



**Fighting Financial
Exploitation with
America's Best
Mortgage**

NACA MORTGAGE

**No Down
Payment**

**No Closing
Costs**

**No Mortgage
Insurance**

**No Consideration
of Credit Score**

**No Perfect
Credit Required**

**Interest Rate
Below Market**



NACA

QUALIFICATION WORKBOOK

BECOME A HOMEOWNER

**THROUGH ► NACA'S COMPREHENSIVE COUNSELING
WITH ► NACA'S BEST IN AMERICA MORTGAGE**

MEMBER'S NAME: _____

DATE OF WORKSHOP: _____

NACA ID #: _____

WWW.NACA.COM

**Stabilizing
Neighborhoods
through ADVOCACY
and ACTIVIST
MEMBERS**



NACA MORTGAGE

THE BEST MORTGAGE IN AMERICA

- PROPERTY TYPE:** Existing, Purchase, Purchase & Rehab, New Construction, 1-4 Units, Condos, Mixed, Coops
- DOWN PAYMENT:** None required
- CLOSING COSTS:** None (lender pays)
- INTEREST RATE:** Below Market Fixed Rate
- TERM:** 30-year Fixed Rate or 15-year Fixed Rate
- BUY-DOWN:** Funds to permanently reduce interest rate
One percent of mortgage amount reduces interest rate by one quarter of a percent (0.25%) for 30-year mortgages and by half a percent (0.50%) for 15-year mortgages. This is a tremendous added benefit.
- APPLICATION FEE:** None
- POINTS & FEES:** None
- CREDIT HISTORY:** Credit Score Not Considered
Member's personal payment history evaluated without without the need for perfect credit.
- REPAIRS:** Funds Set-Aside After Closing for Needed Repairs
- Mortgage Insurance:** None
As a NACA Member you do not pay Mortgage Insurance ("MI") which only protects the lender. You have access to NACA's comprehensive post-purchase program through the Membership Assistance Program, ("MAP"), free of charge for as long as you have your NACA mortgage.

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THE BATTLE IS OVER BUT THE WAR GOES ON

Non-profit advocacy
HUD certified counseling agency



NACA

Neighborhood Assistance Corporation of America

Dear NACA Member,

The tremendous benefits that you receive through NACA are the result of an ongoing and tireless struggle by many thousands of NACA Members, employees, and volunteers to end predatory and discriminatory lending. Over more than thirty years, NACA has been in the forefront of this fight. NACA is the national leader in fighting for and providing affordable homeownership. We were the first organization to take on unscrupulous lending in our campaign against Fleet Bank and we were the first to define and use the term "Predatory Lending." Our efforts continue to this day with our advocacy against predatory lending institutions, and discriminatory and abusive lending practices. NACA continues to expand homeownership opportunities for working people with the 15-year Wealth Builder Mortgage and homeownership for Section 8 (Housing Choice Voucher) recipients through NACA's HOT-PHA program.

NACA's success in achieving its overall mission of economic justice for working people depends on you as we continue to provide and expand NACA's best in America homeownership programs. As a NACA Member, you are an essential part of an extraordinary organization. With over two million Members and growing, NACA will continue to be in the forefront of providing economic opportunity for primarily low-to-moderate income and minority individuals and to break the barriers preventing such opportunities.

Your involvement is crucial. Apathy is the deadliest cancer of democracy – each of us must become advocates and accept responsibility for improving our society. We need your involvement with NACA in whatever way you feel comfortable. That is why we require your participation, as stated in the NACA Participation Pledge and to be a registered voter. The Membership Dues support NACA's homeownership programs and our advocacy campaigns.

NACA's success is built on the many people who participated, and some who died, in the struggle for civil rights and economic justice. You are now benefiting from NACA's success and from those who fought to move NACA forward. I sincerely hope that you understand the importance of your active participation and do not see it as a requirement but as a privilege.

Welcome to NACA!

The Fight Continues,

Bruce Marks

NACA Founder and CEO

NACA OVERVIEW

The Neighborhood Assistance Corporation of America (“NACA”), through its counseling subsidiary the Neighborhood Stabilization Corporation (“NSC”), is the largest non-profit HUD-certified community advocacy and homeownership organization. NACA’s mission is to fight for economic justice through comprehensive counseling with access to NACA’s Best in America mortgage. NACA focuses primarily on low and moderate income and minority people who, without NACA, are subjected to predatory terms or locked out of affordable homeownership.

NACA has established itself over more than thirty years by providing the most effective homeownership programs in the country for both homeowners with an unaffordable mortgage and homebuyers. NACA’s CEO Bruce Marks forecasted the mortgage crisis in his testimony before Congress on September 12, 2000. NACA continues to be in the forefront in addressing predatory and discriminatory lending practices with its aggressive and relentless tactics in confronting predatory lenders.

Purchase Program

NACA provides the best home purchase program in America. This includes free individual comprehensive counseling to evaluate a homebuyer’s overall finances and calculate an affordable mortgage payment to determine if s/he is ready for homeownership. NACA Housing Counselors work with homebuyers for as long as it takes to become pre-approved for a mortgage, and then assists them throughout the home purchase and mortgage process. The vast majority of NACA homebuyers are low- to moderate-income and minority, many of whom have neither perfect credit nor substantial savings.

NACA has over \$15 Billion committed by major lenders, including \$10 Billion from Bank of America, for the NACA mortgage. While NACA provides potential homebuyers with information about a range of mortgage options, homebuyers come to NACA to access NACA’s Best in America Mortgage. This extraordinary mortgage provides every homebuyer the same incredible terms which makes homeownership affordable without the need for perfect credit, large savings or high income. The NACA Mortgage terms are:

- No down payment
- 30-year or 15-year below market fixed rate
- No closing costs or fees
- Interest Rate Buy-Down – Significant interest-rate reduction

HomeSave Program

NACA is America’s largest and most effective organization in providing affordable solutions for homeowners with an existing unaffordable mortgage payment. This has been achieved through legally binding agreements with the major lenders/servicers and investors to provide affordable solutions. Homeowners save hundreds and sometimes over a thousand dollars on their monthly mortgage payment by permanently reducing interest rates to as low as two percent and sometimes reducing the outstanding principal to achieve an affordable mortgage payment. NACA’s 144 American Dream Events nationwide set the standard in providing same-day affordable solutions for many thousands of homeowners at risk of losing their homes.

Advocacy

NACA has been, and continues to be, in the forefront in fighting predatory lenders and advocating for economic justice, and in fact coined the term “Predatory Lending.” NACA has engaged and won long campaigns against the largest and toughest lenders, corporations, politicians and government entities (see NACA’s background).

With a huge nationwide membership and rapidly expanding, NACA has become a major community force that is both feared and respected by lenders and decision-makers nationwide. Most importantly, NACA is beloved by the people for whom NACA fights and provides unprecedented outcomes. NACA is fully committed to continue its aggressive advocacy campaigns and confrontational tactics, with the determination to pursue each campaign for as long as it takes. NACA’s homeownership programs will only survive and expand if we adhere to the premise that, while many battles have been won, the war for economic justice goes on.

National Results

NACA Members: Over 2,000,000 • NACA Offices – 48 and rapidly expanding
NACA Mortgage: Over 60,000 • Home Save Affordable Solutions: Over 250,000

NACA History

NACA's comprehensive homeownership programs, extraordinary mortgage product and confrontational community advocacy approach have set the national standard for effective neighborhood stabilization programs. To appreciate NACA's tremendous achievements, it is important to understand NACA's development over more than thirty years.

BRIEF HISTORY: NACA began in 1988 in Boston as the Union Neighborhood Assistance Corporation (UNAC). Its roots go back to the Hotel Workers Union - Local 26, an activist union that won and established the country's first housing trust fund for union members. Learning from that experience, NACA employed the union's activist tactics to confront lenders engaged in discriminatory and predatory lending practices.

NACA was the first organization to take on predatory lending and coined the term "Predatory Lending." In 1990, NACA initiated the campaign in Boston against second mortgage scams. This predatory scheme consisted of financial institutions targeting long-time, elderly and lower-income homeowners offering refinancing and other products with the goal of taking their equity and their home. NACA focused on Fleet Finance. After a four-and-a-half-year war, Fleet surrendered, committing \$8 billion to low- and-moderate income lending and paying hundreds of millions of dollars in settlements to those Fleet had victimized. Fleet also agreed to fund NACA's revolutionary mortgage product.

NACA's advocacy did not stop with Fleet. NACA continued its multi-year campaigns against some of the largest and most powerful financial institutions. NACA targeted First Union for its discriminatory lending practices focusing on its CEO Eddy Crutchfield (alias "Fast Eddy"). After a multi-year campaign, NACA won, and First Union agreed to change its lending practices and mortgages for working people. NACA next targeted Ford Motor Company which at the time owned The Associates, the country's largest finance company. As a result of NACA's campaign, Ford ended their ownership of The Associates, and NACA subsequently forced The Associates to reduce the interest rates for hundreds of thousands of its borrowers. NACA also won victories against Barnett Bank, Bank of Boston, Riggs Bank and others. As a direct result of NACA's efforts, these institutions have made significant reforms to move away from their predatory lending practices.

On September 12, 2000, NACA's CEO Bruce Marks testified before Congress predicting the mortgage crisis and was the first to publicly do so. NACA also targeted Countrywide, the nation's largest and most aggressive predatory lender. NACA was the first organization to expose Countrywide's predatory practices and NACA's successful campaign established the most effective solution for restructuring unaffordable mortgages and saving homes. This was achieved through agreements with the major lenders/servicers and the major investors (i.e. Fannie Mae and Freddie Mac) setting the national standard for assisting at-risk homeowners. NACA's accomplishments were unprecedented with 144 HomeSave/American Dream events nationwide creating the most successful model for assisting at-risk homeowners. Hundreds of thousands of individuals participated in these events and many thousands were provided same-day affordable solutions.

NACA continues these massive events but now the focus is for homebuyers to become homeowners with NACA's Best in America mortgage. These four to five-day events called Achieve the Dream, attract thousands of homebuyers to this one-stop mortgage operation. In one day, a homebuyer attends a workshop, uploads their documents, meets with a Housing Counselor, and then a NACA Underwriter to be pre-approved for the NACA Mortgage. Many homebuyers are approved the same day and others know their next steps for approval. NACA has completed over 25 of these Achieve the Dream Events nationwide with many more to come.

NACA – REINVENTING MORTGAGE LENDING!



NACA's History of Accomplishments

The NACA Timeline below shows how the NACA program that “sounds too good to be true” has been made into reality through aggressive advocacy and providing the most effective affordable homeownership programs in the country. NACA continues to advocate and set the national standard. You can read the extensive media coverage and up-to-date information on NACA at www.naca.com.

