	\$518	\$554	\$593	\$632	\$674	\$716	\$760	\$805	\$852
\$160,000	\$479	\$515	\$552	\$591	\$632	\$675	\$718	\$764	\$811	\$859	\$908
\$170,000	\$509	\$547	\$587	\$628	\$672	\$717	\$763	\$812	\$861	\$913	\$965
\$180,000	\$539	\$579	\$621	\$665	\$711	\$759	\$808	\$859	\$912	\$966	\$1,022
\$190,000	\$568	\$611	\$656	\$702	\$751	\$801	\$853	\$907	\$963	\$1,020	\$1,079
\$200,000	\$598	\$643	\$690	\$739	\$790	\$843	\$898	\$955	\$1,013	\$1,074	\$1,136
\$210,000	\$628	\$675	\$725	\$776	\$830	\$885	\$943	\$1,003	\$1,064	\$1,127	\$1,192
\$220,000	\$658	\$708	\$759	\$813	\$869	\$928	\$988	\$1,050	\$1,115	\$1,181	\$1,249
\$230,000	\$688	\$740	\$794	\$850	\$901	\$970	\$1,033	\$1,098	\$1,165	\$1,235	\$1,306
\$240,000	\$718	\$772	\$828	\$887	\$948	\$1,012	\$1,078	\$1,146	\$1,216	\$1,288	\$1,363
\$250,000	\$748	\$804	\$863	\$924	\$988	\$1,054	\$1,123	\$1,194	\$1,267	\$1,342	\$1,419
\$260,000	\$778	\$836	\$897	\$961	\$1,027	\$1,096	\$1,168	\$1,241	\$1,317	\$1,396	\$1,476
\$270,000	\$808	\$868	\$932	\$998	\$1,067	\$1,138	\$1,212	\$1,289	\$1,368	\$1,449	\$1,533
\$280,000	\$838	\$901	\$966	\$1,035	\$1,106	\$1,181	\$1,257	\$1,337	\$1,419	\$1,503	\$1,590
\$290,000	\$868	\$933	\$1,001	\$1,072	\$1,146	\$1,223	\$1,302	\$1,385	\$1,469	\$1,557	\$1,647
\$300,000	\$898	\$965	\$1,035	\$1,109	\$1,185	\$1,265	\$1,347	\$1,432	\$1,520	\$1,610	\$1,703
\$310,000	\$927	\$997	\$1,070	\$1,146	\$1,225	\$1,307	\$1,392	\$1,480	\$1,571	\$1,664	\$1,760
\$320,000	\$957	\$1,029	\$1,104	\$1,183	\$1,264	\$1,349	\$1,437	\$1,528	\$1,621	\$1,718	\$1,817
\$330,000	\$987	\$1,061	\$1,139	\$1,220	\$1,304	\$1,391	\$1,482	\$1,575	\$1,672	\$1,772	\$1,874
\$340,000	\$1,017	\$1,094	\$1,173	\$1,257	\$1,343	\$1,433	\$1,527	\$1,623	\$1,723	\$1,825	\$1,930
\$350,000	\$1,047	\$1,126	\$1,208	\$1,294	\$1,383	\$1,476	\$1,572	\$1,671	\$1,773	\$1,879	\$1,987
\$360,000	\$1,077	\$1,158	\$1,242	\$1,331	\$1,422	\$1,518	\$1,617	\$1,719	\$1,824	\$1,933	\$2,044
\$370,000	\$1,107	\$1,190	\$1,277	\$1,368	\$1,462	\$1,560	\$1,661	\$1,766	\$1,875	\$1,986	\$2,101
\$380,000	\$1,137	\$1,222	\$1,311	\$1,405	\$1,501	\$1,602	\$1,706	\$1,814	\$1,925	\$2,040	\$2,158
\$390,000	\$1,167	\$1,254	\$1,346	\$1,442	\$1,541	\$1,644	\$1,751	\$1,862	\$1,976	\$2,094	\$2,214
\$400,000	\$1,197	\$1,287	\$1,380	\$1,478	\$1,580	\$1,686	\$1,796	\$1,910	\$2,027	\$2,147	\$2,271
\$410,000	\$1,227	\$1,319	\$1,415	\$1,515	\$1,620	\$1,728	\$1,841	\$1,957	\$2,077	\$2,201	\$2,328
\$420,000	\$1,257	\$1,351	\$1,450	\$1,552	\$1,660	\$1,771	\$1,886	\$2,005	\$2,128	\$2,255	\$2,385
\$430,000	\$1,287	\$1,383	\$1,484	\$1,589	\$1,699	\$1,813	\$1,931	\$2,053	\$2,179	\$2,308	\$2,441
\$440,000	\$1,316	\$1,415	\$1,519	\$1,626	\$1,739	\$1,855	\$1,976	\$2,101	\$2,229	\$2,362	\$2,498
\$450,000	\$1,346	\$1,447	\$1,553	\$1,663	\$1,778	\$1,897	\$2,021	\$2,148	\$2,280	\$2,416	\$2,555
\$500,000	\$1,848	\$1,976	\$2,108	\$2,245	\$2,387	\$2,533	\$2,684	\$2,839	\$2,998	\$3,160	\$3,326
\$550,000	\$2,033	\$2,173	\$2,319	\$2,470	\$2,626	\$2,787	\$2,952	\$3,123	\$3,297	\$3,476	\$3,659
\$600,000	\$2,218	\$2,371	\$2,530	\$2,694	\$2,864	\$3,040	\$3,221	\$3,407	\$3,597	\$3,792	\$3,992
\$650,000	\$2,402	\$2,568	\$2,740	\$2,919	\$3,103	\$3,293	\$3,489	\$3,691	\$3,897	\$4,108	\$4,324
\$700,000	\$2,587	\$2,766	\$2,951	\$3,143	\$3,342	\$3,547	\$3,758	\$3,975	\$4,197	\$4,424	\$4,657

15-Year Mortgage – Mortgage Amount Calculation – Single

Monthly Mortgage Payment (PITI) (line A): \$ _____
 Less:
 Monthly Taxes (line B): \$ _____
 Monthly Insurance (line C): \$ _____
 Homeowners Association (line D): \$ _____
 Principal & Interest (line E: select below) \$ _____
 Current Interest Rate: _____% (line F: select below)
 Monthly Mortgage Amount (line G: select below): \$ _____

Mort. Amt.	.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	4.0%	4.5%	5.0%	5.5%
\$100,000	\$577	\$598	\$621	\$644	\$667	\$691	\$715	\$740	\$765	\$791	\$817
\$110,000	\$634	\$658	\$683	\$708	\$733	\$760	\$786	\$814	\$841	\$870	\$988
\$120,000	\$692	\$718	\$745	\$722	\$800	\$829	\$858	\$888	\$918	\$949	\$981
\$130,000	\$750	\$778	\$807	\$837	\$867	\$898	\$929	\$962	\$994	\$1,028	\$1,062
\$140,000	\$807	\$838	\$869	\$901	\$934	\$967	\$1,001	\$1,036	\$1,071	\$1,107	\$1,144
\$150,000	\$865	\$898	\$931	\$965	\$1,000	\$1,036	\$1,072	\$1,110	\$1,147	\$1,186	\$1,226
\$160,000	\$923	\$958	\$993	\$1,030	\$1,067	\$1,105	\$1,144	\$1,183	\$1,224	\$1,265	\$1,307
\$170,000	\$981	\$1,017	\$1,055	\$1,094	\$1,134	\$1,174	\$1,215	\$1,257	\$1,300	\$1,344	\$1,389
\$180,000	\$1,038	\$1,077	\$1,117	\$1,158	\$1,200	\$1,243	\$1,287	\$1,331	\$1,377	\$1,423	\$1,471
\$190,000	\$1,096	\$1,137	\$1,179	\$1,223	\$1,267	\$1,312	\$1,358	\$1,405	\$1,453	\$1,503	\$1,552
\$200,000	\$1,154	\$1,197	\$1,241	\$1,287	\$1,334	\$1,381	\$1,430	\$1,479	\$1,530	\$1,582	\$1,634
\$210,000	\$1,211	\$1,257	\$1,304	\$1,351	\$1,400	\$1,450	\$1,501	\$1,553	\$1,606	\$1,661	\$1,716
\$220,000	\$1,269	\$1,317	\$1,366	\$1,416	\$1,467	\$1,519	\$1,573	\$1,627	\$1,683	\$1,740	\$1,798
\$230,000	\$1,327	\$1,377	\$1,428	\$1,480	\$1,534	\$1,588	\$1,644	\$1,701	\$1,759	\$1,819	\$1,879
\$240,000	\$1,384	\$1,436	\$1,490	\$1,544	\$1,600	\$1,657	\$1,716	\$1,775	\$1,836	\$1,898	\$1,961
\$250,000	\$1,442	\$1,496	\$1,552	\$1,609	\$1,667	\$1,726	\$1,787	\$1,849	\$1,912	\$1,977	\$2,043
\$260,000	\$1,500	\$1,556	\$1,614	\$1,673	\$1,734	\$1,796	\$1,859	\$1,923	\$1,989	\$2,056	\$2,124
\$270,000	\$1,557	\$1,616	\$1,676	\$1,737	\$1,800	\$1,865	\$1,930	\$1,997	\$2,065	\$2,135	\$2,206
\$280,000	\$1,615	\$1,676	\$1,738	\$1,802	\$1,867	\$1,934	\$2,002	\$2,071	\$2,142	\$2,214	\$2,288
\$290,000	\$1,673	\$1,736	\$1,800	\$1,866	\$1,934	\$2,003	\$2,073	\$2,145	\$2,219	\$2,293	\$2,370
\$300,000	\$1,730	\$1,795	\$1,862	\$1,931	\$2,000	\$2,072	\$2,145	\$2,219	\$2,295	\$2,372	\$2,451
\$310,000	\$1,788	\$1,855	\$1,924	\$1,995	\$2,067	\$2,141	\$2,216	\$2,293	\$2,371	\$2,451	\$2,533
\$320,000	\$1,846	\$1,915	\$1,986	\$2,059	\$2,134	\$2,210	\$2,288	\$2,367	\$2,448	\$2,531	\$2,615
\$330,000	\$1,903	\$1,975	\$2,048	\$2,124	\$2,200	\$2,279	\$2,359	\$2,441	\$2,524	\$2,610	\$2,696
\$340,000	\$1,961	\$2,034	\$2,111	\$2,188	\$2,267	\$2,348	\$2,431	\$2,515	\$2,601	\$2,689	\$2,778
\$350,000	\$2,019	\$2,095	\$2,173	\$2,252	\$2,334	\$2,417	\$2,502	\$2,589	\$2,677	\$2,768	\$2,860
\$360,000	\$2,076	\$2,155	\$2,235	\$2,317	\$2,400	\$2,486	\$2,574	\$2,663	\$2,754	\$2,847	\$2,941
\$370,000	\$2,134	\$2,214	\$2,297	\$2,381	\$2,467	\$2,555	\$2,645	\$2,737	\$2,830	\$2,926	\$3,023
\$380,000	\$2,192	\$2,274	\$2,359	\$2,445	\$2,534	\$2,624	\$2,717	\$2,811	\$2,907	\$3,005	\$3,105
\$390,000	\$2,249	\$2,334	\$2,421	\$2,510	\$2,600	\$2,693	\$2,788	\$2,885	\$2,983	\$3,083	\$3,187
\$400,000	\$2,307	\$2,394	\$2,483	\$2,574	\$2,667	\$2,762	\$2,860	\$2,959	\$3,060	\$3,163	\$3,268
\$410,000	\$2,365	\$2,454	\$2,545	\$2,638	\$2,734	\$2,831	\$2,931	\$3,033	\$3,136	\$3,242	\$3,350
\$420,000	\$2,422	\$2,514	\$2,607	\$2,703	\$2,801	\$2,900	\$3,003	\$3,107	\$3,213	\$3,321	\$3,432
\$430,000	\$2,480	\$2,574	\$2,669	\$2,767	\$2,867	\$2,969	\$3,074	\$3,181	\$3,289	\$3,400	\$3,513
\$440,000	\$2,538	\$2,633	\$2,731	\$2,831	\$2,934	\$3,039	\$3,145	\$3,255	\$3,366	\$3,479	\$3,595
\$450,000	\$2,595	\$2,693	\$2,793	\$2,896	\$3,001	\$3,108	\$3,217	\$3,329	\$3,442	\$3,559	\$3,677
\$500,000	\$2,992	\$3,104	\$3,218	\$3,334	\$3,453	\$3,574	\$3,698	\$3,825	\$3,954	\$4,085	\$4,219
\$550,000	\$3,292	\$3,414	\$3,539	\$3,667	\$3,798	\$3,932	\$4,068	\$4,207	\$4,349	\$4,494	\$4,641
\$600,000	\$3,591	\$3,724	\$3,861	\$4,001	\$4,143	\$4,289	\$4,438	\$4,590	\$4,745	\$4,902	\$5,063
\$650,000	\$3,890	\$4,035	\$4,183	\$4,334	\$4,489	\$4,647	\$4,808	\$4,972	\$5,140	\$5,311	\$5,485
\$700,000	\$4,189	\$4,345	\$4,505	\$4,668	\$4,834	\$5,004	\$5,177	\$5,355	\$5,536	\$5,720	\$5,907