1988	The Hotel Workers – Local 26 negotiates first ever Housing Trust Fund. After a three-year public campaign, the Hotel Workers Union in Boston negotiates the first ever housing trust fund with hotel management. This provides hotel workers with down payment and other assistance in fulfilling the dream of homeownership. The contract requires an amendment to the federal Taft-Hartley Act. The Union Neighborhood Assistance Corporation is founded and later transitioned into NACA.
1990	President Signs Housing Trust Fund into Law. On April 18, 1990, President George Bush signs into law an amendment to Taft-Hartley, after Local 26's national campaign including sending hundreds of workers to Capitol Hill. This allows housing assistance as part of union and management negotiations. It is the first change to the Taft-Hartley Act in over 30-years, and the first time a local union changed the Act.
1991	NACA Coins the term “Predatory Lending.” NACA initiates campaign against financial institutions that targeted minority homeowners with high equity through unscrupulous “home improvement” companies (i.e. “Second Mortgage Scam Campaign”).
1992	NACA Exposes Predatory Lenders and Second Mortgage Scams. NACA conducts a two-and-a-half year research and organizing campaign against second mortgage scams, leading to an investigation by the Massachusetts Attorney General. Over 400 newspaper articles and many more TV news reports document these unscrupulous practices against working people.
1993	NACA Organizes Senate Banking Committee Hearings on Fleet. NACA organizes over 500 people from around the country to participate in the Senate Banking Committee hearings on second mortgage scams which focuses on Fleet. NACA's CEO, Bruce Marks, testifies before the Senate and House Banking Committees. Over 100 Fleet victims meet at the Federal Reserve with the Board of Governors to document Fleet's predatory lending practices. <i>60 Minutes</i> does a scathing expose on Fleet's loan sharking.
1994	NACA Defeats Fleet. Fleet agrees to NACA's demands after its four-and-one-half year war after confronting Fleet CEO Terrence Murray at a Harvard Business School event. Fleet agrees to an \$8 billion community reinvestment program, settles lawsuits and state attorney general investigations for over \$350 million, and funds \$140 million of a revolutionary mortgage program administered by NACA. This was the foundation for NACA's Best in America homeownership program.
1995	NationsBank's CEO Hugh McColl pledges \$500 million to the NACA Program. McColl says that if NACA is as good as everyone says, NationsBank will be NACA's biggest lending partner. McColl's prediction proves to be accurate.
1996	NACA Defeats First Union, Signet and Riggs. First Union agrees to provide \$150 million for the NACA program. Signet and Riggs Bank negotiate agreements with NACA. In Atlanta over ten thousand people attend the largest homeownership event in America at the First Iconium Baptist Church.
1998	NACA Stops Settlement of Class Action by The Associates/Ford. NACA contacts over 100,000 The Associates/Ford borrowers, organizes demonstrations where Ford does business and fills federal court hearings to overcapacity. NACA is successful in convincing the presiding federal judge to throw out an Associates/Ford settlement that would have provided The Associates/Ford with immunity, the lawyers with millions of dollars, and the victims with only \$50. NACA then begins organizing statewide class action lawsuits against The Associates/Ford.
1999	NACA Defeats The Associates/Ford. After NACA's four-year campaign, media exposes including ABC PrimeTime Live and disrupting Ford's annual meeting, The Associates settles. They agree to a mortgage reduction program that automatically reduces interest rates for customers who make timely payments. This provides billions in savings for The Associates customers and revolutionizes the sub-prime market. Also, The Associates commits \$100 million to the NACA program. Bank of America Commits \$3 Billion to the NACA Program after their review and impressive results.
2002	NACA is Instrumental in Passing Georgia's Predatory Lending Protection Legislation. NACA mobilizes thousands of Members to work with Georgia Governor Roy Barnes to pass the nation's strongest protections against predatory lending. As a result of the legislation, borrowers find relief from exorbitant fees and interest rates, prepayment penalties, and balloon payments.
2003	Bank of America and Citigroup Commit \$6 Billion in New Funds to the NACA Program. Citigroup begins a new partnership with a commitment of \$3 billion to the NACA program and initiatives to improve the lending practices of CitiFinancial. Bank of America, as part of its renewed community lending, provides another \$3 billion to the program, bringing its total commitment to \$6 billion.
2004	NACA introduces NACA-Lynx. Years in the making, NACA unveils its state-of-the-art, web-based paperless counseling, mortgage application and processing software called NACA-Lynx. This system transforms lending to low-and moderate-income borrowers by providing a process to obtain comprehensive counseling and access to the best mortgages available without consideration of the Member's credit score.
2006	NACA Continues to Enhance NACA-Lynx and Expand the Program. Lenders contact NACA about using NACA-Lynx. Citigroup's CEO Chuck Prince visits NACA's national office to get a first-hand demonstration of the NACA program and NACA-Lynx.

	NACA's CEO Bruce Marks is Named by the Boston Globe as the 2007 Bostonian of the Year.
2007	NACA Launches a Massive Program to Assist Homeowners with Unaffordable Mortgages. NACA's Home Save Program includes a one-billion-dollar commitment to refinance people out of their unaffordable loans and working with lenders to modify/restructure loans on terms that the homeowners can afford over the long-term.
2008	NACA Establishes National Standard for Assisting At-Risk Homeowners Restructure their Mortgages. NACA sponsors the first historic Save the Dream Event with over 300 NACA counselors providing affordable solutions over five days at the Capital Hilton Hotel in Washington D.C. from July 19 th to 23 rd . Over 20,000 people participate and NACA is able to restructure many homeowners' loans during the event and many thousands more afterwards.
2009	NACA Initiates the Accountability Campaign Against Mortgage Executives. NACA holds the financial executives personally responsible for the mortgage crisis and their refusal to provide long-term affordable solutions. The first action is the Predators Tour in the Greenwich Ct. area on Sunday February 8 th . Over 350 homeowners protested at the homes of John Mack, the CEO of Morgan Stanley, and Bill Frye, the CEO of the hedge fund Greenwich Capital. The impact is dramatic. It sets the standard in holding these executives personally responsible by bringing the consequences of their actions to their doorsteps and community in a non-violent but confrontational manner. The Home Save tour is an Incredible Success with Hundreds of Thousands of Participants. Thousands of homeowners receive same day solutions with many having their interest rates permanently reduced to as low as 2%, and in some cases, having the outstanding principal reduced based on what the homeowner can afford. Homeowners save hundreds of dollars and some over one thousand dollars in their monthly mortgage payment. NACA provides the most effective long-term solutions establishing the national standard in providing long-term affordable solutions for at-risk homeowners - All of NACA's services are FREE.
2010	The Save-the-Dream Tours continue with Events Throughout the Country. These events and the NACA's Home Save program have been the most successful solution for large numbers of homeowners with an unaffordable mortgage. NACA achieved this through legally binding agreements with all the major servicers/ lenders and investors covering the vast majority of at-risk homeowners including: Bank of America, Wells Fargo, Citigroup, Chase, American Homes Servicing, Litton, GMAC, OneWest/IndyMac, IBM, Saxon, HSBC, Ocwen and the two major investors Fannie Mae and Freddie Mac. NACA has been so successful that virtually all the servicers and investors cooperated with NACA. NACA Continues its Advocacy Campaign Against Chase. Chase is the one servicer refusing to provide long-term affordable solutions. NACA stormed Chase's corporate offices in Wall Street with thousands of homeowners. NACA works with Chase's regulator, the OCC, in addressing thousands of complaints against Chase and continuing to assist the Chase borrowers.
2011	Bank of America adds \$3 Billion to its Commitment to NACA's Best in America Mortgage. NACA Sues and Defeats HUD and NeighborWorks. NACA Defeats Chase. Chase signs a new agreement with NACA and now offers some of the best restructure solutions to NACA Members as a result of NACA's advocacy.
2012	NACA Includes Purchase Program in the American Dream Tour. NACA assists both homeowners to obtain an affordable payment and homebuyers to purchase homes with NACA's Best in America mortgage. NACA does over 100 Save-the-Dream/American Dream events over the past four-and-a-half years with 43 in 2012, setting the national standard in providing affordable solutions for hundreds of thousands of at-risk homeowners.
2013	NACA Demonstrates at the Consumer Financial Protection Bureau ("CFPB") with Over 1,000 People. NACA shuts down their operations to highlight their refusal to assist the many thousands of homeowners who have been denied modifications from their lenders. NACA staff and Members visited every member of Congress to inform them of NACA's programs and mission. NACA does another twenty-four American Dream events.
2014	NACA Returns to Washington D.C. with Hundreds of NACA Staff and Members. NACA visits every member of Congress to remind them of NACA's programs and mission. CFPB addresses NACA's concerns and is supportive of NACA's homeownership programs. NACA continues the American Dream events nationwide. NACA negotiates new agreements with CitiMortgage and Bank of America making additional buy-down funds available for low-to-moderate income borrowers. NACA introduces the revolutionary fifteen-year Wealth Builder Mortgage.
2015	NACA initiates Neighborhood Stabilization Program in Detroit. NACA is the first to provide 150% loan-to-value ("LTV") mortgages. The Detroit Free Press wrote an editorial about the NACA mortgage titled "Mortgage Program is Key to Detroit's Future". NACA worked with the OCC to provide a standard for high LTV mortgages in markets cut-off from conventional credit.
2016	NACA has Highest Number of Purchase Program Closings Ever. NACA streamlines the process, closing loans within 28 days from the executed Purchase & Sale Agreement.
2017	NACA Expands Homeownership Opportunities for Working People. NACA makes homeownership for Section 8 Housing Choice Voucher recipients possible and affordable through NACA's HOT-PHA program.
2018	NACA implements five-day "Achieve the Dream" events. Provides one stop mortgage operation for low and moderate income homebuyers to be approved for NACA's Best in America mortgage.
2019	NACA does thirteen Achieve the Dream events nationwide and sets a new record for purchase closings. NACA continues to expand hiring over 150 counselors.

NACA Program Overview

NACA's mission is to make homeownership available with the best terms for Members who otherwise would be prevented from obtaining an affordable mortgage. NACA is open to everyone regardless of their income or where they want to live provided they adhere to NACA's eligibility requirements, policies, and procedures. NACA is the alternative to the many bad actors that work in the real estate and mortgage industries who contribute to the destabilization of communities and the exploitation of low and moderate income and minority individuals. NACA will work with you for as long as it takes for you to purchase a home. In addition, as a NACA homeowner, NACA will support you for as long as you have your NACA Mortgage.

NACA has developed a comprehensive housing counseling program where Members are prepared for homeownership and are qualified to obtain affordable mortgage financing. This includes access to NACA's extraordinary mortgage product that makes affordable homeownership a reality – with no down payment, no closing costs, no fees, no mortgage insurance and at a below-market fixed interest rate ("NACA Mortgage"). To facilitate this process, NACA creates for each Member a personal Web-file to provide updates on their file, their status, next steps and much more (described later).