REAL ESTATE AGENT

It is crucial that you are comfortable with your real estate agent and s/he is familiar with the NACA Program. Your agent must understand your needs, work hard for you, aggressively advocate for you and be patient. The agent could be a NACA In-House Agent, Referral Agent or outside agent as defined below ("R.E. Agent"). Regardless of the R.E. Agent you use, your R.E. Agent's responsibility is to represent your best interests, including protecting your earnest money deposit, by guiding and assisting you through the home-buying process. They should always negotiate the most favorable terms and timelines possible, meeting your needs above others. A good R.E. Agent will never make you feel rushed and they will earn their commission once the transaction is successfully closed and paid by the seller. Do not pay any fees and contact NACA's Real Estate Department if a R.E. Agent makes such a request. It is strongly recommended you select a NACA In-House Agent as they receive extensive training on the NACA program and are very familiar with the NACA home buying process.

NACA's Real Estate Department ("RED")

NACA's RED team is always available to answer any real estate related questions or concerns. The RED team is responsible for all of NACA's real estate operations. Before selecting a R.E. Agent, please contact RED to fully understand your options when working with a R.E. Agent in your market. RED can refer a NACA In-House Agent ("IHA") or Referral Agent to you through a NACA real estate broker, if you are not currently represented by a R.E. Agent. To be well represented you must have a Buyer's Representation Agreement ("BRA") with your R.E. Agent which outlines the roles and responsibilities of your R.E. Agent in representing you. Since it is crucial that you are confident and comfortable with your R.E. Agent, make sure the BRA allows you to terminate this agreement at any time for any reason. Your R.E. Agent must upload your BRA into NACA's Real Estate portal at www.naca.com. If you change R.E. Agents, have your new R.E. Agent upload your BRA into the portal to update the R.E. Agent information so all communications and emails go to the correct R.E. Agent.

All R.E. Agents must adhere to NACA's real estate policies. All R.E. agents, working with any Member in the NACA Program, are prohibited from requesting or receiving a fee from you. The R.E. Agent's payment is exclusively from the seller's portion of the closing on the property you purchase. In addition, R.E. Agents are prohibited from accessing your personal Web-File, even though they may tell you it can help with your transaction. Please report any of these inappropriate activities to RED by emailing red@naca.com.

For the smoothest and most effective purchase process, it is recommended you work with a NACA In-House Agent or Referral Agent. The NACA In-House Agent is experienced with NACA transactions and has a proven track record of working with NACA Members and adhering to the demanding NACA process and associated timeline. If you would like to work with a NACA In-House Agent or Referral Agent, contact NACA's Real Estate Department ("RED") by emailing red@naca.com and they will refer you to one.

If you were referred to NACA through NACA's website by a R.E. Agent prior to you going to a Homebuyer's or NACA Qualification Workshop, you will be referred back to that R.E. Agent now that you are NACA Qualified. NACA recommends that you work with the R.E. Agent who referred you to the program if you are satisfied with their work. You may use any R.E. Agent of your choice unless the R.E. Agent has been removed from the NACA program for actions NACA has determined to be harmful or otherwise problematic. If your R.E. Agent has limited experience working with NACA, he or she should attend the free training NACA hosts on the first Tuesday of each month in the local NACA office or the New Agent Webinar hosted bi-weekly.

Real Estate Agent Portal

NACA provides real estate agents with their personal portal to work with their clients who are going through the NACA purchase process. A real estate agent can access their portal from www.naca.com and under the "Vendors" tab select Real Estate Agent. The R.E. Agent would then identify you as their client by uploading your signed Buyer's Representation Agreement. The R.E. Agent can also upload through NACA's Real Estate portal the P&S Contract, and any addendum. The portal provides a status of where the client is in the process. There will be additional functions added to this portal in the near future.

For clients new to NACA, the R.E. Agent can select "New Client Sub" in the portal to refer their clients to NACA prior to their client attending a NACA Homebuyer Workshop ("HBW"). R.E. Agents who follow this

process will have their client referred back to them once their client is NACA Qualified (i.e. pre-approved for the NACA mortgage). Remember, clients participating in the NACA program must be free to work with any real estate agent of their choice and able to change their R.E. Agent at any time.

Types of Real Estate Agents

You have access to three categories of R.E. Agents as defined below.

NACA In-House Agents – NACA In-House Agents work exclusively with NACA Members. They are experts in the NACA purchase program and most are members of the board of realtors. As members of the board of realtors they are bound by a code of ethics which imposes duties which are higher than those imposed by law or regulations. NACA In-House Agents specialize in negotiating the best terms for Members. They are experts with all aspects of the NACA process. The NACA In-House Agent earns a flat rate fee regardless of a sales price or commission rate so the Member knows their NACA In-House Agent is focused on the lowest sales price and not the highest commission earnings for a transaction.

Referral Agents – When a NACA In-House Agent is not available, NACA has a list of Referral Agents who are familiar with the NACA program and have proven themselves to be focused on NACA's mission of affordable homeownership.

Outside R.E. Agents – Real estate professionals who do not work for NACA. Outside R.E. Agents are strongly encouraged to register their business information on NACA's website at www.naca.com to gain access to the NACA R.E. Agent portal. This will allow the R.E. Agent to upload an executed Purchase & Sales Contract and keep track of their clients. They are encouraged to participate in NACA's New Real Estate Agent webinar if they are unfamiliar with NACA's purchase process. Outside R.E. Agents do not pay NACA a fee for referring their clients to NACA and are not permitted to charge NACA Members fees. Please report any fee you are requested to pay by a R.E. Agent to RED immediately.

R.E. Agents have differing responsibilities which are described below.

- **Buyers Agency** – The Buyer's Agent only works with homebuyers and solely represents them. Therefore, they will not represent a seller who may be listing a property you may want to buy.
- **Sellers Agency** – The Listing Agent represents only the seller in a sales transaction.
- **Dual Agency** – Dual agency is when a R.E. Agent represents both a seller and a buyer in a transaction. The R.E. Agent must remain neutral during the transaction and cannot disclose confidential information to either party. They cannot give advice and representation may be limited. Both buyer and seller must agree to the dual agency and look out for their own interest more carefully. To avoid Dual Agency when purchasing a property within the same brokerage firm, a designated R.E. Agent or appointed R.E. Agent is chosen by a managing broker to act as an exclusive R.E. Agent of the seller or buyer. This prevents a potential conflict arising from a R.E. Agent representing both parties. The Designated R.E. Agent can now provide their client full representation with all the attendant fiduciary duties.

Real Estate Agent Responsibilities & Compensation

Real Estate Agent Expectations

Do's	Don'ts
Your R.E. Agent should keep you well informed to make sure that your interests are protected.	Do not share your personal information on your Financial Qualification Form with your R.E. Agent or a seller. While you need to trust your R.E. Agent, only provide the desired price range within your NACA Qualification. You want your R.E. Agent to negotiate the best price possible instead of the maximum you can afford.

Your R.E. Agent should locate as many suitable properties as are available in your desired market until you are comfortable submitting an offer on the right home for you. Your R.E. Agent should negotiate on your behalf the terms of the agreement. You should see at least ten properties to provide insight on the market and a basis of comparison.	Do not be pressured! You should take your time when searching for a desired property. Finding the right home is crucial for such a large financial obligation.
If repairs are required, your R.E. Agent needs to work with you to determine whether and how the seller can assist most effectively by either making repairs or if the cost of repairs can be included in the mortgage.	Your R.E. Agent should not select the property inspector or a general contractor to evaluate the home or make repairs to a home you do not yet own. While your R.E. Agent can assist you, you are always responsible for selecting inspectors and contractors.

R.E. Agent Compensation:

The R.E. Agent compensation is often wrapped into the home's listing price. In other words, sellers factor in the cost of commissions when they price their home for sale. When a Listing Agent posts a Buyer's Agent compensation rate, for example on the MLS, your R.E. Agent commission from the seller is usually between 2.5% or 3% of the total sales price. The fees are paid out of the sellers' proceeds along with any negotiated sellers concessions. The major exception are For-Sale-By-Owner transactions, where the seller is listing the property without a R.E. Agent.

Be certain that your R.E. Agent is not trying to get you to pay additional fees including signing an agreement that pays them more than typical for the market. Higher fees increase your out-of-pocket costs and/or result in a higher sales price. NACA prohibits you from paying any fees not paid by the seller in a transaction outside of extraordinary circumstances which requires a written prior approval from NACA National Management. NACA does not allow the cost savings of the NACA Mortgage to be replaced with a real estate transaction fee, processing fees, brokerage fees or any other costs. Question your R.E. Agent about their compensation and contact RED if you believe your R.E. Agent may be asking you to pay any fees.

Selecting R.E. Agent & Contract

You are the client and the boss. Make sure your R.E. Agent is skilled and ready to work for you. When interviewing R.E. Agents, be prepared with the right questions:

- **Do you live in the area? If so, for how long?** You want a R.E. Agent who is familiar with the area and someone who has knowledge of the housing trends, local schools and area development plans and can quickly meet with you to look at properties.
- **How many people have you helped buy a home in the past two or three years?** Real estate professionals make their living on their reputations. Ask for references.
- **Are you an exclusive Buyer's Agent or do you work with buyers and sellers?** It's important to know you may be looking at properties the R.E. Agent may be listing for a represented seller where they are incentivized to sell. Ask them to explain Dual Agency representation.
- **Have you represented NACA Members in purchasing of homes?** If the answer is yes, how many NACA transactions have you successfully closed?
- **Are you a licensed member of the board of realtors and what is your real estate track record?** Check your state's real estate licensing board's website to ensure the R.E. Agent is licensed, and whether they have any complaints or suspensions logged against them.

In selecting your R.E. Agent make sure s/he meets the following criteria.

- **Availability** – Many real estate professionals sell real estate part time. Understand your R.E. Agent's schedule and availability. If you are actively looking to buy right away, make sure you are working with a full time R.E. Agent who is ready and willing to do what it takes to help you find a home now.
- **Data Access** – Your R.E. Agent should not only be familiar with their market but have access to Multiple Listing Services (MLS) and other resources providing you with all available inventory options in the area.

- **Patient** – Your R.E. Agent should show you as many properties as you need to see until you find the right property for you.
- **Skilled Negotiator** – Your R.E. Agent should understand the market trends where an identified property is located and take your desired price and seller's price, when known, into account to develop a negotiating strategy for making an offer and obtaining the best terms. This is especially important if you are in a seller's market where multiple offers may be presented for the same desired property.
- **Savvy Communicator & Time Manager** – Your R.E. Agent should regularly communicate with you to avoid delays, and not to miss opportunities or deadlines. Missing critical deadlines can void a contract. A real estate agent must remind you of important deadlines such as application dates, earnest monies deposits due, as well as inspection and appraisal contingencies.
- **Informed & Educated** – Your R.E. Agent must be well informed and educated on all NACA program guidelines and policies, especially required contract terms, acceptable fees, property condition requirements and mortgage processing timelines. If your R.E. Agent is unfamiliar with NACA, ask them to visit www.naca.com. Have your agent go online at www.naca.com and register for the next webinar "RED - Introduction to NACA" under live webinars. The RED webinar is free to all outside R.E. Agents and is held weekly every Tuesday from 12:00 to p.m. to 2:00 p.m. EST.
- **Conflicts of Interest** – Your R.E. Agent is required to disclose all conflicts of interest related to relationships with the seller or any vendors. Sometimes they may be listing a property or receive additional money or bonuses for having you purchase a specific property.

Buyer Brokerage Contracts

Once you find a R.E. Agent you like and if s/he is a Buyer's Agent, you will likely be asked to sign a Buyer's Broker Agreement which NACA calls a Buyer's Representation Agreement ("BRA"). This contract defines the legal relationship between the R.E. Agent and you. Like any contract, it will explain the duties and responsibilities of the parties and sets out exactly what services the R.E. Agent will provide. Most contracts are provided by the R.E. Agent in pre-printed, fill-in-the blank forms that are adapted to the laws of each specific market in which they are used.

You should always have an agreement which best meets your needs as a homebuyer. When signing a contract, know your rights and seek the advice of an attorney when necessary. Avoid long term agreements and remember, everything is negotiable. We recommend a contract duration of no more than three months and make sure that it states that if you become dissatisfied for any reason, you can break the agreement and not incur an opt-out penalty. As with all paperwork, read the fine print.

If a R.E. Agent is confident that you will be happy with their service, they will offer you an opt-out and will not commit you to an agreement for more than 90 days. The agreement often prevents you from retaining another R.E. Agent to assist you and it defines a commission amount to be paid to the R.E. Agent. The agreement often states that the R.E. Agent is paid even if you find a property on your own, or the property is identified by another R.E. Agent. It will also define the terms of the exclusive agreement and if it can be revoked at your discretion or for specific reasons.

While the terms in your real estate agent representation agreement are ultimately up to you, we recommend the following elements as these are also incorporated in the NACA In-House Agent agreement:

- Buyer-Brokerage contract where the Buyer's Agent only represents you.
- Three-month term.
- You can terminate the agreement at any time for any reason without any penalty. You should always be comfortable with your R.E. Agent.
- Real Estate Agent commissions fees cannot be greater than what is quoted in MLS or by the builder.
- You pay no fees or deposits.

HOUSE PURCHASE

Now that you are NACA Qualified and have a R.E. Agent, you can begin your housing search. At the start of the search you must meet with your R.E. Agent to discuss where you wish to live, what type of house you want, the price range you are considering and other issues that concern you. During your first meeting you should share your Property Evaluation Form, described below, where you have analyzed your requirements and desires. This evaluation is the result of your Housing Search Preparation. Remember that you need to control the housing search since this choice will affect many aspects of your life for many years.

Housing Search Preparation

Below are important steps you should take before you start shopping to make sure you are focusing on the area you desire and are prepared to act quickly once you have identified a house.

- **Market Analysis** – Do your homework early by looking at properties online to understand the available inventory in your market.
- **Community Shopping** – Research communities of interest by visiting them during high traffic times, evenings, and weekends to get a feel for the regular activity you can expect once you live in the area.
- **Transportation** – If public transportation is important, research bus or train stops in the area, even taking a trip or two through the area to document the time it will take to get to work or school.
- **Schools** – Investigate school districts to ensure you will be happy with available options if you have or plan to have children who will be going to school in the area.
- **Crime Reports** – It is important to do your own research since so much fear is based on unfounded rumors. Your R.E. Agent is not permitted by law to offer an opinion, advice or details related to crime. You can take the initiative and contact the local police department and talk to others in the community.
- **Meet the neighbors** – It is a good idea to meet the neighbors of the property you intend to make an offer on. You can learn a lot from how long neighbors have lived in the community and what they have to say about themselves and the neighborhood.
- **Area Values** – In addition to input from your R.E. Agent, you can access Zillow and other online services.
- **Property Taxes & Utilities** – Review public or appraisal district records for current and proposed tax rates and even local utility rates for anticipated water, gas and electric bills.
- **Purchase & Sale Contract** – Thoroughly review a sample Purchase and Sale Contract with your R.E. Agent, before you go shopping, to understand all terms of the agreement. Ask questions about your contractual responsibilities and, if necessary, seek the advice of an attorney about your rights and obligations under the contract. This is explained in the Purchase and Sales section on page 21.
- **Earnest Money Deposit** – Earnest Money Deposit – Decide on an earnest money deposit amount and have it ready and available to make an offer. You must identify where all funds related to your home purchase transaction come from and remember that the funds cannot be borrowed. Pay your earnest money by check or money order with the withdrawal of funds clearly identified in your checking account.
- **Contingencies** – Discuss contingency timelines that a seller will consider based on market trends and have a plan for your initial negotiations. These contingencies include inspection of the property, submitting a bank application, bank approval, appraisal and closing. NACA's streamlined mortgage 28-day contract to close timeline should be a selling point.
- **Contributions** – If negotiating seller contributions for interest rate buy-down or repairs, discuss how it may affect the acceptance of an offer and the sales price. Also, have your own funds available to cover any interest rate buy-down or repairs if necessary.
- **Registered Property Inspectors** – Research property inspectors and their fees to make sure one is identified early enough to call when it is needed. A list of registered inspectors is available in your Web-File. While you can work with any properly licensed inspector approved by NACA, if you work with a non-registered inspector they must get registered right away to avoid potential delays. It can take up to two weeks to get a new inspector registered.

- **Repair/Rehab** – If looking at properties that will require rehab after closing, research and call contractors to schedule availability to look at the property at the same time an inspection is conducted. Talking with contractors about the cost and extent of the rehab can be important in making a decision and save a significant amount of time in the process.
- **Property Condition Requirements** – Review the HAND guidelines on property condition criteria and contact the HAND Department to schedule a meeting to discuss questions and options if planning a rehab. See page 26 for the HAND process.
- **Communications** – Stay in regular communications with your Mortgage Counselor and provide him/her updates on your housing search process.
- **Updated Documents** – Keep your Web-File documents up-to-date including bank statements, pay stubs and all other documents. This will help your Mortgage Counselor be prepared and ready to assist you in applying for Credit Access and submitting your bank application.

Grants & Non-Profit Funds

In most cities, municipalities and states, there are grants to make purchasing a home more affordable. As you prepare for your housing search, you need to research grants in the cities and areas you want to purchase. Accessing these grants can be a significant factor in where you want and are able to purchase. These grants are often called Down Payment Assistance (DPA) and provide funds for down payment and closing costs. Since NACA does not require a down payment and there are no closing costs, these grant funds can be used to buy-down the interest rate which would reduce your Monthly Mortgage Payment and/or increase your Maximum Mortgage Amount. NACA has identified these grants in various localities nationwide and has used them to buy-down the interest rate on the already below market NACA mortgage. In some instances they can also be used for principal reduction.

These grants, which can be significant, typically range in amounts from \$5,000 to over \$25,000 and are available but can be difficult to access due to their requirements. The best use of these grants is often to buy-down the interest rate since that has the greatest impact in your ability to purchase your desired home with an affordable mortgage payment. The providers of this assistance can be reluctant to use the grants for an interest rate buy-down since they are unfamiliar with NACA's purchase program. NACA is the only organization where the interest-rate starts at a below market fixed interest rate and the buy-down reduces the Monthly Mortgage Payment so significantly.

Contact NACA's Member Services Department or email grants@naca.com if you have identified such grants and if you have difficulties in accessing them. These are public funds that you have the right to use. NACA will advocate and mobilize our membership to help you access them. There is no reason you should be excluded since NACA adheres to the provider's requirements. They often require the following:

- Homebuyer education by a HUD certified counseling agency: NACA is the largest HUD certified intermediary and HUD has stated that NACA provides the highest quality of counseling.
- Providers often require repayment if the homeowner sells within a period of time, usually within five to ten years; we support this requirement since government assistance is designed to promote neighborhood stabilization through long-term owner-occupied homeownership.
- The grants may require a security agreement (i.e. lien) to be in second position after the lender: NACA will subordinate the NACA lien, which ensures owner-occupancy, to the third position.
- Some of the grants only allow the funds to be used for a down-payment or closing costs; most of these grants are funded by the federal government through HUD and HUD does not prohibit their use for a permanent interest-rate buy-down.

Combining these grants with the NACA Mortgage is the most effective way for them to assist low-moderate-income people and communities. Therefore, NACA's CEO, Bruce Marks, and other NACA staff will work with the grant providers to access these grants for the interest-rate buy-down. Once we explain the benefits of the NACA buy-down, providers are often willing to make them available for this purpose. If this does not happen, you can still use the grants to reduce the amount of the mortgage (i.e. principal reduction). Grants must be approved no later than at Credit Access submission. All seller and grant funds must be used for repairs or to make the mortgage payment more affordable. A Member cannot close a loan and collect more cash at closing then they put in earnest money.

Property Types

NACA provides a mortgage product with financing for a wide range of property types. The eligible properties are described below:

Single Family

These are residential homes permitted for single-family use. There can be no additional separate units with a kitchen/cooking source, such as a Mother-In-Law suite. In some areas, a Homeowner's Association ("HOA") may be active and fees may apply (i.e. Planned Unit Development).

Condominium/Townhome

A condominium or townhouse is a building or complex of buildings containing several individually owned apartments or units sharing common areas or individual residences attached to land owned in common. All owners collectively "share" ownership of all building exteriors and common areas such as hallways, yards, walkways and parking areas. Other amenities such as shared utilities, mechanical systems, elevators, laundry rooms, gyms, pools and recreational areas located on property may also be owned in common.

A condominium or townhome project is managed by an HOA which often includes a mandatory membership and monthly assessment. HOA fees are in addition to your Monthly Mortgage Payment and will affect what you can afford. Speak with your Mortgage Counselor to determine how this impacts your affordable price range.

The Condo must meet some minimum requirements including:

- Condominium Financial Strength - At least 50% of the total number of condominium units must be owner occupied or the condominium association must be financially sound. NACA evaluation of the condo association financials will be based on the ability to meet future obligations over the next twelve (12) months, taking into the account the potential impact of adding new condo association members.
- HOA Fees Delinquency - No more than 10% of the homeowners can be late on payment of their HOA fee.
- A Condominium questionnaire form is required when making an offer to purchase a condo and this may include a non-refundable application fee. It is to be completed by the HOA or managing agent. The questionnaire provides you, the Participating Lender and NACA information about the financial stability of the HOA, the owner occupancy rates, total number of units in the community, and other information that will help you decide if the purchase is right for you. In addition to the questionnaire, the Participating Lender will also need two years of the condo's audited financials, current year's budget, and master insurance certificate. Your Mortgage Counselor or NACA In-House Agent can provide you with the questionnaire form required by the Participating Lender. You or your R.E. Agent should always request a copy of the by-laws, rules and restrictions and review them prior to making an offer on a condominium property. Remember that you will be bound by these rules if you decide to purchase a condominium. A fully executed condominium questionnaire is required for Credit Access approval.

Co-op

These types of properties are cooperatively owned and operated which are only eligible in CT, FL, MD, MA, DC, NY, NJ and IL. New owners may be subject to board approval. Additionally, per co-op policy, a down-payment may be required. A condo/co-op questionnaire must be filled out and evaluated by NACA before making an offer to purchase a co-op. The requirements listed above for condominiums also apply to co-ops.

Multi-Family Homes – Two to Four Units

Two, three, and four-family properties are eligible. The purchase contract must specify at least one unit (the Member's unit) to be vacant upon closing as the Member is required to live in the property after closing. If major rehabilitation after closing is necessary on a multi-family property, all units may be required to be vacant at closing. NACA assumes that the unit that appraises with the highest rent value is the owner's unit. If you intend to live in a different unit, you must write a letter to explain why that unit suits your needs better and it must be approved by NACA in advance.

While the rent paid by your tenants would reduce a portion of your Monthly Mortgage Payment, there is a considerable amount of work and risk involved in being the owner of a multi-family property. Your monthly budget expenses must include funds for repairs, tenant vacancies, unplanned and unbudgeted

expenses, and other issues related to being a landlord. Thus, the following additional conditions apply if purchasing a two-to-four-unit property:

- Member must complete a landlord training course prior to qualifying to make an offer.
- Member must have minimum \$400 per month in budget surplus to set aside in a Landlord Fund and potentially more depending on the number of units, rental demand and any NACA adjustments.
- Member must have four to six full months of Mortgage Payments in cash reserves, depending on the number of units, as part of the Minimum Required Funds to cover additional expenses associated with being a landlord.