Purchasing a home is the largest investment most people will ever make. NACA is committed to providing you with comprehensive education and assistance with the purchasing of a home including information about different mortgage options. Neither the NACA process nor homeownership is right for everyone. The NACA program is a full-disclosure process with extensive document verification. If you are not ready to discuss your finances, personal situation or provide all the required documents, this is not the program for you.

The cornerstone of the NACA program is the comprehensive one-on-one counseling offered by NACA's Housing Counselors. After attending a homebuyer workshop, you will be assigned a Housing Counselor who works with you to become a homeowner and/or improve your financial management. NACA's counseling is based on a thorough analysis of your financial situation to determine whether you are ready for homeownership and, if you are not, what you need to do to get there. Your Housing Counselor will also work with you to determine the monthly mortgage payment you can afford over the long term while maintaining a comfortable standard of living. You must complete the housing counseling program and become NACA-Qualified before you are eligible to apply for the NACA Mortgage.

NACA does not consider your credit score but evaluates your individual circumstances including explanations of late payments to determine your ability and readiness for homeownership. While NACA recognizes that many Members come to NACA with credit issues, no one is turned away because of bad credit — so long as they are committed to overcoming these roadblocks. Your Housing Counselor will help you determine which items need to be resolved to become NACA Qualified. Your preparation may take time, so it is important that you meet with your Housing Counselor early and commit to working with him or her throughout the process.

NACA and its Housing Counselors will work with you for as long as it takes for you to become a homeowner. The timeframe is often dependent on your commitment to follow-up. For the vast majority of Members who actively participate in the program, NACA Qualification will take between three and six months but for those Members with significant financial issues it may take more time. Once a NACA Qualified Member submits a mortgage application to a participating lender in the NACA program, virtually everyone is approved by the lender. Due to NACA's thorough education and counseling, NACA homeowners are able to improve and manage their finances, and make on-time monthly mortgage payments. As a result, NACA Members will also be able to commit themselves to improving and stabilizing their communities.

While your Housing Counselor is always there to assist, you should use the information in this workbook as your guide to become NACA Qualified on your own. You can be NACA Qualified upon completion of the following: tracking your existing expenses and creating a budget that accurately reflects your financial situation; addressing any late payments issues; demonstrating stable and sufficient income, assets, and monthly savings; determining an affordable monthly mortgage payment; obtaining supporting documents, and meeting NACA's eligibility requirements. Being NACA Qualified is equivalent to being pre-approved for the NACA Mortgage. Moreover, you will likely be qualified for other mortgage products which you should compare to the NACA Mortgage.

NACA Membership

All participants and household members in NACA's programs and services must sign the NACA Agreement

and the E-consent Agreement, authorization to sign documents electronically, by the time of the initial counseling session (i.e. Intake Session). The NACA Agreement governs membership and participation in NACA's programs, services, the NACA Mortgage, participation requirements, advocacy, and curricula which NACA offers or may offer in the future. The NACA Agreement also includes authorization to access your credit report and other information, disclosures, releases, responsibilities, obligations and privacy matters. By signing the NACA Agreement, you become a NACA Member and acknowledge your consent to these terms to participate in NACA.

Membership Dues will be required at or before your Intake Session and at the beginning of each calendar year thereafter for as long as you participate in the NACA Purchase Program and/or have a NACA Mortgage. The current Membership Dues are only \$25 per calendar year per household. NACA's Membership Dues support NACA's homeownership programs, neighborhood stabilization initiatives, advocacy and other programs. Following the purchase of your home with a NACA Mortgage, you will have access to NACA's comprehensive post-purchase program through NACA's Membership Assistance Program ("MAP"). MAP offers significant and unique benefits at no cost to you. These include additional counseling services, foreclosure prevention assistance including mortgage modification and payment plans, access to financial assistance, and additional services.

Members in good standing can access all aspects of NACA's Programs. For a Member to be in good-standing, s/he must have signed the NACA Agreement, be current on his/her Membership Dues and adhere to NACA's requirements, conditions, and program guidelines. Anyone has the option to opt-out of NACA membership which removes his/her obligations to adhere to the participation and advocacy requirements but restricts their NACA services to limited counseling. To opt-out of NACA membership, you must send an email to **Services@naca.com** with the subject stating "Member Opt-out" prior to your Intake session. Members who opt-out and still want to receive limited NACA counseling, must still pay the equivalent of the Membership Dues and adhere to all the provisions of the Membership Agreement excluding the participation requirements.

NACA Membership requires participation in whatever way you feel comfortable. NACA's success has been the result of the active participation and advocacy of many thousands of Members over the years. Therefore, it is essential that all Members be committed to our mission. We want you, your family, and those close to you to be active NACA Members promoting neighborhood stabilization and economic justice for many years. We hope that NACA's history and success that you are now benefiting from is inspirational. We look forward to your active involvement and becoming a NACA homeowner on the best mortgage terms in America.

NACA'S Team

NACA has established a team that covers every stage of the home buying process. These teams of professionals can address your concerns with trusted advice as you pursue your home purchase which is likely to be the largest investment in your life.

Counseling Department

The Counseling Department consists of Housing Counselors, Mortgage Counselors (counselors who are licensed Mortgage Loan Originators), Office Directors and office administrative staff. The staff members work in NACA's many offices nationwide. Their focus is to NACA Qualify members through an initial Homebuyer Workshop and one-on-one counseling. If you are qualified by a Housing Counselor, your file will be assigned to a Mortgage Counselor as your primary point of contact through the mortgage process. Mortgage Counselors are referred to as Housing Counselors in this workbook. The Counseling Department also provides free live webinars throughout the week on various topics which you are encouraged to attend. Go to **www.naca.com** to see the topics and sign-up.

Mortgage Department

The Mortgage Department consists of Underwriters and Closers. The Underwriters review and approve submissions by Mortgage Counselors for Credit Access, package the loan application, and address any lender conditions. The Closers are responsible for closing the mortgage.

Real Estate Department

The Real Estate Department consists of NACA In-House Realtors ("IHA"), Referral Agents, and Real Estate Brokers. NACA's In-House R.E. Agents work exclusively for NACA and its Members, and represent your

interest in finding a home you can afford that qualifies for the NACA Mortgage. They are experts on the NACA program and process. Referral Agents are like an IHA but do not work exclusively with NACA and are available if an IHA is unavailable. You are free to use a real estate agent you select as long as they are allowed to participate in the NACA program. You can contact NACA's Real Estate Department through Member Services at (425) 602-6222 or email to **RED@naca.com**.

Home and Neighborhood Development ("HAND") Department

The HAND Department consists of HAND Relationship Coordinators ("HRC"), Rehab Specialists, and Escrow Coordinators. The HRC is your primary point of contact to address repair issues. The Rehab Specialists review home inspections to identify repair issues and determine a Rehab Budget to address repair issues. The Escrow Coordinator works with Members to process the payments for repairs to be completed after the closing. You can contact HAND at (210) 319-2978 or email to **HAND@naca.com**.

Membership Assistance Program ("MAP") Department

The MAP Department consists of MAP Advocates who are assigned to Members with a NACA Mortgage. MAP's Advocates assist Members who are having difficulty making their monthly mortgage payments, provide counseling, assist in arranging mortgage modifications and payment plans, and provide financial and other assistance. They also work with Members to continue their participation in NACA and to access other services. You can contact the MAP Department at (281) 968-6222 or email to **MAP@naca.com**.

Member Services Department

The Member Services Department consists of Service Representatives who respond to calls to the Member Services line. NACA is committed to provide the best member services. NACA's Member Services Department is open weekdays from 8:30 a.m. to 5:30 p.m. and Saturdays from 8:30 a.m. to 12:00 p.m. (EST) to assist you. They are there to help you obtain answers to general questions, address your individual circumstances with your NACA Qualification and mortgage process, assist you with accessing your Web-file, make an appointment, communicate with a Housing Counselor, or any other issue. You can contact Member Services at (425) 602-6222 or email to **Services@naca.com**.

HomeSave Department

The HomeSave Department consists of advocates who work with homeowners needing assistance with an unaffordable mortgage. They work with the homeowner's servicer and/or investor to achieve an affordable solution often by modifying their mortgage. You can contact the HomeSave Department at (281) 968-6222 or email to **Homesave@naca.com**.

Advocacy Department

The Advocacy Department consists of organizers nationwide that involve the many thousands of Members in advocating for economic justice in both national and local campaigns as well as neighborhood issues affecting our Members. Members can participate in two ways. One way is to join with your community in groups called NACA Action Committees ("NACs") to further NACA's mission in fighting for economic justice on the local level. Another way to participate is through NACA Action Groups ("NAGs"), to address specific issues that can be acted upon by the NACs and other coalition partners. The organizers also work with Members to register to vote and meet their participation requirements. You can contact the Advocacy Department at **advocacy@naca.com**.

NACA Job Opportunities

NACA has amazing job opportunities throughout the country for multiple positions. NACA is a high-profile organization that is frequently featured in the national media for its extraordinary affordable homeownership programs and its confrontational community actions against predatory and discriminatory lenders. NACA, through its counseling subsidiary, is also the largest and most effective non-profit HUD approved counseling organization in the country.

NACA is an equal opportunity employer and strongly encourages minority individuals, those fluent in Spanish and other languages, and second chance candidates to apply. We invite you to join NACA's growing team and become part of the most exciting and effective housing and advocacy organization in the country.

For job description and to apply online, visit us at www.naca.com

Or Email questions to jobs@naca.com

NACA MORTGAGE

The NACA Mortgage is one of the most effective solutions to sub-prime lending and the limited access to affordable mortgages for low-to-moderate-income and minority individuals. NACA has proven that when working people get the benefit of a prime rate loan and counseling, they make their monthly mortgage payments and become prime borrowers. NACA's long experience of helping homebuyers with credit issues become homeowners counters the justification the lending industry uses to impose high rates and fees to compensate for their "credit risk."

The NACA mortgage is one of the best options available and it's often considered the Best Mortgage in America. NACA's Purchase Program provides a solution to address the major barriers in the housing market for low-to-moderate income and minority individuals which has resulted in historically low homeownership rates for African Americans:

1. Barrier: High Savings Requirement
NACA Solution: No Down Payment & No Closing Costs
2. Barrier: Unaffordable Terms
NACA Solution: Below Market Fixed Rate & Aggressive Buy-Down
3. Barrier: Restrictive Underwriting based on Credit Score
NACA Solution: Character Based Lending without Consideration of Credit Score
4. Barrier: Racism & Biases
NACA Solution: Pre-Approval & Advocacy

The features of the NACA Mortgage are described below. Everyone that obtains a NACA Mortgage gets these terms:

- **No Down Payment**
- **No Closing Costs** – Closing costs paid by the lender.
- **No Points**
- **No Fees**
- **Below Market, Fixed Rate** – Interest rate is less than the market rate for a conventional "A" rated mortgage.
- **Term** – 30-year and 15-year fixed.
- **Credit Score Not Considered** – NACA Qualification is based on the Member's individual circumstances.
- **No Mortgage Insurance**
- **Eligible Properties** – One, two, three or four-family owner-occupied principal residences, including units in condos, coops, or combined residential/commercial buildings. Properties may be existing homes, new construction or homes in need of renovation.
- **Aggressive Interest Rate Buy Down:** This is most effective way of obtaining an affordable monthly mortgage payment or increasing the affordable purchase price.
- **Renovations/Repairs** – Funds for renovations are provided as part of the mortgage with NACA providing assistance throughout the renovation process.

Interest Rate Buy-Down

The impact of the NACA Interest Rate Buy-Down is extraordinary ("NACA Buy-Down"). It is often the most effective way for you to increase what you can afford (i.e. higher purchase price) and/or to reduce your monthly mortgage payment. In fact, the same amount of funds used for the Buy-Down compared to a principal reduction reduces the monthly mortgage payment by about three times. This is a huge benefit for Members that are looking for long-term homeownership and that have available funds or can obtain them.

It is your option to use a lump sum amount to permanently buy-down the interest rate and by how much. 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.

- **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. The funds can come from your savings, the seller, grants, and/or a gift from family that does not require repayment.

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. Members above 80% of the median income are generally limited in the amount of 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. Note: the NACA Buy-Down is subject to change.

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 NACA interest rate. The most effective use of these funds is to access the NACA Mortgage and to buy down the interest rate from NACA's already below-market fixed rate. To access these funds for the NACA Buy-Down, you need to contact your state, county or city officials to get them to work with the NACA Mortgage. NACA can assist you and others in getting access to government funds for the NACA Buy-Down with the NACA Mortgage.

Information You Should Consider Before Buying-Down Interest Rate

If you have funds available, there are a number of ways in which you can use them: you could keep them as a savings fund; use them to lower the loan amount (i.e. principal reduction); or use them as discount points to permanently reduce your interest rate. You should consider the information below in making this decision as it applies to your circumstances.

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 reduce the mortgage principal, 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 expenses, debts, mortgage, or unable to cope with emergencies.

NACA BUY-DOWN VS. PRINCIPAL REDUCTION

Pros	Cons
<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 for principal reduction.	<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: Your initial loan balance will not decrease, but 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: You will have less equity in your home in the early years and it will take more years to build equity.

Example of Interest-Rate Buy-Down vs. Down Payment

The comparison uses 4.00% 30-year fixed with \$200,000 mortgage and \$10,000 for the NACA Buy-Down. It would lower your interest rate by 1.25% (i.e. \$10,000 on a \$200,000 mortgage results in five points with each point reducing the rate by 0.25%) to 2.75% and reduce your monthly mortgage payment by 10% a month. Nevertheless, if you must pay off your loan in less than five years, you would lose the benefit of the NACA Buy-Down and in this case the funds would be better used for a principal reduction. However, after five years you benefit more by using your funds for the NACA Buy-Down. The longer you have the mortgage the greater the benefit. If you keep your NACA Mortgage for the full 30-year term, you would save about \$32,000 in interest payments.

15-Year Wealth Builder Mortgage

The 15-year Wealth Builder Mortgage empowers you to become free from debt and quickly build wealth through the equity in your home. The 15-year fixed interest rate starts at a lower rate than the NACA below market 30-year fixed rate - typically around one-half percent to three-quarters of a percent lower. The 15-year term does have a higher mortgage payment each month due to the significant reduction in the mortgage term. However, more of your payment will go towards the principal and reducing the interest paid to the lender. Also, you can use a greater amount of your gross income for a monthly mortgage payment (i.e. higher housing ratio) up to a maximum of 35%. If your budget allows, selecting a 15-year term is the fastest way to build wealth which you can use later for your next home purchase, children's education, retirement or other uses. You can also eliminate your mortgage debt sooner and leave the next generation valuable real estate.

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

The following 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 NACA Buy-Down.

The comparison uses 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, you, gifts, or grant funds. 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, the 15-year mortgage interest rate would be almost zero percent (i.e. 0.25%). In this scenario, if you could afford to pay an additional \$256 per month, you would be mortgage debt free in fifteen years.

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

Repair & Renovations

NACA has a strong focus on revitalizing and stabilizing communities across America. This is largely accomplished through NACA's Home and Neighborhood Development ("HAND") Department where you can purchase a home that needs repair or substantial renovation and compete with investors for such valuable properties. This allows NACA homeowners to revitalize and rebuild 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 and 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. Renovations are completed after you close on your home. You are then responsible for managing this project with the support of the HAND department. The funds are held in a Repair Escrow account at the lender and paid to the contractor once that portion of the repairs are completed and inspected. If you are unable to live in the house because it is in need of significant renovation, you may not have to make a monthly mortgage payment for the first six months.

Whichever type of property you decide to buy, there are some basic requirements which are explained in detail in your Purchase Workshop once you are NACA Qualified. 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.

Multi-Family Purchase

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. You therefore must attend a landlord training class to learn the skills and obtain information you must have to be a successful landlord. 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 and risks you must consider before purchasing. This includes understanding landlord/tenant laws, addressing tenant issues, and finding good tenants. 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 Housing Counselor if you do not know the average monthly rent in the area you wish to purchase.

While the rent paid by your tenants would reduce a portion of your monthly mortgage payment, your monthly budget expenses must include funds for repairs, tenant vacancies, unplanned and other expenses. This monthly Landlord Fund of \$400 is included in the Member's budget and affordability calculation. NACA also requires a cash reserve of at least four months for a duplex, five months for a three-family, and six months for a four-family of monthly mortgage payments to cover additional expenses associated with being a landlord.

You should work with your Housing Counselor to determine your affordable monthly mortgage payment for a multi-family home. The general underwriting requirements are designed to ensure that you, as a landlord, have sufficient financial resources. It is similar to the single-family calculation using the definitions for taxes, insurance and other items and while including the rental income and associated expenses.

MORTGAGE PAYMENT

You will work with your Housing Counselor to determine an affordable monthly mortgage payment. This determination requires information about every household member and dependent who will be living in the home you purchase, even if they may not be on the mortgage. This is needed because every member of your household affects your financial situation and capacity to make the monthly mortgage payment.

Your monthly mortgage payment will determine the mortgage amount (i.e. purchase price plus any rehab escrow) you can afford. It is very important that you make a purchase that you will be happy with for years to come and have a monthly payment that continues to be comfortable with your lifestyle. The most beautiful house could become a nightmare if you cannot afford the monthly mortgage payment. Owning your home should not be a burden that requires a reduced standard of living or other sacrifices. Also, you should not feel pressured to purchase a house you will not be happy with because it is all you can currently afford. NACA will work with you and your family for as long as it takes to purchase the right home with a monthly mortgage payment that is truly affordable over the long-term.

Your Housing Counselor helps you determine an affordable monthly mortgage payment with sufficient funds for other reasonable monthly debts and living expenses. The total monthly mortgage payment is known in the mortgage industry as the “P.I.T.I.” (Principal, Interest, Taxes and Insurance). These components are the principal or outstanding mortgage debt, interest on the mortgage debt, monthly property taxes, and monthly property insurance premiums. Note that mortgage insurance premiums are typical in the industry but are not required for the NACA Mortgage. You must also factor in other costs for the specific property you choose like homeowner’s association dues and flood insurance.

The determination of your affordable monthly mortgage payment starts with your current rental payment or with no base if you do not pay rent. If you are looking for a payment higher than your current affordable rental payment, your Housing Counselor will review your budget to determine if you have available funds for a higher monthly mortgage payment or whether you must permanently increase your income and/or decrease your debts and expenses. Your affordable monthly mortgage payment is determined by your rent plus regular pattern of savings (“Payment Shock”) supported by your income and is limited by the Housing and Debt Ratios as described below.

Monthly Household Budget Form

The Monthly Household Budget Form (“Budget Form”) is a critical factor in determining your affordable monthly mortgage payment. You must complete the following Monthly Budget and Daily Expense form that includes the borrower, co-borrower, adult household members not on the mortgage and dependents. This Budget Form captures the household’s entire pattern of reliable income, debts and ordinary expenses for at least one month. Your Budget Form provides a realistic evaluation of whether the household can save on a regular basis or not. Household members can also affect your ability to afford a house based on their debt and income. Remember, you want to avoid any unpleasant surprises when your monthly mortgage payment is due, so be conservative with your estimates.

The Budget Form is provided on the next three pages. The form is divided in three parts. The first identifies the income and debts for each member of the household who will be living in your future home. All reliable sources of consistent household income must be included with the gross income used for the ratios and net income for the true cash flow. The second part identifies the household expenses incurred in your current home which should be reflective on-going expenses. The third is the Daily Expense Form identifies expenses that are likely to occur on a weekly basis and may add up substantially.

The Budget Form has three columns using different scenarios for the same income or expense item. The Workshop column are estimates that is completed during the Homebuyer’s Workshop. The Actual column are actual amounts for your current situation using your bank, credit card and other statements. The Goal column are estimates for when you live in your future home. You should make additional copies of the Budget Form to complete for additional months.

The Budget Form needs to be completed prior to your Intake Session for you to have an effective counseling session. While it is best to do it through your Web-file, you can complete the Budget Form manually and bring it to your Intake session. Completing this will help both you and your Housing Counselor develop a plan to purchase a home you can afford.