Purchasing a multi-family property requires significantly more responsibilities and management skills than purchasing a single-family home. By becoming a landlord, you are essentially setting-up and running a small business and therefore you must attend a landlord training class to learn the skills and obtain information you need to be a successful landlord. This includes understanding landlord/tenant laws, addressing tenant issues, and finding good tenants. The calculation of the affordable Monthly Mortgage Payment is different when you are purchasing a multi-family home. While this type of purchase may allow you to qualify for a higher Monthly Mortgage Payment, owning a multi-family home has corresponding difficulties you must consider before purchasing. If you have management, landlord and/or construction experience, and the ability to run a small business, you may consider purchasing a multi-family house. Ask your Counselor if you do not know the average monthly rent in the area you wish to purchase.

Mixed-Use Properties

Mixed-Use Properties are structures with a first-floor commercial unit and residential unit(s) on the upper floor(s). The Member must live in one of the residential units. The eligibility criteria include the following:

- 50% or more of the units must be residential.
- Meets mixed-use zoning requirements.
- Member does not need to be the owner or the operator of the business occupying the commercial space.
- Appraisal value of the property must be primarily residential.
- Commercial portion of the rent will be calculated similarly to a residential unit regarding the affordability and the ratios. Additional requirements may apply.

Manufactured/Modular Home

Manufactured homes include a variety of homes that are built in a controlled environment and brought to the site in pieces. Mobile homes are a specific type of manufactured home that can be more affordable for lower income households than more traditional properties, but they often do not hold value as well or last as long as a traditional property type. The specific eligibility requirements include the following:

- Must be double or triple wide home. Single wide homes are ineligible.
- Must be permanently affixed to real estate (i.e. to the land).
- All trailer hitch, wheels and axels must be removed.
- Must be secured and permanently affixed on a concrete slab or masonry foundation.
- Utilities and sewer lines must be hooked to permanent connections.
- The unit must have been constructed under the Federal Manufactured Home Construction and Safety Standards of June 15, 1976.
- The certificate of title must have been surrendered and the property must be taxed as real estate.

Ineligible Properties

- Log homes
- Lots
- Unique properties such as earth, dome, bermed, pyramid, straw, bale, container and so forth.
- Working farms and ranches
- Single wide mobile homes
- Single resident occupancy (i.e. "SRO") or single room occupancy

Construction Types

NACA supports a wide variety of construction as described below.

Pre-Existing Property

Types of Pre-Existing Properties eligible for Purchase or Purchase-Rehab are:

- Privately Owned Properties:
 - o Properties owned by the person(s) selling the property
- Bank Owned Properties (Foreclosed Properties)
 - o Bank of America – First Look Program

NACA Members have exclusive access to properties owned by Bank of America 14 days before the homes are officially placed on the market for sale. Bank of America will pay ten points to buy-down the interest rate and refund up to \$350 of property inspection fees. Some restrictions apply and inventory is not available in all markets. Lists are updated weekly and available by contacting RED@naca.com.

- HUD Foreclosures
 - o Your R.E. Agent must have a HUD NAID number.
 - o HUD bidding and contract requirements apply.
- VA Foreclosure
 - o Can be purchased like any other pre-existing transactions.
- Short Sale
 - o Requires seller's lender approval.
 - o Close date must allow no less than 15 days from short sale approval.
- Lease Purchases
 - o Member must qualify with an affordable Monthly Mortgage Payment.
 - o Rent payments must be verified by cancelled checks only.
 - o Down payments funds previously paid to the seller must be verified.

New Construction

The property must be 100% complete, have a certificate of occupancy (if applicable), and be move-in ready before the loan closes. To be considered new construction the property also must have been built in the last 12 months and never occupied. New construction is not eligible for a rehab transaction and, though recommended, does not require an inspection if the builder provides a full home warranty. Also, NACA does not offer interim financing for custom home construction.

Properties Requiring Repairs

NACA's Home and Neighborhood Development ("HAND") department allows NACA homeowners to purchase a home that needs repair or substantial renovation to revitalize communities that are negatively impacted by homes in disrepair. NACA's team of HAND professionals provide guidance to assist you in repairing a property that you can make into the home of your dreams while avoiding financial hardship due to unexpected repairs or high maintenance costs after closing. A major renovation requires a significant amount of work on your part, but the result could be an extraordinary home that is customized to your desires. In addition, if you are unable to live in the house because it is in need of significant renovation, you will not have to make a Monthly Mortgage Payment for the first six months. The property condition requirements and HAND process is explained in greater detail in the Property Condition Requirements section starting on page 26.

Housing Search

After your careful preparation and with your goals and criteria in mind, your R.E. Agent should be ready to now show you many houses in the various areas you may be interested in living in. This includes homes that you have identified. Take your time and do not be pressured to purchase a property that does not meet your requirements or needs. Do not get discouraged since it may take some time to find the right home in your affordable price range and Monthly Mortgage Payment.

When looking for a home, you must be ready to make an offer as soon as the right property comes along. Your R.E. Agent can help identify homes in the right price range with your “Must Haves,” but nothing is more disappointing than losing a home to another buyer while you prepare to make an offer. Thus be prepared to move quickly in obtaining a Property Specific Letter from NACA, described in Stage 3, stating that that you are pre-qualified for the property and quickly make an offer that the seller is confident of closing.

Some final tips to help you while you look for your future home.

1. Don't be pressured - Take as much time as you need. When you are ready to make an offer, be prepared to act quickly, but until then take your time. NACA will be here when you need us. If you are feeling rushed or overly stressed about deciding to buy before you are ready, you are likely to make a poor decision or one you will ultimately regret. Stay in contact with your Mortgage Counselor or the Real Estate Department at RED@naca.com or 425-519-6222. If you are not ready, communicate your concerns with your R.E. Agent and NACA so we can help you.
2. Keep records and track your data - Shopping for a home is exciting but it can be difficult to keep track of everything you see and keep fresh in your memory. We have included on the following pages a Property Survey and Housing Search Diary for you to keep track of each home you look at and to write down the pros and cons of each property. Take photos of each house, inside and out. Create a data board and share with your R.E. Agent so they can learn your likes and dislikes to better narrow down the search,
3. Have your R.E. Agent prepare a sample copy of a purchase and sales contract - Having a prepared agreement drafted and ready to go will help with those last- minute questions that could cost you valuable time and money. If you have questions about any special provisions or other contractual obligations of the P&S Contract, talk to an attorney well in advance of making an offer.
4. Making an Offer - Before making an offer on a property you are interested in, make sure you ask as many questions as you can. The following are some important sample questions:
 - o How many days has the home been on the market? If longer than 60 days, is it over priced?
 - o Obtain - from your R.E. Agent and your own online research - analysis of other homes for sale in the same area, with similar square footage, number of bedrooms and bathrooms, and other similarities. What are those homes listed for and what have they sold for in the last 30, 60, or 90 days? This information may help you make a reasonable offer.
 - o A seller will often not make repairs at the quality and to the extent that you would like. Thus, it is often better to negotiate a lower price and finance the repairs to be completed after closing using NACA's HAND Department.
 - o What is conveyed with the property? If you want personal items conveyed with the sale of the home, make sure it is in writing. Note, conveyance of personal property does not factor in to the overall value of the home. The P&S Contract should specify “personal items to be conveyed at no cost” to avoid appraisal delays if questioned by the lender. Contact the RED team if you have any questions about conveyance of personal property.
 - o Request a Property Disclosure Statement. This statement is required in most states to be completed by the seller to inform the buyer of any material defects or information by law that must be mentioned.
 - o Talk to the neighbors to get important insights about the neighborhood, any crime, schools, etc.
 - o Request Community Association information (if applicable) when purchasing a property that has a homeowner association. When dealing with a homeowner's association (HOA), it is important to understand their covenants, conditions and restrictions. These describe the rights and obligations of each owner and those of the association itself. They usually lay out the HOA's powers of

enforcement, procedures to resolve disputes and the restrictions on owner usage, which might include regulations governing pets, how an owner can alter the property and the uses of the common area.

- o Contact your Mortgage Counselor and make him/her aware that you are ready to make an offer. Discuss your offer amount and make sure s/he has the necessary information for a Property Specific Letter to submit with your offer stating that you are pre-qualified for the property (described in Stage 3).

Making an Offer - Property Specific Letter

Once you have identified a property you want to purchase, prior to making an offer you need to obtain a Property Specific Letter (“PSL”). This demonstrates to the Listing Agent and seller that you have been pre-approved by NACA for the specific property. It describes in detail the comprehensive qualification you went through with NACA and states that virtually every mortgage application submitted through NACA is approved. It is a strong incentive for the seller to accept your offer.

Once you have found a house you want to purchase, you must immediately contact your Mortgage Counselor. Remember that s/he may not be your original Counselor. You should obtain this Property Specific Letter prior to submitting an offer since the amount you qualify for may have changed due to changes in the interest rate, property location, or your finances since your NACA Qualification. Using the information you provide below, your Mortgage Counselor will verify that you are NACA Qualified for the specific property you selected. Your Mortgage Counselor is committed to providing you a response within 24 hours of your request. If you are unable to reach him/her, speak to the local Office Director or Member Services (425) 602-6222

It is often important to act quickly when writing an offer. If you are unable to wait to obtain a Property Specific Letter and are at risk of losing a property due to multiple offers being made on a property, you and your R.E. Agent are encouraged to proceed as necessary. It is recommended that you use the NACA Mortgage Calculator on NACA’s website to make sure the offer amount does not exceed the Monthly Mortgage Payment for which you are NACA Qualified. If an interest rate buy-down is required, you must provide proof of funds above and beyond what was required per the Minimum Required Funds and any amount paid by the seller.

To obtain the Property Specific Letter, you will need to provide the following information:

- A copy of the MLS listing (which confirms the listing price)
- Property tax sheet providing updated information
- Completed Property Specific Approval Letter Request Form, which you can access in your Web-File “Resource” section or contact your MC to provide him/her the property information
- If property is in a flood zone, an estimated insurance quote will be required
- If property has a HOA, the annual assessment is required
- Estimated Home Owner’s Insurance (“HOI”)
- Member’s contribution towards interest rate buy-down
- Seller’s contribution towards interest rate buy-down
- Offer Price (range)
- If using a grant, provide grant contribution and grant documentation that details the terms
- If the property requires repairs or major rehab, contract the HAND Department described on page 28.

Purchase & Sale Contract

The executed P&S Contract (“P&S Contract”), signed by both buyers and sellers, is a very important contract that legally binds you and the seller to execute the transfer of the home at an agreed upon price and terms. You need to read it carefully and understand the terms which you must abide by. You have the right to – and should – seek the advice of an attorney to help review the P&S Contract, especially if you have questions to make sure that your interests are protected.

Your R.E. Agent needs to negotiate the terms of the P&S Contract on your behalf with the Listing Agent or seller. S/he can advise you on the amount to offer, but you must decide if the house is right for you at that price. Your R.E. Agent should also negotiate with the Listing Agent/seller which party will be responsible for any repairs and any seller contributed funds to buy-down the interest rate. The cost of repairs can be added to your mortgage to address code, safety and structural issues (in some circumstances Wish List items may be included).

If you did not obtain a Property Specific Letter, you must contact your Mortgage Counselor prior to signing a binding P&S Contract to ensure the property is within your qualified Maximum Mortgage Amount. Once the seller has accepted your offer and you have carefully reviewed the P&S Contract, the next step is to sign it. You must provide an actual signature to confirm the actual reading and understanding of this legally binding contract. The seller's signature can be electronic.

NACA strongly encourages you to include the requirements and recommendations as described below in your P&S Contract. These are important to protect your interests since you are solely liable for any fees, loss of earnest money, or per diem expenses regardless of the actions of NACA or the lender. For the items below we included recommended language to be written in the P&S Contract.