Monthly Household Budget Form

Month Completed: _____ Year: _____

Total Number of people intending to live in your future home: _____

Borrower: _____ Co-Borrower: _____

Household Members: 1. _____ 2. _____

Dependents: 1. _____ 2. _____

3. _____ 4. _____

INCOME & DEBTS

	Member's Name	Workshop	Actual	Goal
<u>GROSS INCOME:</u>				
Borrower				
Co-Borrower				
<u>NET INCOME (take home income):</u>				
First Job				
Second Job				
Co-Borrower – First Job				
Co-Borrower – Second Job				
Child Support				
Other Income				
Other Household Members' Net Income				
TOTAL NET INCOME:				
<u>DEBTS – Liability Payments:</u>				
Car Loan–1 - Balance: (_____)				
Car Loan–2 - Balance: (_____)				
Car Loan–3 - Balance: (_____)				
Credit Card–1 – Balance: (_____)				
Credit Card–2 - Balance: (_____)				
Credit Card–3 - Balance: (_____)				
Student Loan – One - Balance: (_____)				
Student Loan – Two - Balance: (_____)				
Personal Loans - Balance: (_____)				
Other Loans - Balance: (_____)				
Charge-offs/Collections				
Total Installment Payments:				

HOUSEHOLD EXPENSES

<u>HOUSING EXPENSE (current):</u>			
Rent			
Mortgage Payment (including taxes, insurance and PMI)			
Total Housing Expense:			
<u>UTILITIES:</u>			
Phone (mobile)			
Phone (home)			
Internet Service			
Cable			
Electric			

Monthly Household Budget Form

	Workshop	Actual	Goal
Water & Sewer			
Heat & Gas			
Other Utilities			
Total Utilities:			
FOOD & BEVERAGES:			
Groceries			
Other Food & Beverages			
Total Food & Beverages:			
TRANSPORTATION:			
Gasoline			
Car Insurance (annual/12)			
Public Transportation			
Car Maintenance (estimate monthly cost)			
Car Excise tax (annual/12)			
Other Transportation			
Total Transportation:			
CHILD CARE:			
Day Care			
After-school Programs			
Child Lessons			
Baby Sitting			
Child Allowance			
Other Child Care			
Total Child Care:			
EDUCATION:			
Tuition			
Book Purchases (total annual purchases/12)			
School Supplies (total annual purchases/12)			
Other Education			
Total Education:			
CLOTHING & APPEARANCE:			
New Clothing/Uniforms (include kids)			
Shoes			
Clothing Accessories (i.e. bags)			
Hair Care			
Nails (Pedicure/Manicure)			
Other Clothing & Appearance			
Total Clothing:			
MEDICAL/HEALTH (include if paid directly)			
Medical Insurance (if paid directly)			
Doctor			
Dentist			
Medical Co-payments (# of visits x amount/12)			
Medication (including over the counter)			
Disability Insurance			
Life insurance			
Other Medical/Health			
Total Medical/Health:			

	Workshop	Actual	Goal
OTHER:			
Church Tithes			
Subscription Fees (music apps, etc.)			
Charity Donations			
Fitness			
Sporting Events			
Entertainment (events, concerts, bowling, club, etc)			
Vacations			
Organizational & Membership Dues			
Gifts to Family (birthdays, Christmas, holidays, etc.)			
Total Other:			
Household Members Daily Expense:			
TOTAL EXPENSES:			
MONTHLY AVAILABLE SAVINGS (Net Income – Expenses):			
Household Savings Account	\$200		
MONTHLY SAVINGS COMMITMENT:			

Daily Household Expense Form

It is important to make entries every day for a week so that you do not forget anything. Provide a copy to each member of your household. Once each member of your household completes this form, add up each category and **multiply by four to get a monthly total**. Transfer the monthly totals to the corresponding items on the previous Budget Form.

Name: _____ Month: _____ Days: _____ Year: _____

Only fill out the 7 days if you don't know a monthly total. ROUND TO THE NEAREST WHOLE NUMBER.

Daily Diary	Day 1 Sun	Day 2 Mon	Day 3 Tues	Day 4 Wed	Day 5 Thurs	Day 6 Fri	Day 7 Sat	Monthly Total
Alcohol								
Animal Care								
Books/Magazines								
Bus Tokens/Tolls								
Children's School Lunches								
Children's Other Daily Expenses								
Cigarettes								
Coffee/Tea/Soft Drinks								
Dry Cleaning								
Laundromat								
Lottery Tickets								
Meals (lunch & eating out)								
Movies (theater, rental, purchase)								
Newspapers								
Offerings								
Parking								
Taxis/Uber/Lyft								
Other:								
Other:								
Total:								

Available Savings

The Monthly Available Savings is what is available after calculating the total net income, less total liabilities, less rent, and less household expenses. When the Monthly Available Savings is positive, the bank account(s) should reflect this savings. When it is negative, the bank account(s) should reflect this deficit and/or other debt instruments should reflect an overall balance increase. If the Monthly Available Savings figure is positive, it indicates that you should have additional funds to contribute toward meeting the Payment Shock goal for a monthly mortgage payment that is higher than your current rent (though, as explained below, your monthly mortgage payment cannot exceed 31% of your gross income). If your Monthly Available Savings figure is negative, it indicates that the household may be living beyond its means by utilizing credit or savings. In this case the affordable monthly mortgage payment will likely be an amount lower than your rent.

Monthly Savings Commitment

The “Goal” column on the Monthly Budget Form is used to determine the Monthly Savings Commitment. You must add at least two hundred dollars to the total expenses to address unexpected or one-time expenses (“Household Savings”). Your Monthly Savings Commitment includes the Household Savings, Minimum Required Funds and Payment Shock. This needs to be deposited into a Household Savings Account without any reduction in the balance in your other accounts (i.e. this is about increasing savings not moving between accounts). You should not withdraw any funds from your Household Savings Account during the home buying process except for home purchase costs (i.e. escrow, inspections, etc.).

Monthly Budget Analysis

Most people do not know where 20% of their income is spent. By maintaining a Monthly Household Budget, you may be surprised by the actual expenditures and will learn how to manage your money better. Both you and your Housing Counselor must get a good understanding of your current cash flow made up of reliable and consistent income and costs. Fixed costs include expenses such as: rent, utilities, food, debt payments, transportation costs, child care, education, etc. Where the goal may be to change some of these costs, many are under contract and have minimum payments that will not change any time soon. Elective expenses include costs such as money for clothes beyond basic needs, eating out, hair and nails, cable TV, entertainment costs, etc. These are the areas that you will have to make decisions as to whether you can and are willing to make changes. Increased savings and/or accelerated debt reduction must be reflected in your financial accounts (i.e. bank statements, credit cards, etc.).

Your Monthly Budget Form highlights whether you are living beyond your means. For example, maintaining a high credit card balance and making only the minimum monthly payment is extremely expensive, reflects poor financial management and the likelihood that you or other household members are living beyond their means. Making only the minimum payments on high interest credit cards (i.e. two to four percent of the outstanding balance) will result in an extremely lengthy payoff period, typically 25 years or more. Your Housing Counselor will work with you to identify any such patterns and advise you accordingly. Following this advice is crucial for you to improve your finances and prepare you for affordable homeownership.

The Monthly Household Budget also indicates where changes are possible. By using the knowledge gained from this exercise, you can determine how changes in household expenses and casual spending affect the finances. You and your household members will be able to separate the necessities from the wants and make decisions on which non-necessities you can eliminate to afford a future house. You will likely need several months to determine if it is realistic to change the spending habits to meet your targeted Monthly Savings Commitment. Use this time to determine if you and your household members are comfortable with a permanent reduction in spending necessary to afford a monthly mortgage payment larger than the current rent or even if the rent is affordable with your current spending. The actual numbers on the budget may surprise you and your perception versus reality which may be a shock. It will definitely help with the following: 1. Better Management of Expenses; 2. Savings Potential; and 3. Reality Check - What you believe your expenses are compared to your actual expenses as reflected in your bank accounts, credit card statements and other types of payments.

After completing your budget, you and your household members must ask yourself these questions:

- Can I/we be prudent managers of our income and debts to meet the requirements of homeownership?

- Do I/we have steady income and stable employment?
- Are we able to save money?
- Can I/we make the necessary changes to meet the desired monthly mortgage payment?

Do not be pressured. Buying a house can be an excellent investment, but personal situations or other factors may counsel against it such as whether you and other household members anticipate remaining in the area for several years. NACA is a nationwide organization and will assist you wherever and whenever you are ready to be a homeowner. You can also discuss these issues with your Housing Counselor.

Payment Shock

This section demonstrates how to be approved for a monthly mortgage payment that is greater than your current affordable rent, which may allow you to purchase a higher priced home. NACA uses your affordable rent as the baseline to determine your affordable monthly mortgage payment. This represents your proven ability to make your housing payment and it reflects the balance you have already reached between housing and other needs. Nevertheless, if your current rent is unaffordable or a financial strain, NACA will then use as a baseline a reduced amount that you can better afford over the long-term.

If you want a monthly mortgage payment greater than your affordable rent, you must demonstrate your ability to save the amount equal to the difference between your current affordable rent and your affordable monthly mortgage payment ("Payment Shock"). The documentation of your ability to save the Payment Shock is crucial since it represents the amount you would have to pay the lender as part of your monthly mortgage payment. The Payment Shock reduces available funds for other expenses or purchases and lack of preparation for a higher housing payment is the major cause of financial difficulty and foreclosure. Remember that you should not rely on future raises or higher income to afford a higher mortgage payment.

Your Payment Shock Calculation

Desired Mortgage Payment not to exceed 31% housing ratio

\$ _____

- Less: Current Rent

\$ (_____)

Equals: Required Monthly Savings

\$ _____

The above monthly savings must be put aside every month until you close since this monthly savings will be part of your monthly mortgage payment for the next 15 or 30 years, or until you sell. By saving the money that will go towards your future housing payment for at least three months if you have a history of paying rent or six months if you cannot document a rental history, you get to know and feel what life is like not having these funds. It is very important that you determine whether you are comfortable allocating this amount to your mortgage payment without this having a detrimental impact on the lifestyle you desire. It is important that your savings pattern results in an increase in the total of your bank accounts and other funds, and not the movement of funds from one account to another. It must grow each month by no less than the Payment Shock savings amount. It can also be reflected in your assets including stocks and other funds. We will also look to see that the balance in your credit cards has not increased or that you have not taken other loans. Increases in your account(s), with a corresponding increase in credit card balances, indicates that your savings were borrowed.

For example, if your current rent is \$700 a month and you want a monthly mortgage payment of \$1,200 (not to exceed the maximum Housing and Debt Ratios), you would need to save an extra \$500 per month to demonstrate you can afford the higher payment of \$1,200. This amount must be saved every month for a minimum of three months prior to NACA Qualification and you must maintain that monthly Payment Shock savings through closing. It would be like your landlord increasing your rent by \$500 per month in addition to requiring you to pay for all property repairs and maintenance.

If you do not have a recent history of paying rent, you must demonstrate regular savings of the total desired monthly mortgage payment (i.e. 100% Payment Shock) over a six-month period prior to NACA Qualification and through closing.

You should also make adjustments for one-time deposits and one-time expenses. Since the **Payment Shock savings need to reflect a regular pattern of savings** documenting your capacity to afford a

higher monthly mortgage payment, it must be adjusted for any lump sum activity in your bank accounts as described below. These are non-regular withdrawals and deposits shown on bank statements that are one-time activities and are not reflective of your regular pattern of savings. These must be tracked, noted, explained, and documented on your bank statements.

1. **One-time Withdrawals** – These withdrawals occur due to one-time circumstances (i.e. paying off debts). Eliminating these one-time withdrawals increases your Payment Shock which better reflects your overall savings pattern. Documentation to verify the withdrawal will be required if the bank statement does not document to whom the payment was made.
2. **One-time Deposits** – These deposits are one-time occurrences that you cannot anticipate occurring on a regular basis (i.e. tax refund, gifts, etc.). Eliminating these one-time deposits reduces your Payment Shock which better reflects your regular savings pattern. These one-time deposits, if not borrowed, can be used for the Minimum Required Funds (MRF) and/or buy-down funds.

You may discover that it is not worth the sacrifices to take on the higher monthly mortgage payment. If you are unable to save your Payment Shock, then your monthly mortgage payment will be based on your current affordable rent. If your current rent prevents you from purchasing affordable homes in your area, you can use the NACA Buy-Down option, previously explained, and/or grants to increase your mortgage amount without increasing your affordable monthly mortgage payment. If you did not save each month the agreed Payment Shock savings, it may cause a significant delay in your NACA Qualification approval or prevent you from purchasing your desired property.

Bank Statement Review

You must have one or more bank accounts and provide your Housing Counselor with at least your past three months of bank statements for all open accounts. Include all pages even if they are blank. This is important to help you identify and provide an accurate picture of your personal finances and to provide verification of your budget items. This will also identify if you are maintaining an unaffordable lifestyle based on one-time payment(s) that would be unavailable with just your regular income. Such one-time payments include profits from the sale of a previous home, a loan, an insurance settlement, or lump sum retirement. The review could also verify more specific things such as payments for liabilities and household utilities. To facilitate the review, you should identify payroll deposits, rental payments and other payments not identified on your credit report. Additional bank statements may be required to obtain a better understanding of any of the items already discussed and other issues. Finally, the bank statements must be legible, so do not black out any sections and avoid writing over the printed information or using highlighters.

Limiting Factors

There are two measurements that NACA and the mortgage industry use to limit the amount of a monthly mortgage payment in relation to your personal finances. These measurements are the Housing Ratio and the Debt Ratio and they are used to ensure that your monthly mortgage payment is not such a high percentage of your income that it reduces your standard of living and leaves you without funds for savings or to face any emergencies.

Housing Ratio

Your Housing-to-Income Ratio (“Housing Ratio”) is your monthly mortgage payment divided by your gross income. Many years of research and experience have determined that your affordable monthly mortgage payment (i.e. principal, interest, taxes, insurance and HOA) should be no more than 31% of your gross income or less if possible. What this means is that of the total money you make, an affordable housing payment should take less than a third of it, leaving about two-thirds for all your other expenses. A high monthly mortgage payment (i.e. high Housing Ratio) would not leave room for necessities, a comfortable lifestyle, the opportunity to assist family members, or the ability to deal with financial difficulties.

Remember that the Housing Ratio calculation uses your “Gross Income”, or the income before taxes and other deductions are taken away. Using your “Net Income” which are the real dollars you take home, a 31% Housing Ratio usually translates into over 45% of your money going to your monthly mortgage payment. This would leave less than 55% of your remaining cash flow to cover your other monthly expenses which may include liability payments for a car, payments for credit cards and student loans, and living expenses

including food, clothing, transportation, health care, miscellaneous payments, and emergency payments.

Exceptions: Your maximum Housing Ratio may be increased to 33% of your gross income if you have a history of paying rent on-time where the rent amount already exceeds 33% of your gross income and you have not increased your liabilities or depleted your savings. On the other hand, as explained in more detail below, your maximum Housing Ratio may be less than 31% of your gross income if your other debts (i.e. car loans, student debt, credit card, etc.) are so high that these debts combined with your monthly mortgage payment exceed 40% of your gross income. Also, the 15-year Wealth Builder mortgage allows a Housing Ratio up to 35%.

Total Debt Ratio

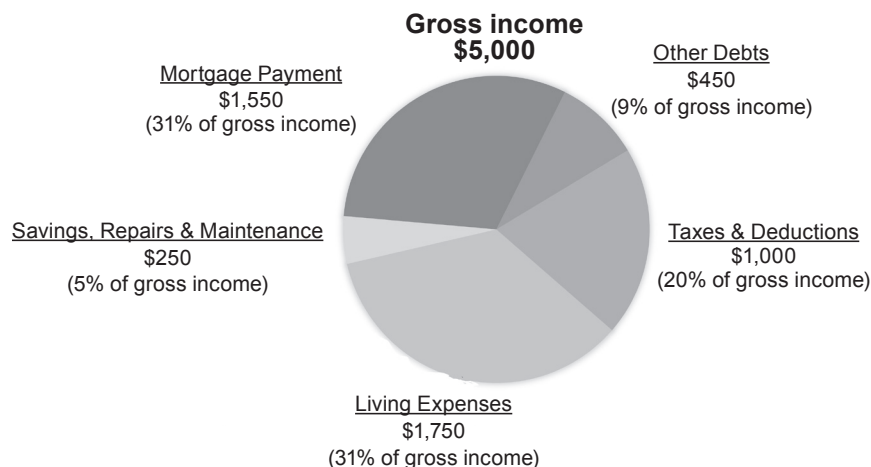
Your total Debt-to-Income Ratio ("Debt Ratio") is calculated by combining your monthly mortgage payment plus other monthly required debt payments divided by your gross income. The required debt payments used for this ratio include car loans, credit cards, student loans, child support and repayment of debt, but exclude monthly living expenses such as food, clothing, entertainment, gas, utilities and other expenses (i.e. debts are included, expenses are not). This amount cannot exceed 40% of your gross income. In exceptional circumstances, a ratio up to 43% may be considered with strong compensating factors. The maximum of 40% of your gross pay equals about 60% of your net take home pay going towards your monthly mortgage payment and other debts. That would leave you with 40% of your cash flow to cover monthly living expenses.

Example of using ratios as the limiting factors:

This example using gross income of \$5,000 a month and the maximum limiting factors. The following expense allocations are used:

1. Monthly mortgage payment: 31% of gross income (\$1,550)
2. Other Debts: 9% of gross income (\$450)
3. Taxes & Deductions (i.e. health, benefits, etc.): 20% of gross income (\$1,000)
4. Savings, Repairs & Maintenance: 5% of gross income to cover life emergencies, home repairs and maintenance (\$250)
5. Living Expenses (food, clothing, utilities, health care, transportation, etc.): 35% of gross income for living expenses (\$1,750)

This demonstrates how using almost a third of your gross income for a monthly mortgage payment leaves a limited amount of money for your other debts and living expenses. It highlights that using the maximum amount for your monthly mortgage payment leaves less for living expenses such as car payments, credit cards, student loans, food, clothing, and other spending. Conversely, it shows that high non-mortgage debt reduces the amount available for your monthly mortgage payments. HUD recommends a monthly mortgage payment of no more than 28% of your gross income and total debt obligations of less than 40% of your gross income – you should make every effort to adhere to these guidelines.



MORTGAGE AMOUNT

The mortgage amount is the purchase price plus any Repair Escrow funds you would need to complete repairs after closing. The maximum mortgage amount is determined by your affordable monthly mortgage payment (i.e. PITI). To determine your mortgage amount, you must know the monthly taxes and insurance particular to the area you want to purchase and the type of property. Real estate taxes range from as little as 1% up to 4% of the value of your house and your monthly insurance payments generally average between \$45 to over \$100 per month 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.

Purchase Eligibility

NACA's mission is to provide affordable homeownership to low-to-moderate-income people and communities. Thus 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"), a US Census designated large geography named for a major metropolitan area. The median income divides the number of people in an MSA in half between low-to-moderate income people and higher income people. Those in the low-to-moderate income half of the MSA are NACA Priority Members. Also, check with the local NACA office to verify the purchase eligibility criteria, since there may be local adjustments to achieve NACA's mission and affordable outcomes.

Priority Members can purchase anywhere in the MSA while Non-Priority Members can only purchase in Priority Areas consisting of low- and moderate-income Census Tracts. Since NACA's offices service a few MSAs each with different median incomes, you may be a Priority Member in one MSA and not in another. Your purchase price plus any repair escrow funds (i.e. for repairs to be completed after closing) cannot exceed the mortgage amount based on your approved monthly mortgage payment or the current conforming loan limits. The current 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.

The below information is also provided at www.naca.com on the Purchase Program page.

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.

Non-Priority Member: Members (i.e. borrowers and co-borrowers) 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

Priority Area: Is a Census Tract (an area or neighborhood between 2,500 and 8,000 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 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

We have provided below a way for you and your real estate agent to calculate either a mortgage amount (i.e. purchase price) based on your desired monthly mortgage payment or a monthly mortgage payment based on your desired purchase price. This calculation requires estimates of the monthly taxes and insurance rates in the area(s) you want to purchase. Your Housing Counselor can provide this during your housing search using the taxes and insurance particular to a house you may be interested in. Also, remember that interest rates are likely to change. You can do this through NACA's website or manually. Both are described below

NACA's Website Mortgage Calculator

You can calculate the purchase price or monthly mortgage payment 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 of the screen, 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 desired purchase area.
- 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.
- NACA 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 for a low-moderate income Member. 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 "Desired Payment" – Shows: "Desired Purchase Price"
- If entered "Desired Purchase Price" – Shows: "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: Monthly Mortgage Payment you can afford.

The payment would be between your current affordable rent and Housing Ratio (31% of your gross income for the 30-year and 35% for the 15-year with documented affordability).

Line B: Deduct monthly real estate taxes.

Tax rates are different in each area. Monthly real estate taxes are generally between 10% and 35% of the monthly mortgage payment and vary depending on where you purchase. To determine the monthly taxes, multiply the estimated property value (i.e. usually the mortgage amount) by the tax rate percentage and divide by 12

Line C: Deduct monthly insurance.

Enter the estimated monthly insurance. Monthly insurance payments generally average 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 Development ("PUD").

Line E: Principal and Interest (P&I). Calculated by deducting lines B, C and D from line A.

The P&I is calculated by taking your Affordable monthly mortgage payment minus taxes and insurance (from the above information).

Line F: Interest Rate.

NACA's below-market fixed-interest rate for the NACA Mortgage can be 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 until you get close to your P&I Amount. 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	\$3,048	\$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

NACA QUALIFICATION

The goal of NACA's comprehensive counseling is for you to become NACA Qualified and/or improve your financial management. The NACA Qualification is the required process by which you become pre-approved for a NACA Mortgage and likely other mortgage products.

NACA uses a common-sense approach to lending. Consider what you would need to know if you were to lend someone \$100,000. You would want to know both their history of paying their debts and their ability to pay it back. This is what your Housing Counselor needs to determine based on an extensive analysis of your situation by reviewing a full documentation of your finances. This process can take one session, several months, or as long as it takes for you to become NACA Qualified. The requirements for the NACA program apply to each person on the mortgage, and many requirements also apply to household members who would be living in the house but would not be on the mortgage.