Requirements for P&S Contract

- All signatures from the sellers and buyers (buyer requires actual signature).
- All necessary addenda and disclosures listed in the P&S Contract must be provided and signed by both parties and ensure that appropriate parts are also initialed.
- If applicable, the P&S Contract must state "Seller's contribution(s) can be used for interest rate buy-down and repairs." The seller buy-down contribution cannot exceed 10% of the purchase price; any additional amounts may be used for repairs only.
- Include the following statements:
 - "Settlement agent must be an approved NACA Settlement Agent."
 - "Closing will take place in the NACA office."
 - "Condo or Co-op association approval required", if applicable.
 - "Property (or owner's unit if a multi-family) must be vacant at time of closing."
- If multi-family, seller to provide proof of leases within ten days of P&S Contract.
- Names must match. The buyer's name(s) on the P&S Contract must match their name(s) as shown on their credit report, picture ID and bank application documents.

Recommended Contingencies in P&S Contract

- "30 days or more to close from executed Purchase and Sales contract if no major repairs."
- "45 to 60 days to close from executed Purchase and Sales contract if property requires major rehab."
- "Purchase price not to exceed the appraised value."
- "Mortgage approved by lender."
- "Satisfactory property inspection and wood destroying insect report."
- "Property inspection and wood destroying insect inspection report to take place and the report submitted to NACA within 4 to 7 days from executed P&S Contract date."

Recommended Exclusion in P&S Contract

- Per diems, charges, forfeiture of earnest deposit, or penalties that would require a payment if the mortgage did not close within a certain number of days from the executed P&S Contract.

Prohibited in your P&S Contract

- Lease Back Agreement – You are not permitted to lease/rent the property to anyone including the seller after the loan closes without an approved written exception by NACA management. Member must take possession of the property the day of closing and funding.

- You are not permitted to pay a real estate transaction fee or commission fee greater than what is quoted on MLS or by builder unless you receive advance approval in writing by NACA's Mortgage Department Director.

The executed P&S Contract should be uploaded by your R.E. Agent through the NACA website using their portal account with your NACA ID number. It is also recommended that you upload an executed copy of the P&S to your Web-File and notify your Mortgage Counselor that it has been submitted. In attorney states, submit after completion of an attorney's review. A Member that is also an agent may represent themselves but cannot collect a commission. They must negotiate a reduced price in lieu of the commission or a seller concession to go towards a repair escrow or rate reduction.

Property Evaluation

You should analyze your goals for the home you want to purchase. In advance of your housing search you need to prioritize property criteria as follows:

- 1 - Must Haves
- 2 - Good but Not Necessary
- 3 – Extras
- 4 – Not Important
- 5 – Do Not Want

On the Property Survey Form complete the items in the boxed area and rank the property items in your priority order. Once this is complete, make copies of this form to use for each property you see. Review the forms regularly as a reminder of what is most important versus what could be enticing you to pay more than necessary. Remember to use this Property Survey Form for each property you visit to evaluate the property items and other items noted on the survey. Keep a folder of these surveys and refer to them regularly. This will assist you in making a decision and adjusting your housing search.

Property Evaluation Form

Complete the information below for each property you see

Property Address: _____

Preview Date: _____

Your real estate agent attended: Yes: ___ No: ___

Bedrooms: # ___ Bathrooms: # ___

Need Repairs: None ___ Minimal ___ Moderate ___ Significant ___

General Features:

- Curb Appeal/Landscaping: Poor: ___ Satisfactory: ___ Good: ___ Excellent: ___
- Neighborhood Desirability: Poor: ___ Satisfactory: ___ Good: ___ Excellent: ___
- Interior Layout: Poor: ___ Satisfactory: ___ Good: ___ Excellent: ___
- Interior Condition: Poor: ___ Satisfactory: ___ Good: ___ Excellent: ___

Asking Price: \$ _____

Likelihood of Making Offer: Likely: ___ Not Sure: ___ Not Likely: ___ No: ___

Desired Property (complete below for reference during search)

Property Type: single ___ condo ___ two-fam ___ three-fam ___ four-fam ___

of bedrooms: ___ # of bathrooms: ___

Preferred School Districts

1. _____
2. _____

Work locations

1. _____
2. _____

Purchase Criteria:

- Access to preferred school districts
- Proximity to work locations
- Public Transportation Nearby
- Garage or available parking
- Move in ready
- Single story
- Backyard
- Handicapped accessible
- Eligible grants
- Census tracts in Targeted Area
- Fireplace
- Pool

	Priority	Poor	Satisfactory	Good	Excellent
• Access to preferred school districts	---	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Proximity to work locations	---	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Public Transportation Nearby	---	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Garage or available parking	---	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Move in ready	---	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Single story	---	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Backyard	---	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Handicapped accessible	---	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Eligible grants	---	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Census tracts in Targeted Area	---	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Fireplace	---	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Pool	---	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Did the property meet your expectations?

- Less than expected As expected More than expected Consistently more

2. Is the asking price within you approve Monthly Mortgage Payment?

- Way over budget Slightly over budget Right on budget Under Budget

3. Will the condition of the property require significant repairs/improvements?

- Major Renovation Needs Basic Updates Minor Repairs No Repairs Needed

Appealing Feature Notes:

Undesirable Features:

PROPERTY CONDITION REQUIREMENTS

NACA's Home and Neighborhood Development ("HAND") department works with you to assess property conditions and assist in addressing required repairs. These primarily consist of code, safety and health related items. With the HAND department's assistance, you can purchase a home that needs repair or substantial renovation. This allows NACA homeowners to purchase an affordable home that can be repaired/renovated into a very nice home as well as revitalize communities that are negatively impacted by lack of investment.

NACA's HAND Department

NACA's team of HAND professionals provide guidance and assistance to help you identify property conditions and qualified contractors to repair your future home. With HAND's support, you can have the home of your dreams, avoiding financial hardship due to unexpected repairs and high maintenance costs after closing. The extent of your involvement with HAND depends on the type of repairs and whether you and/or the seller is responsible for completing them.

A major renovation after closing requires a significant amount of work and commitment on your part but the result could be an extraordinary home that is customized to your needs. For such a renovation, it is very important that you read all provided materials and agree to the repair disclosures and agreements concerning the repair process, fees, payments and timelines. After your loan closes you will not be able to make changes to the scope of work or increase the funds available to address the repairs.

Submitting Documents to HAND:

When submitting documents to HAND you must use one of the following three options:

1. Upload - you may upload documents to your Web-File selecting one of the "HAND" options when you attach your document.
2. Fax - use your dedicated HAND fax cover sheet.
3. E-mail - Use your NACA HAND email address where you insert your NACA ID# in between "email" and "HAND@nacalynx.com". Example: email1234567HAND@nacalynx.com.

It is important to note, while you can provide your NACA ID to inspectors, contractors and vendors to upload documents into your electronic file, you MUST NOT provide anyone with your password or security information.

HAND Department:

Hours of Operation: Monday through Friday; 8:30 a.m. to 6:00 p.m. Central Standard Time.

Department Phone Number: (210) 319-2978; Email: HAND@naca.com.

Property Inspection

Once you select a property to purchase, it must be inspected. Just as you must qualify for a Monthly Mortgage Payment you can afford, the property you want to purchase must undergo an inspection review process to determine the home's condition to qualify for purchase. Property inspections are crucial to help you avoid unexpected expenses and to be prepared to address known or unseen potential property defects or existing safety, health, code, structural, mechanical, electrical, systems or other issues. The property inspection must be completed by a NACA-registered home inspector and pest inspector to determine the overall condition of the home you wish to buy. Assessing a property's condition requires a professional property inspection, wood destroying insect report and possibly other evaluations or work write-ups from skilled licensed trade professional(s).

The licensed property inspector(s) must be an independent party of the seller, R.E. Agent, Listing Agent and yourself. You can select any licensed residential property inspector(s) from the NACA-registered list provided through your Web-File. Registered inspectors are independent contractors and do not work for NACA. You are also free to select outside of this list any home inspector of your choice if s/he is willing to use the required state specific software, provide proof of license, maintain appropriate insurance, provide reinspection services and adhere to NACA's policies and procedures. They must register with NACA prior to conducting your inspection. Keep in mind that such approval may delay the processing and closing of the loan. Property inspections are an out of pocket, non-refundable Member expense with cost in most

markets ranging from \$300 to \$600 depending on the property size and type. Other nonrefundable out of pocket inspections may also be necessary such as structural, electrical, HVAC, roof, mold and other evaluations or tests, depending on the type, size and existing conditions of the home. Inspection fees are due directly to the inspector immediately after the inspection has been concluded.

Since time is of the essence, NACA-registered inspectors agree to schedule inspections within 48 hours of your request if you identify yourself as a NACA Member when placing the order. You must be present at the home inspection and actively participate so that you are thoroughly informed about the current condition of the property and any future maintenance issues. All utilities must be on at the time of the inspection along with complete accessibility to all areas of the property for the inspectors' review. At the conclusion of the inspection, the inspector is required to go over the information with you and answer all of your questions. Your presence at the home inspection will be verified by a photograph taken by the inspector in front of the house.

The inspector will upload the inspection report into your NACA file using your NACA ID number the same day or no later than 24 hours after the completed inspection. Read this report carefully as it contains valuable information about the home and will likely identify necessary or future repairs, information on utilities and tips to improve energy efficiency. Make sure to ask your R.E. Agent or contact the HAND Department about the inspector's comments and do not be afraid to ask for a second opinion if you are still unsure about any item. Having a good understanding of the condition of the home will help you avoid a house with serious problems or unpleasant surprises. The same inspector will also complete a Seller-Reinspection of seller negotiated repairs when applicable.

Repair List

The HAND department reviews your inspection report and generates a NACA Repair List identifying required and recommended repairs with estimated costs. The list is sent to you and your R.E. Agent so you can quickly determine if the cost of all noted required repairs are within your affordable Mortgage Amount. It will also help you determine whether to buy the home or negotiate better terms from the seller. For existing properties (not new construction) you may add additional elective repairs or home improvements called "Wish List" items to the Repair List. Be sure to include the estimated costs of such items. Wish List repairs are subject to your affordability and eligibility. These repairs must be approved by HAND and are subject to other criteria, including but not limited to, your ability to make these repairs without financing.

Required repairs on the Repair List must be addressed for the property to become eligible for purchase. It is important to note that additional evaluations may also be required if the inspection report does not clearly detail suspicious issues. These include signs of structural defects, mold, lead or the presence of items that are outside of the inspector's expertise including specialized systems, such as a pool.

Repair Responsibilities

NACA requires repairs for health, safety and code issues identified by the home inspector, appraiser or other licensed evaluator. These required repairs must either be completed by the seller prior to the closing or by you after the closing. Funds for you to complete the repairs can come from you financing the cost as part of the mortgage, the seller, from a government entity (grant), or can be collected from you at closing.

As soon as you receive your NACA Repair List, you and your R.E. Agent should review and determine if there are any required or desired repairs you want the seller to correct before closing. Since the NACA Repair List includes an estimated cost for each repair item, it may allow you to negotiate for a more favorable sales price, seller funds to make the repairs after closing, and/or a seller contribution for the NACA Interest Rate Buy-Down. All non-seller repairs must take place after the loan closes since you are not permitted to do repairs on a home you do not yet legally own. Negotiations with the seller on the final sales price and any seller repairs or contributions must be finalized quickly, since any delays in seller negotiations may require additional time to be added to the closing date. It should not take more than three to four days to negotiate required repairs with the seller. If you negotiate for the seller to complete one or more repair items or for seller contributions, it must be identified on the Purchase & Sale Contract or addendum which must be submitted to NACA and HAND as soon as it is signed and executed.

The Repair List you receive by email provides you with the following options to identify who will be responsible for each repair item: 1. Member Repair, 2. Seller – on P&S, or 3. Seller – not on P&S. You can also add Wish List items identifying who will be responsible. If you do not feel you need to address any of the identified repairs, click on the following statement “I don’t want to address any recommended items.” You need to complete the response to the NACA Repair List as soon as possible. Once completed, click on the button that says “Completed & Submit” and your information will be submitted to a HAND Rehab Specialist to review and determine the next steps. These consist of the following: 1. HAND Clear; 2. Seller Repairs; 3. Repair Escrow; or 4. Combination of Seller Repairs and Repair Escrow.

HAND Clear – No Required Repairs Needed

HAND can qualify the property if there are no required items on your inspection report and the seller is not completing any required repairs (“HAND Clear”). Your property would be HAND Cleared with no additional involvement from HAND unless repair items are identified by the appraiser or lender. In such circumstances a Rehab Specialist (“RS”) would review and determine the next steps including the need to address identified repair items.