NACA Qualification requires your Housing Counselor to do an extensive review of your finances and a significant commitment from you to adhere to NACA's policies and procedures. Tell your Housing Counselor everything about your financial situation including all your financial obligations. Issues that are addressed early in the process can be solved without delaying or preventing your NACA Qualification or closing. Misleading NACA staff or fraudulent actions will be identified, including by the lender during the mortgage process, and will likely result in terminating your participation in the NACA program. Since you must find a home that is within your NACA Maximum Qualification Amount and meets your needs and desires, it is important not to commit to purchasing a particular house until after you are NACA Qualified.

NACA's qualification criteria are designed to consider your individual circumstances, to determine whether you are ready for homeownership and what monthly mortgage payment you can comfortably afford over many years. These criteria are designed to provide long-term, affordable homeownership with the financial flexibility to satisfy your living expenses and address unforeseen financial difficulties. NACA commits that if you follow NACA's policies and procedures while adhering to the underwriting guidelines, you should be NACA Qualified within six months, unless you have experienced serious financial issues, such as a foreclosure or bankruptcy, in which case it will likely take longer.

You must work with your Housing Counselor to meet the criteria to be NACA Qualified. Your Housing Counselor will work with you to obtain documents and information, and to address any roadblocks to purchasing a home. It is very important that you prepare as much as possible prior to your counseling session(s), to help move quickly through the process. Once NACA Qualified, you will be ready to begin your housing search. After you identify a property, apply through a lender that provides the NACA Mortgage ("Participating Lender"). The NACA Qualified is good for **six months**. If your financial circumstances change, or after six-months from your NACA Qualification, you must contact your Housing Counselor to update your information and documents and re-certify your NACA Qualification.

Participating Lenders have been attracted to the NACA program by NACA's comprehensive and innovative process for qualifying Members who have been excluded from traditional and affordable credit. After each counseling session, you will receive an Action Plan which includes the outstanding information and documents you must complete or keep updated to become NACA Qualified. It is very important that you take personal initiative and complete the items as accurately and quickly as possible.

The general NACA Qualification criteria for the NACA Mortgage is provided below (NACA reserves the right to require additional documentation or information, or to waive requirements at our discretion).

To begin the NACA Qualification process you must have the following:

1. At least one open and active bank account
2. An email account that you utilize on a regular basis
3. Access to the internet to use your Web-file at **www.naca.com**
4. A stable job and/or other regular and reliable income
5. Be committed and relentless in understanding and managing your finances to become a homeowner
6. Support and participate in achieving NACA's overall mission of economic justice

Eligibility

NACA's eligibility requirements reflect our mission of promoting neighborhood stabilization and economic justice for low- and moderate-income people and communities. The NACA mortgage is not for investors. NACA focuses on people who have not been able to purchase a home through traditional means. These principles are incorporated into the eligibility requirements below.

1. No Member of the household can have an ownership interest in any other property:

The NACA Mortgage is not limited to first-time homebuyers. If you currently own a home, you must have an executed Purchase & Sale contract prior to submitting a mortgage application through NACA and complete the sale of your existing home prior to the closing on the NACA mortgage. This limitation does not include the following: land, time share, inherited property without a mortgage, a mobile home which is titled as a vehicle and not as real estate or properties in another country without a mortgage.

2. Members must occupy the home for as long as you have the NACA Mortgage:

NACA believes that owner-occupants stabilize neighborhoods. Therefore, NACA requires that you live in your home for as long as you have your NACA Mortgage. Being an owner-occupant involves you in all aspects of the community because you own a piece of the community, not just real estate. NACA is very serious about Members adhering to the occupancy requirement. Therefore, NACA puts a lien on the property – in addition to other enforcement mechanisms – to ensure you live in the home.

The lien allows NACA to enforce its owner occupancy requirement. If you violate this requirement by not living in the home while you still have a NACA Mortgage, NACA will have the right to demand payment of \$25,000 and foreclose on your property. If at some point you decide to sell or refinance the home, you will need to contact NACA to obtain a release of the lien. If you have complied with all NACA requirements, NACA will provide a lien release without any charge to you. If you want to take-out a second mortgage on the house, this requires that NACA subordinate its lien to the second mortgage, which NACA, in its sole discretion, may or may not agree to do depending on your reason and the impact on your finances. Therefore, your ability to obtain a second mortgage may be limited.

These serious actions and remedies are in place to prevent the misuse of the NACA Mortgage. Lenders providing the NACA Mortgage also require owner-occupancy and may have their own enforcement mechanisms. However, these requirements will not prevent you from selling your house at any time, making a profit on the sale, refinancing your house, or purchasing another property while continuing to live in the house purchased with a NACA Mortgage.

3. Member Participation:

NACA was established to make affordable mortgages available for low-to-moderate income borrowers, transform the mortgage industry and address economic issues affecting working people nationwide.

Many people say the NACA program sounds too good to be true but it is a reality through the active participation of NACA's huge Membership. When you join NACA, you must agree to the Participation Pledge which requires that you participate in at least five activities each year in support of NACA's mission in whatever way you feel comfortable. This applies immediately and extends for as long as you have a mortgage through NACA. Prior to NACA Qualification you must participate in at least one such activity. If you are unable or do not feel comfortable in adhering to this Membership Participation requirement, you will not be eligible for Membership and cannot become NACA Qualified or access the NACA Mortgage.

4. Voter Registration:

NACA requires you, your co-borrowers and household members to be registered voters, if legally permissible. Your concerns and issues, including laws that impact our lives, are much more likely to be addressed if you are a registered voter and you participate in the electoral process. Go to **www.naca.com** or your Web-file to determine if you are on the updated national voter rolls. If you are not on the voting rolls, you must register through the NACA website or your Web-file which can be done online in 38 states or by mail in the other 12 states.

5. Other Eligibility Requirements:

Becoming eligible for NACA's program requires your commitment to abide by NACA's terms of membership, participation, and eligibility. This requirement is not burdensome, and is necessary to ensure the success of NACA's mission and your home buying experience.

This commitment is on-going and your eligibility will be evaluated throughout the home buying process. The additional major NACA Qualification requirements are itemized below and apply to everyone who will be on your mortgage. NACA may revise these criteria and the required documents at its sole discretion.

- You are a NACA Member in good standing.
- You adhere to NACA's policies and procedures.
- You provide NACA with complete and truthful information.
- You provide all of the documents and information NACA requires.
- You read, understand, sign and adhere to the NACA Agreement which includes participation in support of NACA's mission, authorizations, disclosures, releases and privacy statements.
- You pay your Membership Dues.
- You acknowledge that purchasing a home is a complex process, that NACA does not warrant or guarantee any outcome, and that NACA will not indemnify you against any losses you may incur as a result of purchasing, financing, or renovating your home.
- No person in the household has purchased a home through NACA in the last three years.
- You have committed to live in the property purchased through NACA for as long as you have the NACA Mortgage.
- If you have committed to a property by signing a contract prior to becoming NACA Qualified, you may not have enough time to be counseled and prepared through NACA with a property you can afford. You therefore may need to delay the closing to complete the NACA qualification requirements or terminate the purchase contract.
- You have not paid any fees for NACA services. If you have paid a fee to be referred to or participate in NACA's program, you must notify NACA management immediately.
- A NACA employee has not referred you to a real estate agent. NACA has In-House Agents and Referral Real Estate Agents who are area experts in the NACA program and process. Ask a NACA staff person in the local office for a NACA In-House Agent or contact NACA's Real Estate Department for a referral.
- You have not worked with and will not work with a real estate broker/agent or purchase a property from a seller or developer that NACA has determined, in its sole determination, does not represent the community fairly or does not work effectively with NACA.

Payment History

General Criteria

1. No consideration of your credit score.
2. Reasonable on-time payment history over the past 24 months with a focus on the past 12 months.
3. No consideration of late payments that you do not control or that which are predatory.
4. On-time rental payments are the most important indicator of your ability to make your future monthly mortgage payment.

NACA determines whether you are ready to be a homeowner through a detailed analysis of your payment history and consideration of the explanations for any late payments. NACA does not consider a lack of payment history to be a problem.

No Consideration of Credit Score

NACA does not consider your credit score to determine your financial readiness for homeownership. The analysis used by NACA differs greatly from other lenders that focus on your credit score to determine whether you qualify for a mortgage and on what terms. NACA believes that credit scores are not reflective of your readiness and commitment to homeownership. Credit scores do not consider your particular circumstances for any late payment or that the late payment may have occurred for reasons beyond your reasonable control.

Credit Report Review

NACA will retrieve a credit report for you, co-borrower(s) and household members over the age of 21 to review the payment history of debts affecting readiness of the entire household. All borrowers and household members must provide a photo ID and a signed authorization form before the credit report is retrieved. Your Housing Counselor will closely review the payment histories of the people intending to be on the mortgage (i.e. where "you" is mentioned below, it also applies to any co-borrower). This review will include both the debts you currently owe and those you paid-off, including utilities and other accounts that do not show on

your credit report. It also includes debts that you may be unaware of – such as medical bills that you thought were covered by insurance or credit card payments owed by your spouse, your child, or someone you co-signed for. It will also include co-signed accounts which are evaluated as if they are your accounts. If the person you co-signed with is not making the payments on time, it may affect your payment history and it will still be your responsibility to address.

On-time Payments

NACA's basic principle for NACA Qualification is that you have demonstrated a **minimum of 12 months of on-time payments** for all obligations that require payments which are reasonably within your control. The definition of “on time” payment is a payment that incurs no late fee or negative repercussion for not being paid as agreed. This should not be difficult since you should be preparing for homeownership prior to coming to NACA by keeping your payments current. Additionally, you must maintain on-time payments on all your accounts during the counseling period and through mortgage closing. If you have recent late payments, you can provide compensating factors by providing explanations that help describe what happened, how it was resolved and why late payments are not likely to happen again. Compensating factors that mitigate these late payment(s) will be considered. Since we will typically need up to three payment history obligations to determine readiness for home ownership, you can use alternative forms of credit to demonstrate that you pay your obligations on-time for at least the most recent 12 months. This includes timely payment of other bills such as utilities, phone, cable, internet, car insurance, etc.

The following serious financial difficulties require additional evidence of on-time payments: 1) Mortgage loss due to foreclosure, short sale or deed-in-lieu-of-foreclosure; or 2) Bankruptcy – Chapter 7 (Chapter 13 discharged does not require an additional waiting period). If any of the above occurred, you must demonstrate that you are ready for homeownership by showing reasonable on-time payments on all open accounts for at least the past 24 months or potentially less with compensating factors. You can prove such on-time payments by requesting a credit letter or pay ledger from the creditor, or by providing the first page of the most recent bill listing the payment summary that demonstrated you have paid as agreed.

Rental Payments

Rental payments are the most important indicator of your ability to make on-time payments and the likelihood of making your future monthly mortgage payment. One basic principle of the NACA program is that if you can afford your rent and make the payments on time, you can afford to pay that amount for a mortgage.