Seller Repairs – Seller Responsible for Required Repairs

Seller has agreed to complete certain repairs before the loan closes. To close within the NACA timeline, the repairs should be completed within 18 days of the executed P&S. Once they are completed and verified with a reinspection by the initial property inspector, HAND will clear the seller repairs. HAND will accept the property unless the Member is also responsible for completing some required repairs after the closing, in which case the Repair Escrow process described in the next section must be completed.

The seller must agree to address identified repairs adhering to the following criteria:

- P&S Documentation - The seller agrees as part of the P&S Contract or Addendum, signed by both parties, to address the repairs identified on the Repair List or appraisal.
- Licensed Professionals - Seller repairs must be completed by licensed professionals and the seller must show proof of receipts and licenses for final review.
- Reinspection – The initial property inspector inspects the required repairs (i.e. not Wish List or recommended repairs) and provides a report to HAND verifying satisfactory completion.
- Reinspection Fee – Upfront fee paid by the Member unless the seller agreed to pay as part of the P&S Contract or Addendum.
- Seller Repairs Cleared – The HAND Rehab Specialist (RS) reviews all seller required repairs identified on the Repair List or as a lender appraisal condition and clears the required repairs as appropriate. If there are required repair items that are not completed, the RS will send a notice to the Member identifying these items. Additional time may be necessary to close for the seller to complete the outstanding items.
- Final Appraisal – A final inspection from the appraiser may be required by the lender.
- Member Walk Through – You must do a personal walk-through to confirm your satisfaction with work done on the agreed-to seller repairs prior to closing.

Repair Escrow – Member Responsible for Required Repairs

A Repair Escrow is the portion of the mortgage held in a repair escrow account to pay for a detailed scope of work of itemized repairs to be completed after the loan closes (“Repair- Escrow”). The required repair items to be completed after closing will be paid from the funds in the Repair Escrow. A Repair Escrow requires that you sign a Member Rehabilitation Agreement and Disclosure, as well as a Repair Escrow Agreement which defines your role and responsibilities, obligations, fees and limitations.

A RS works with you to create an approved Scope of Work (“SOW”) to address the required repairs, Wish List and other approved repairs. The RS estimates the associated costs using information from the inspection report, trade evaluations, contractor bid proposals, your input, and, when necessary, a full work write-up from a professional project manager or 203K inspector with expertise in providing a detailed scope of work with repair costs for that particular location and type of property.

A RS completes a Rehab Budget based on the approved Scope of Work and adds the following costs and fees: total cost of repairs, contingency funds, additional inspection fees (lender pays first \$600), HAND fee,

and, either when necessary or requested by you, a construction management fee. The Rehab Budget may include adjustments if a substantial renovation or safety/health defects prevents you or tenants from moving into the property after the loan is closed. In such cases, the first six months of your Monthly Mortgage Payments is added to your loan amount and the lender automatically reduces your interest rate by an additional three-eighths of a percent (.375%) at no cost to you. This ensures that your monthly affordable payment remains the same as the amount you qualified for. This permanent interest rate reduction offsets the increased borrowed funds and is a tremendous benefit that is unique to the NACA program.

The Rehab Budget and SOW is sent to you for your review and to electronically “Accept.” Accepting these acknowledges that you agree to the terms of the Repair Escrow and approve the rehab budget amount. You should review the Rehab Budget with your RS and make any necessary modifications before you accept it and the RS approves. You cannot make alterations to the repair specifications or add funds for additional repairs after the loan is approved and closed.

Once you and the RS agree and approve the SOW and Budget, the RS submits your information to the participating lender for property approval and clearance to close. If the final loan amount exceeds 110% of the appraisal value, the RS orders an updated “Subject To” appraisal requesting the appraiser to consider the SOW repairs for additional value. This may take additional time for processing. If the “Subject To” appraisal value does not increase, then Wish List items may be removed or additional out of pocket contributions may be necessary in order to adjust the loan amount to within 110% of the appraisal value. If adjustments cannot be made, the property may be declined for a purchase rehab.

Once the Rehab Budget is approved, the increased Mortgage Payment must be underwritten again by a NACA Underwriter to determine that you can afford this higher payment over the long-term. In addition, the Mortgage Amount, including financed repairs (i.e. Repair Escrow), is restricted by the following:

- The sales price cannot exceed the “as-is” value of the property
- The Mortgage Amount – i.e. the purchase price, rehab amount, and potential six months of Monthly Mortgage Payments - cannot exceed 110% of the “subject to value” (i.e. appraised value of the repaired home).

Contractors

It is very important to obtain contractor bids and hire contract(s) as quickly as possible. This should begin as soon as you receive your Repair List. Early contractor communications with bids will help you determine if your Rehab Budget is realistic to cover the SOW. Remember that the Repair Escrow cannot be changed after closing on the home. Since you may have limited access to your future home before closing, it may take until you have possession of the house to finalize the bids and agreements with contractor(s) who will be making the repairs.

Contractor Bids

Your RS works with you as you identify contractors, negotiate bids and stay within your approved Rehab Budget. You should also work with your R.E. Agent to schedule meetings with potential contractors to preview the property with you. You will want to go over the Repair List and possible Wish List items with the contractor - just be sure to not share the cost estimates from the Repair List. Those estimated costs are for you to use as a guide to help you negotiate fair affordable prices for quality work from reliable contractors in your area. You will want to make sure you cover all the work and potential costs since you will not have access to additional funds after your loan closes.

HAND requires at least three bids on large projects and stresses the importance of obtaining references and investigating the contractors you plan to hire. All bids must be submitted online at www.naca.com: click on “Vendors” then select “Contractor”. Once they submit a bid, you can evaluate and accept the bids based on the extent to which they address the SOW, their cost, and quality of workmanship. You may also submit vendor purchase quotes for appliances or materials, as permitted within a NACA repair transaction, by uploading the information into your Web-File yourself.

Contractors

You must hire contractor(s) to address your SOW repairs at a cost within your rehab budget amount. It is your responsibility to identify and research any contractor or vendor you hire to ensure you are getting what you pay for, at the quality you expect, and within the costs of your Rehab Budget. It is strongly

recommended that you seek references and do your homework when hiring a contractor, vendor or any other licensed professional. Use the Better Business Bureau, your local Chamber of Commerce and local home improvement supply stores to recommend vendors to help with repairs and renovations. There are many online advisor organizations who can also recommend highly rated professionals in your area. Most markets have a local building and remodeling association that can offer guidance for researching vendors.

All contractors and vendors are independent contractors and do not work for NACA, nor does NACA receive fees or referral payments for providing access to Members. NACA does not guarantee the work of any trade professional or vendor hired or used by a NACA Member. Hiring and managing contractors and vendors is your responsibility. You may hire a project manager if you need onsite support - this is encouraged for large projects.

- Read the Member Rehabilitation Agreement and Disclosure to understand your responsibilities.
- You may use any contractor of your choice if the contractor is properly licensed, has adequate insurance coverage, has a valid tax identification number for their business, and is not prohibited by NACA.
- New vendor contractors must register through the NACA website and provide their supporting documentation to HANDVendorsupport@naca.com for verification and approval.
- All registered contracting vendors must agree to NACA's terms of service, HAND bid submission requirements and project payment guidelines. This includes a prohibition in providing up-front deposits for work.
- A courtesy list of registered vendors is available. These vendors are independent contractors and do not work for NACA. You must check references and do your homework to verify credentials and professional reputation and report any issues to HAND.
- HAND may prohibit a vendor from working with NACA for reasons such as having too many active jobs, Member service complaints or unprofessional conduct.

Repair Escrow – Post Close Renovations

You must have the final contractor(s) selected within 15 days of closing on your home to ensure that work can begin within 30 days of the closing date. Your RS will review your contractor bids and purchase quotes to verify that all required repairs and any Wish List items from your Rehab Budget are addressed.

HAND is the facilitator of the Repair-Escrow account. Work is not permitted to start, and funds will not be available for use, until the loan is closed. Your RS must approve your contractors and their bids, confirm Repair Escrow funds are available and ready for disbursement by your lender, and provide written authorization for the project to start.

An Escrow Coordinator will be assigned to your project to process draw requests, order inspections, and determine an amount for payment to your contractor based on the percentage of work completed. Payments are disbursed by the lender once HAND provides proof of the inspection, lien waiver, other supporting draw documents as well as your confirmation of satisfaction with the repairs.

Below are the required steps to begin your project. All projects must start within 30 days of closing and be completed within the approved project timeline and no later than six months from the close date. Once the project begins it is important to communicate regularly with your Escrow Coordinator and provide him/her with bi-weekly updates on the project status until all the work is 100% complete.

- Request Post-Close Project Documents and Instructions package to review and use throughout the project.
- Submit Bid(s) addressing the approved SOW from contractor(s) you've selected to hire.
- Submit proof of license, insurance and W9 for all hired contractors and retain copies for your records.
- Schedule and coordinate project meeting with your RS and the contractor(s) you hired.
- Submit Contractor(s) Agreement, Notice to Proceed and project schedule for HAND Project Approval.
- Request written approval to start your project (i.e. Notice to Proceed), and inspector contact information for scheduling inspections as they are needed.
- Submit Draw Request for material purchases, if applicable. Contractor advances are not permitted.

MORTGAGE PROCESSING & CLOSING

Now that you have an executed P&S Contract, you must send it to NACA immediately upon execution. You must upload it through your Web-File or ensure that your R.E. Agent uploads it through the NACA website. Notify your Mortgage Counselor that it has been submitted. Once received, the Loan Estimate with the terms and costs of the loan will be sent to you for review and acceptance. Time is of the essence to submit your bank application within 10 days from execution of the P&S Contract and to close within 28 days. This timeline is crucial to meet the deadline agreed to in your P&S Contract.

NACA Credit Access & Bank Application – Mortgage Counselor

It is now crucial to meet with your Mortgage Counselor as soon as possible to be approved for NACA Credit Access which requires verification that you are still NACA Qualified. Approval of NACA Credit Access will allow your Mortgage Counselor to complete your mortgage application and submit it to a participating lender for loan approval. NACA has full discretion in approving NACA Credit Access which you can apply for at any time during the home buying process with approval based on meeting the requirements listed below. If you are denied, NACA will provide you with the reason for the denial.

NACA Credit Access Preparation

You must meet with your Mortgage Counselor right away but no later than three days from execution of your P&S Contract. Your Mortgage Counselor will verify that you maintained your NACA Qualification and required savings pattern. Now is the time to update all your information and documents required to obtain a NACA Mortgage. At your Credit Access appointment, you and your Mortgage Counselor will review all the information and documents listed below to make sure that everything is complete and current to be submitted for Credit Access approval. Spending a little more time with your Credit Access preparation will save even more time later and make for a smoother mortgage process. You need to provide the following:

- An updated Credit report must be pulled. If the last credit report pulled was more than 30 days ago, pay for a new one through your Web-File. Remove any credit freezes. If you have a fraud alert placed, ensure your current phone number is listed or contact the credit bureau to lift the fraud alert.
- Any new ID obtained since NACA Qualification. If you have moved, provide updated bank statements, utility bills or identification with your new address.
- Most recent 90 days bank statements on all accounts (12 months if self-employed income is used for NACA Qualification). Provide explanations of any non-payroll deposits and large withdrawals. Remember that only funds from a documented source can be used for home purchase.
- Fully executed gift letters and supporting documents, if applicable.
- Updated verification of on-time rental payments since NACA Qualification. Identify your rent payments on your bank statements.
- Updated alternative credit documents, if applicable.
- Most recent statements for all open credit and loan payments.
- Grant approval verification documentation, if applicable.
- Short sale approval letter, if applicable.
- Fully executed Purchase and Sale contract with all signed addendums.
- Any tax returns or amendments filed since NACA Qualification.
- Contact information for the insurance agent that will provide Home Owner's Insurance.

After updating all the required documents, your file will be submitted as a Credit Access application. A NACA Underwriter will review the information and documents to determine if you are still NACA Qualified for your desired property and Monthly Mortgage Payment based primarily on the following criteria:

- Maintained your Payment Shock savings
- Maintained or increased your income
- Did not increase your debts
- Paid all obligations on time
- Maintained the Minimum Required Funds
- Your documents and information meet lender compliance requirements
- Adhered to all NACA requirements

It is imperative for you to respond IMMEDIATELY to all conditions so that your file can be approved and a bank application submitted. The conditions are identified in your Web-File's Bank Submission stage,

allowing you to address the condition by uploading the required documents. Doing so is required to close your loan on-time.

Once Credit Access has been approved, you must immediately either meet with your Mortgage Counselor to sign in person or sign electronically (when available) the many mortgage application documents. This is a crucial submission since it is your written request for mortgage financing to a NACA Participating Lender. Review these documents for accuracy and pay attention to all disclosures and requirements. Make sure you read and understand each document that you are signing and ask questions about anything you don't understand.

NACA Reserve Requirements

NACA requires reserves based on the following:

- 1) Payment Shock:
 - a. One-Month Mortgage Payment if Payment Shock is less than \$300
 - b. Two-Months Mortgage Payments if Payment Shock is greater than \$300
- 2) Self-employed – Three-Months Mortgage Payments
- 3) Multi-family – Four to six-months Mortgage Payments depending on the number of units.

These reserves must be documented in your accounts prior to closing. Funds you saved as part of your Payment Shock savings can also be used for your reserves. The purpose of reserves is to ensure you have some funds in the bank after you close. While the reserves can be used for any purpose, it is important that you have funds to move into your new house and to buy necessary household goods such as additional furniture, appliances, accessories, deposits to start the utilities, fill your oil tank and other items. It is most important to have reserve funds to protect yourself from unexpected expenses or temporary loss of income.

Reserves can later assist you with your Monthly Mortgage Payments and allow you to keep your home if you suffer a setback or other unexpected expenses. Most experts agree that you should have a dedicated savings reserve account with at least three months, but preferably six months, of Monthly Mortgage Payments. You should save more if you purchase a multi-family home. Saving money requires a financial plan that contains specific, measurable and achievable goals. The work you do on the Budget Form will be helpful in meeting your savings goal. Your savings will help with some of the following situations you may encounter:

- Major home repairs
- Loss of tenant/rent
- Family crisis
- Federal or state tax (that was not deducted from paycheck)
- Major medical expenses
- Loss of employment
- Separation or divorce
- Disability
- Increase in property taxes or insurance costs

You must have documented evidence of available Minimum Required Funds (“MRF”) on your current bank statement(s). Funds for the MRF should be in any of the following type of accounts: checking, savings, CDs or money market accounts. You need to explain the source of funds that are non-payroll or are irregular deposits. The MRF can include gifts or one-time deposits but they cannot be from a borrowed source or provided as part of the purchase transaction. You may need to provide documentation verifying that the funds were not borrowed. For other types of accounts such as savings clubs you need to document the amount of funds and that you can access them. It is strongly recommended that you put any cash into your bank accounts at the start of the process as doing so is required to count this money towards your MRF and/or NACA Buy-Down.

Documentation of other assets is important if used for the MRF and/or NACA Buy-Down. These funds must be deposited into your bank account before NACA Credit Access review and remain there through bank application and closing:

- 401K Assets (or Other Assets) - A copy of the 401K withdrawal and repayment terms if applicable.
- Gift Funds – A letter from the donor stating the relationship to you (it must be from a relative, spouse or fiancé), the donor's contact name, phone number, address, a statement that it is not to be repaid, and the property address of the home being purchased. Provide a copy of the canceled check or wire transfer showing the funds transferred from the donor's account.
- Tax Refund Monies.

How Much Money Will You Need To Buy a Home?

	Traditional Mortgage (Assumes 5% down)	NACA Mortgage (No down payment)
I. Pre-Mortgage Application		
Offer (earnest money deposit) ¹	\$1,000	\$1,000
Home inspection	\$400	\$400
Your attorney	\$0	\$0
Credit report ²	\$45	\$0
II. Mortgage Application		
Application fee	\$250	\$0
Appraisal	\$350	\$0
III. Costs at Closing		
Down payment (\$100,000 price)	\$5,000	\$0
Origination Fee	\$2,000	\$0
Document prep fee	\$200	\$0
Lender's Title insurance	\$225	\$0
Private mortgage insurance for first year	\$800	\$0
Lender's attorney	\$600	\$0
Homeowner's insurance premium for the first year	\$600	\$600
Other lender fees	\$350	\$0
IV. Pre-pays (Escrows)		
Private mortgage insurance (two months)	\$250	\$0
Homeowner's insurance (two months)	\$100	\$100
Real estate taxes (two to twelve months)	\$208	\$208
Pre-paid mortgage interest (closing 15 th)	\$247	\$247
One month PITI in Reserve (PSS less than \$300) ³	\$0.00	\$661
Interest rate buy down (optional)		
TOTAL COSTS (Minimum Required Funds)⁴	\$11,625	\$2,216

The above analysis is based on a \$100,000 purchase price for a single-family home, one month reserves based on P&I at 4.5% plus \$154 taxes and insurance. Estimated costs may differ significantly for different markets and the costs generally increase in proportion to the increased sales price and interest rate. The total funds will vary depending on whether you purchase a single or multi-family home, the area's property taxes and homeowner's insurance, and the day of the month you close. If you need to buy down the interest rate to qualify for your desired price or to reduce your mortgage payment, then the buy-down funds need to be included as part of your MRF.

¹The earnest and purchase deposit are applied to the pre-pays. The amount significantly increases for multi-family homes.

²Your payment for the credit reports, which is at a discounted rate, is refunded by the lender at closing.

³The demonstrated reserves remain with the Member. NACA verifies it has been saved to ensure there are funds available after closing.

⁴Total Costs exclude the Offer (earnest money deposit).

Mortgage Processing & Underwriting – NACA Underwriter

Your file has now been submitted to a participating lender for loan approval. To facilitate and expedite the process, you have a NACA Underwriter assigned to you. Your Mortgage Counselor remains your primary point of contact. The underwriter will work with you and your Mortgage Counselor to address lender conditions and have your loan clear to close within sixteen days of signing the bank application. Once your loan is clear to close, the NACA Closer will work with the Settlement Agent to schedule the closing. During this time, continue to review your Web-File to check your status updates and ensure that your financial condition does not change (i.e. keep your employment stable, continue saving and don't increase any debts).

Your loan is reviewed by the lender's underwriting department. The participating lenders approve virtually every loan because of all the work at NACA Qualification and Credit Access. As a result, your loan will have few conditions which will be addressed by a NACA Underwriter or Rehab Specialist assigned to you. You can assist and facilitate this process by accessing your Web-File to review any lender conditions. While many of the conditions on the file do not require action on your part, documents, information or action may be needed from you. One example is obtaining acceptable HOA documentation, which can be time consuming. Involve your R.E. Agent to help you. Also, if you are doing a rehab with your purchase, you should be finalizing the rehab budget with your Rehab Specialist within fifteen days of your P&S Contract. If you are not HAND Cleared within fifteen days, your subsequent "Clear-to-Close" will likely be delayed. You must immediately address any of these issues in order to close your loan on time.

Obtain Home Owners' Insurance with 100% replacement coverage not later than day thirteen days after contract execution and provide your Mortgage Counselor with proof of such coverage as quickly as possible. If a major renovation is part of your loan, temporary renovation coverage will be required. This policy protects your home against damages to the house itself, possessions in your home, and workers or visitors injured on your property. The prices and terms for this insurance differs depending on the vendor. Often the provider of your auto or renter's insurance also provides Home Owners' Insurance and you may be able to negotiate a cost-effective policy. Choose a company that has a good reputation for service. The policy must be dated for the month of closing and no later than the closing date. You may consult with your Mortgage Counselor to get help making a decision.

Mortgage Closing

A NACA Closer will work with the Settlement Agent to finalize the title research and coordinate the closing at the NACA office. This is the last step in your journey to becoming a homeowner. In the days prior to closing you will receive the final Closing Disclosure that outlines the final terms of your loan, including the costs you must pay at closing (pre-paid interest, pre-paid insurance and taxes, etc.). You must review this document and contact your Mortgage Counselor to discuss any items that need clarification or that are incorrect.

You must complete a final "walk-through" of the property within 24 hours of the closing date. Ensure that there is no new damage, that the property is vacant and clean, there are no non-approved tenants, all seller conditions have been addressed, and you are satisfied with any agreed-upon repairs. You should walk through both the interior and exterior; including garage, patio, porch, and fencing to ensure that damage has not occurred since the last inspection. If damage is evident, the closing should be delayed to allow time to negotiate with seller on how the repairs will be addressed. The HAND department can assist with this.

Your settlement agent will contact you with the amount of certified funds needed to bring to closing and who the check is made out to. S/he will also tell you which documents to bring to the closing including a photo ID for all borrowers. While there are no required closing costs or fees associated with your mortgage, there are pre-paid housing expenses that you are required to pay. These pre-paid items cannot to be paid for with seller contributions. Thus, your Minimum Required Funds would pay for the following:

- Taxes
- Insurance
- Pre-paid interest from the closing date to the beginning of the next month

- Any other required escrow items

If you selected any of the following options, these funds and costs also need to be brought to the closing:

- Owner's coverage title insurance
- HAND fee required when repair escrow is chosen
- Interest rate buy-down
- Principal reduction
- Additional insurance
- Home warranty (often negotiated as seller paid)
- Property with an upfront HOA fee
- Out of pocket escrow for required repairs

The NACA Closer notifies the parties that the loan is clear to close and has the settlement agent provide date and time of the closing. The settlement agent contacts all the parties and coordinates the closing at the NACA office. This ensures that you have the support necessary to address any loan terms or issues that may delay or prevent the closing. It will involve you and any co-borrowers, the settlement agent, your attorney and the lender's attorney (if applicable), your R.E. Agent, and the Listing Agent. You should also include your spouse even if s/he is not on the loan since in many states they will have an ownership interest and, in any case, your spouse is certainly an interested party. You will have to sign: loan documents to finalize the mortgage, a promissory note, documents to transfer title from the seller to you, and other papers. If you have any questions or concerns, your R.E. Agent, Mortgage Counselor or another NACA staff person can help to answer or address them. You should not agree to close or sign any documents unless you are 100% satisfied with all agreements, you understand what you are signing, and all of your concerns and issues have been addressed.

At the end of the closing, you will own the property and receive the keys. You will be asked to complete a testimonial about your experience with NACA and take pictures commemorating this significant accomplishment.

CONGRATULATIONS!

You Are Now Another Proud NACA Homeowner

TIMELINE: 28 DAYS FROM P&S CONTRACT TO CLOSING

NACA has designed a streamlined process to move your file to closing as quickly as possible with the goal of closing within 28 days from the executed Purchase & Sales Contract. If you adhere to this timeline and respond as requested, closing on your future home should be a straightforward endeavor.

NACA understands that not all transactions are alike and often some things are out of everyone's control including an extensive rehab, short sales, low appraisals, seller repairs, title issues, etc. NACA cannot guarantee this timeline or closing dates and does not reimburse per-diems, penalties or fees. The timeline below was designed to help you and your R.E. Agent follow a recommended timetable to make this one of the fastest and most effective mortgage processing operations in the country. If additional time is needed, it is both you and your R.E. Agents responsibility to pro-actively seek additional time to close and to protect your earnest money.

Review this timeline before making an offer and then everyday thereafter to ensure the prompt movement of your transaction all the way through closing day on your future home. Proactively communicate with the designated parties as stated herein until each party has concluded their part.

NACA's streamlined contract to close timeline will often allow you to close on or before the contract close date if the following outlined steps are taken. Make your best effort to complete the tasks described below prior to the scheduled days. The schedule is based on receiving the executed Purchase & Sales contract on Day 1.

Mortgage Prep – P&S Contract to Bank Application (Days 1 to 10)

MORTGAGE COUNSELOR: is your primary point of contact through closing

Day 1:

- Offer accepted and P&S contract executed (signed by both parties).
- NACA receives the following documents: The contract and addenda must be the Member's actual signature (i.e. no electronic signature). They can be submitted by you or your R.E. Agent. You can submit them through your Web-File or bring them to the office. Your R.E. Agent can submit them through the real estate portal on NACA's website.
 - P&S Contract
 - Addenda
 - Copy of earnest money deposit
 - NACA Transaction Summary (completed by R.E. Agent)
 - Multiple Listing Service Sheet ("MLS")
- You contact your MC to update your file for credit access and schedule a meeting to submit your Credit Access application.

Day 2:

- You schedule a property and pest inspection(s) with NACA approved inspector. You must be present at the inspection.
- You confirm with your R.E. Agent and/or seller that utilities are on.
- You collect the updated documents and submits through your Web-File or bring them to meeting with your MC.

Day 3:

- You receive a Loan Estimate form and complete the "Intent to Proceed" via the link provided by email.
- You meet face-to-face or over the phone with your Mortgage Counselor to complete your file, discuss the loan terms and submit Credit Access application.

Day 4:

- You attend the Property and pest inspection(s).
- You or your R.E. Agent uploads the pest inspection report (i.e. wood destroying insect report) with the invoice through your Web-File if the pest inspection was not completed by the Property Inspector.

Day 5:

- You shop for Homeowners' Insurance policy ("HOI").
- A NACA-approved inspector uploads property inspection into your Web-File.

Day 6:

- You provide additional documents including those stated on the Action Plan to complete file for Credit Access review.

Day 7:

- You and your MC communicate on outstanding items for Credit Access approval.
- The NACA Repair List is emailed to you and R.E. Agent (also located in your Web-File). You and your R.E. Agent review the Repair List and communicate with HAND to discuss repair items and any inspection issues. If there needs to be a Repair Escrow, obtain final work write-up or bids for Rehab Specialist review.
- If Credit Access is approved, complete and submit the bank application immediately at a NACA office.
- Provide evidence of Home Owner's Insurance by day 7 and not later than day 13.

Day 8:

- You begin interviewing and vetting contractors and scheduling visits to determine repair costs.
- Last day to address Credit Access conditions to obtain Credit Access Approval.
- If Credit Access is approved, sign and submit bank application immediately at NACA office.

Day 9:

- You and your R.E. Agent finalize repairs negotiations with the seller to determine which repairs, if any, will be completed by the seller. If additional repairs, you upload addenda to the contract through your Web-File.
- If Credit Access is approved, sign and submit bank application immediately at a NACA office.

Day 10:

- This is the last day that you can come to the office to sign bank application documents unless extended due to extraordinary circumstances.

Mortgage Process – Bank Application to Closing (Days 11 - 28)

Day 11 - 12:

- If repairs added to loan, you must submit final work write up, evaluations and/or bids to HAND. Your loan package is registered with the participating lender.

Day 13:

- You review and address any lender conditions in your Web-File. Upload any required documents or information.
- Last day to obtain and upload Home Owner's Insurance declaration page and invoice through your Web-File or directly to your Mortgage Counselor.

Day 14 - 15:

- If flood insurance is required, review with your Mortgage Counselor for affordability prior to securing and purchasing the policy.
- If repairs are added to loan (i.e. Repair Escrow), review and accept Final Rehab Budget. HAND clears or removes the repair escrow. If seller negotiated repairs are not completed, re-inspected and cleared at this point, the closing may be delayed.
- You address and upload additional lender conditions through your Web-File.
- Your R.E. Agent and the seller can access your Commitment Letter from your Web-File.
- You address any lender conditions and provide any required documents or information to your Mortgage Counselor.

Day 16:

- If there are seller negotiated repairs, a re-inspection must be scheduled with the initial property inspector with all repairs completed by the scheduled date.
- You receive a change of circumstance notice if loan amount or other mortgage terms change. Your Initial Closing Disclosure is sent by mail and uploaded to your Web-File.

Day 17 - 18:

- This is your last day to address lender conditions.
- You will receive a Change of Circumstances notice if there is a Repair Escrow or negotiated price change.

Day 19:

- You receive re-inspection confirming satisfactory completion of seller repairs to be HAND Cleared.

Day 22:

- You verify with your Mortgage Counselor that the loan is on pace to close by the agreed upon closing date.
- The settlement agent verifies with the NACA Closer that the loan is on pace to close on time per P&S contract. The settlement agent does not schedule the closing until the lender communicates the Clear-to-Close ("CTC").

Day 23:

- You receive initial closing disclosure from lender that schedules the date and time of closing to take place at the NACA office. The date is finalized by the NACA Closer. Contact your Mortgage Counselor to review it with you.

Day 24:

- You sign the Closing Disclosure if an initial closing disclosure was not sent and an early acknowledgement is required.

Day 25:

- You verify with the R.E. Agent and HAND that seller repairs are completed or are on pace to be completed prior to your walk-through.
- The settlement agent verifies the scheduled closing date, time and location at the NACA office.

Day 26:

- You verify in your Web-File that the loan is clear to close.
- You receive the final closing disclosure with the amount you need to bring to closing. If you have questions, contact your Mortgage Counselor.

Day 27:

- You conduct a property walk-through. Contact HAND if there are any outstanding property issues.
- You obtain certified funds for closing and make sure you have a valid ID required at closing. Make your final plans to move-in.

Day 28:

- You, your R.E. Agent, seller (Listing Agent may represent seller), and settlement agent attend closing at the NACA office.
- Your loan closes – congratulations!
- You Complete a testimonial with pictures/videos.

*Congratulations! You are now a NACA Homeowner
with America's Best Mortgage Program*

POST PURCHASE & PARTICIPATION (MAP)

As a NACA Homeowner Member, your NACA membership provides you with comprehensive post-purchase assistance through NACA's Membership Assistance Program ("MAP"). Therefore, instead of private mortgage insurance, which provides no benefits to the homeowner, NACA provides assistance for Members who are having difficulty making their Monthly Mortgage Payment or need additional services.

You will be assigned a MAP Advocate who is your primary point of contact for your access to NACA's and other third-party services and to continue to participate with NACA. Making the transition from renting to owning requires additional responsibilities and changes in your spending habits. You will probably incur higher utility costs and will no longer be able to rely on a landlord to arrange necessary repairs. Most importantly, you must make your Monthly Mortgage Payments on time. Your MAP Advocate can help you adjust to the financial responsibilities of being a homeowner and to provide comprehensive counseling to prevent financial difficulties and, where necessary, to get you back on track if you are behind in your Monthly Mortgage Payments.

The assistance described below is provided by the MAP department for as long as you have a mortgage through NACA:

- Budget and other counseling
- Modification of your mortgage to address changed financial circumstances (i.e. reduced income)
- Forbearances to address temporary financial difficulties
- Financial assistance for approved homeowners that encounter financial difficulties
- Communicating with or addressing issues with your lender
- Real estate services to sell your home
- Information on outside resources to address personal or homeownership issues
- Other services that become available through NACA including other financial products
- Additional homeowner and neighborhood services and advocacy

We need you to continue your participation in support of NACA's mission in whatever way you are comfortable. This will make affordable homeownership through NACA available to many others and continue NACA's mission in fighting for economic justice. Also, in our fight against predatory lending and financial exploitation of working people, we are working to provide additional beneficial financial services and products to counter abusive and exploitative ones.

MAP Department:

Hours of Operation: Monday through Friday; 8:30 a.m. to 6:00 p.m. Eastern Standard time.

Department Phone Number: (281) 986-6222; Email: MAP@naca.com.

Remember that you need to continue working with the HAND department if you have a Repair Escrow for required repairs after you closing as described in HAND's Stage 5 on page 30. For any repair issues you can contact HAND at 210-319-2978; HAND@naca.com.

REMEMBER TO PARTICIPATE!

Web-File

It is crucial that you access your Web-File regularly. Your Web-File provides you with an updated status and will identify conditions you need to address. Your Web-File will provide your point of contact at various stages in the home buying process. Also, Members will be able to sign their bank application electronically through their Web-File.

An example of a Web-File is provided below. This shows the status of someone who is at the lender and their mortgage is being processed. The items on the left side need to be completed. Once they are done, they move to the right where you can access them.

Status: Mortgage Process Counselor: Curtis Luke

Intake Preparation ✓
Qualification Process ✓
Housing Search ✓
Bank Submission ✓
Mortgage Process
Post Closing (MAP)

For New Appointment, call
494-377-4545

UPLOAD DOCUMENTS & DATA

FEEDBACK/INQUIRIES

The following are items are required

<input type="radio"/>	Voter Registration Bruce	ASAP	
<input type="radio"/>	W-2 IBM Corporation	Last 2 Years	

The following items are completed

<input checked="" type="checkbox"/>	W-2 IBM Corporation	2017	
<input checked="" type="checkbox"/>	Checking Statement Bank Annapolis	3/21/18-3/30/18	

The below shows the Document and Data section of your Web-File where you can upload documents from your desktop or phone. The documents can also be uploaded from the internet (i.e. bank statements from a lender), selected from your desktop, or scanned from a Kiosk in a local NACA office. You can upload virtually any document by selecting the document type and conditions identified for your Credit Access application or lender conditions. When uploading the documents you will be asked to input some data contained in them.

Bank Statements

Your checking account

Your BofA Core Checking

Account summary

Beginning balance on February 21, 2018	\$1,507.93
Deposits and other additions	4,370.10
ATM and debit card subtractions	-260.00
Other subtractions	-2,944.26
Checks	-1,550.34
Service fees	-0.00
Ending balance on March 22, 2018	\$1,123.43

Your account has overdraft protection provided by deposit account number

Deposits and other additions

Date	Description	Amount
02/23/18	1,123.70

Scan Document

Download & Upload Document

OPEN INTERNET
CHOOSE FILE

Account

Bank Annapolis-123456

Start Date

Start Date

End Date

End Date

Beginning Balance

Beginning Balance

Ending Balance

Ending Balance

NOTES

Note: The materials contained in this workbook are designed for guidance only. They are not designed to be, and should not be used as, a substitute for professional services. NACA makes no warranties or representations of any kind that the materials contained in this book will necessarily apply to, or be effective in all or particular situations. NACA reserves the right to change any requirements or policies at any time and to make exceptions in NACA's sole discretion.

NACA POINTS OF CONTACT

NACA has a streamlined mortgage process. We work to close loans within 28 days from the executed purchase and sales contract (“P&S Contract”). You will have a professional NACA staff member assigned to you at each step of the process through closing. It is important that you respond to each point of contact the same day or no later than within 24 hours.

1. **NACA Qualification through Closing:**

Mortgage Counselor is your primary point of contact through closing.

2. **Property Inspections and Repair Issues:**

HAND or a HAND Rehab Specialist can address all repair issues. You may contact HAND at 210-319-2978 or HAND@naca.com.

3. **Housing Search:**

NACA’s Real Estate Department (“RED”) can assist you with any issues relating to your housing search and R.E. Agent issues. You may contact RED at RED@naca.com.

4. **Property Selected:**

Before signing any Purchase & Sales contract, send a property specific request form to your Mortgage Counselor or Office Director to obtain a Property Specific Letter (“PSL”). This should be provided to the seller or Listing Agent to verify that you qualify for a particular property taking into account interest rate changes, your current financial circumstances, interest rate buy-down, and other factors.

5. **Executed Purchase & Sale Contract:**

Once you have executed the P&S Contract, upload a copy of the contract and the addenda through your Web-File or provide a copy of the contract to your MC within 24 hours of it being signed by you and the seller. You need to work with your MC to submit the mortgage application within ten days of your executed contract.

6. **Mortgage Process:**

Your Mortgage Counselor remains your primary point of contact throughout the mortgage process. You will be assigned a NACA Underwriter to address lender conditions and other issues during the mortgage process and a NACA Closer to coordinate your closing.

7. **Settlement Agent:**

The Settlement agent will tell you how much to bring to the closing and will review all closing documents with you at the NACA office where the closing will occur.

8. **Post Purchase:**

A MAP Advocate is assigned as your primary point of contact after you close. If you are having any difficulties in making your Monthly Mortgage Payment your MAP Advocate can assist you with different types of solutions including financial assistance. Also s/he will coordinate your continued participation in support and NACA’s mission as well as provide access to other services and products provided through NACA. To contact your MAP Advocate call (281) 968-6222 or MAP@naca.com.

9. **Questions & Concerns:**

If you have any other questions not addressed by any of the above contacts, please contact NACA’s Member Services at 425-602-6222 or Services@naca.com.

**We look forward to making your dream of homeownership a reality
with America’s Best Mortgage**