On-time rental payments must be documented for the most recent 12 months. Your Housing Counselor will need documentation verifying that you pay your rent on-time. It is best that you pay your rent by check or electronic bank transfer. The accurate withdrawal for rent should be identified in your bank statements. Your current landlord can verify payments by completing a NACA Rental Verification Form (obtained from NACA), or you can provide NACA with a copy of the lease agreement and twelve months of cancelled checks or other documentation such as copies of the money orders with a matching bank statement withdrawal. Note that twelve months of canceled checks must also be provided if you are related to your landlord, or if your goal is to purchase the house you live in. You must also be prepared to provide an explanation, in writing, for any discrepancies between your self-reported residential history and either the residential information on your credit report or the information provided by your landlord.

NACA recognizes that there are situations where you may not be obligated to pay rent because of a legitimate dispute with the landlord. If this is the case, you must explain how the rent payments were used and provide documentation of the dispute and the steps you have taken to resolve it. Although there may be situations that will cause early termination of the lease, NACA will not give legal advice regarding settling any lease dispute and you should not request or accept any such advice. You should contact local Legal Aid agencies, attorneys or others for advice and assistance.

Late Payment Explanations

Your Housing Counselor requires a written explanation of the circumstances of each late payment within the past 24 months, whether still existing or having been paid-off. A written explanation should state the reason for the late payment, how it was addressed, and why it is not likely to happen again. You must provide an accurate explanation even if there is not a good reason for failing to make the payment. For example, a statement indicating only that you “will correct a payment problem” or “will pay a bill” are not acceptable. Where there is an explanation why a bill was not paid on time due to a situation that was beyond your

reasonable control, your Housing Counselor will evaluate these cases individually. Some examples are:

1. Unaffordable medical bills – since your ability to pay is not and should not be a consideration in obtaining needed medical care, late medical bills are more a reflection of our dysfunctional medical system than of your readiness for homeownership.
2. Divorce – this is a very difficult situation where you may have to rely on the cooperation of someone who is unwilling to cooperate.
3. Timing Issue – you made the payment but it was not received due to delivery or administrative issues.
4. Predatory or problematic account – the terms were problematic; the product was defective or the services were not provided as agreed.
5. Other – other instances where the payment obligation may not have belonged to you or other late payments not reasonably within your control.

You should not be penalized if the payment information on your credit report is not correct. Studies have shown that as much as 40% or more of the information contained on a credit report may be incorrect. You should identify any errors for your Housing Counselor and take steps to submit a dispute letter to the credit reporting agency. While the credit reporting agencies must correct errors, it usually takes time for this to happen. You will need proof that the item was resolved, either through an updated credit report, receipt, cancelled checks, letter directly from the creditor or other documentation.

Income

General Criteria

1. Steady income over the past 24 months.
2. Variety of income sources: wage, self-employed, alimony, social security, pension, child support, and other documented income.
3. Self-employed income is calculated using either the last two-years tax returns or last year's tax return, and the most recent 12-month cash flow from the bank statements covering this period.

Income evaluation is based on documented stable income that is likely to continue. This may include employment income, self-employment income, fixed income and other documented income. While your current rent and Payment Shock savings largely determines how much you can spend on a mortgage, you need a reliable and steady source of income before committing to long-term monthly mortgage payments.

Wage Income

You must document this income and demonstrate that it will continue in the future. Sources of wage income include salary, wages, overtime, bonuses, and commissions. You will need to have consistent income for at least two years. However, an exemption to the two-year requirement can be considered with at least one solid year of income if you can show that you have spent the prior year advancing your career or improving your skills. Having worked at the same job is not required because many low-and-moderate income workers change jobs due to the nature of their work or their attempts to improve their situations. Any recent income gaps of 30 days or more will be evaluated to determine if it impacts income stability. The employment section of the credit report must match the employment information and documentation you provide, and any mismatch must be explained in writing.

Self-employed Income

The income calculation for NACA Qualification uses either the average of your most recent two year's tax returns, or your most recent 12-month cash flow and prior year tax returns. You must have two years of consistent self-employment income providing at least one year of tax returns. The determination of your cash flow requires your most recent 12-months of bank statements with business deposits and expenses identified.

Other Income

You can include other income and benefits such as child support, alimony, social security, pension, annuities, retirement, housing allowance, Section 8 voucher (i.e. Housing Choice Voucher), etc. These sources of income must be documented as paid to you, with receipt of payments, and showing that it is likely to continue for years to come. Documentation includes award letters, court orders and other forms of income verification.

Debts

General Criteria

1. Charge-offs and collections that occurred within the past 24 months need to be paid off or in an approved payment plan.
2. Liens and Judgements need to be resolved or in an approved payment plan.
3. All current debts are included in the affordability analysis and debt ratio calculations.

Debts are your current obligations plus any others that may become payable in the future (e.g. student loans in deferment). To provide effective financial counseling you must disclose all debts, including those that do not appear on your credit report such as new car loans, student loans, tax debts, child support or debts in someone else's name. If a new credit line was obtained and does not appear on your credit report, you must provide a copy of the most recent monthly statement. To verify that you have not obtained other debt, you must explain in writing all credit report inquiries for the most recent 90 days and clearly state the reason for the credit inquiry and if any new credit was applied for or obtained.

For debt evaluation, we need to determine your total monthly ongoing debt payment obligations. We review your current debts, charge-offs and collections and determine your total debts and monthly payments they carry. If your debt payments are high, you will have little money left for the monthly mortgage payment which limits the amount you can borrow for your mortgage and the price of the house you can buy. These debts can include car payments, credit cards, student loans, personal loans, child support, etc. If a debt does not belong to you and has been mistakenly placed on your credit record, or it is incorrectly stated as unpaid or the balance or payment is incorrect, you will need to provide supporting documentation.

There are four types of debts that need to be addressed: 1) Installment Debt – Debt with fixed monthly payments, such as auto loans, student loans, child support and other loans; 2) Revolving Debt – Debt with variable balances, and thus variable monthly payments, such as credit cards; 3) Collections and Charge-offs – Debts that a creditor has categorized as non-payment (usually between three and six months of delinquency); and 4) Liens and Judgments – Debts a creditor has recorded with the courts.

Charge-offs or Collections

Generally, any charge-off or collection that happened within the past 24 months must be resolved in any of the following ways: 1) paid to a zero balance prior to NACA Qualification, 2) documented settlement for less than the outstanding balance, or 3) incorporated into an approved payment plan with documented payments of at least three months.

Any charge-offs or collections that happened more than 24 months ago rarely need to be paid off and only require an explanation letter to address any current balance. It is common that previous debts are purchased by collection agencies that use very aggressive collection tactics. They purchase old debts for much less than the outstanding balance but are often able to renew the original balance due, plus fees, and put a lien on your new home, often for a higher amount than the original balance. You and your Housing Counselor must determine whether these debts are likely to be reinstated, whether you must pay-off or enter into a payment arrangement for an unpaid bill, charge-off, or collection. You may consider negotiating a settlement for a lower payoff since creditors often will accept 40% or less of the total amount due. You do not want old debts to come back and add additional burden or impact your financial situation as a homeowner. A significant concern is that the debt will become a wage garnishment impacting your net income and your ability to pay the mortgage. Thus charge-offs and collections, where there has been communication indicating that it is likely to become a garnishment, should be resolved prior to home purchase regardless of the age of the debt.

Liens & Judgments

Liens and judgments must be paid in full and documented as satisfied and released by providing the proof of release from the court, or documentation of an approved and established payment plan. Liens and judgments may include defaulted child support, back taxes and student loans. Even in cases where you have legitimate grievances, you may need to make payment arrangements to avoid future actions by the creditor or courts. Some states will not allow a mortgage loan to close when liens or judgments are not paid in full.

Student Debts

For student loans, your Housing Counselor will work with you to determine your monthly student loan payment. If your credit report shows a monthly payment you can use it, or if you disagree, you can provide proof of the actual monthly payment. If your credit report does not show a payment (typically when deferred or in forbearance) then the servicer for the loan(s) must produce a statement with the loan account numbers listing the fixed payment for which you are eligible once the student loan(s) are out of deferment or forbearance. The payment included in the affordability and ratio calculations, described later, cannot be a forbearance payment or an initial payment in a graduated payment plan. The accepted payments are: approved Income Based Repayment Plan, standard payments, extended fixed payments, and the largest payment amount for graduated payment plans. Income Based Repayment Plans are often amongst the lowest payment options and typically calculate the payment using 10-15% of one's discretionary income. For additional information visit: <https://studentaid.ed.gov/sa/repay-loans/understand/plans/income-driven>.

Do not get discouraged if you are currently in default on your federal student loans. You have multiple options available to you that will enable you to successfully get your loans out of default. First you must determine who owns or services your federal student loans by going to www.studentaid.ed.gov. Private student loans are considered instalment debt and are not subject to the federal guarantee, limitations or benefits. Then you can consider the following available payment options: (1) repayment in full; (2) settlement of the debt (a lower amount negotiated for less than owed typically requiring a lump sum payment); (3) loan rehabilitation; or (4) loan consolidation. If you decide that rehabilitation of your loan is the best option, you will need to contact the Department of Education or the collection agency that is servicing your loan. The site <https://studentaid.ed.gov/sa/repay-loans/default/get-out>, provides information about rehabilitating Direct Loan or FEEL student loans.

Once your loan is rehabilitated, the default status will be removed from your loan. You will regain eligibility for benefits that were available on the loan before you defaulted, such as deferment, forbearance, a choice of repayment plans, and loan forgiveness. You would then be eligible to receive additional federal student aid. In addition, national consumer reporting agencies (credit bureaus) would be instructed to remove the record of the default from your credit history for the rehabilitated loan. However, late payments reported before the loan defaulted will not necessarily be removed from your credit history.

Another option to remove your loan from default is a direct consolidation loan. To consolidate a defaulted federal student loan into a new direct consolidation loan you must select one of the following: (1) agree to repay the loan under an Income Based Repayment Plan, or (2) make three consecutive, voluntary on-time full payments on the defaulted loan before you consolidate it. After your loan is consolidated under this program you will again be eligible for benefits such as deferment, forbearance and loan forgiveness. You will also be eligible to receive student aide again. Under this program your default is not removed from your credit history. Please note that if you consolidate with a private lender, you will lose the benefits of a federally backed student loan and the option of an Income Base Repayment Plan. To obtain information or ask questions about which option is best for you, please contact the Loan Consolidation Information Call Center at 1 (800) 557-7394 or go online at www.studentloans.gov.

Minimum Required Funds

General Criteria

1. No Down payment, No Closing Costs, No fees
2. Funds needed for the following vary based on where you are purchasing and the type of property:
 - a. Earnest money for a deposit on a property - credited back at closing
 - b. Inspection Fee – to identify any property issues and costs
 - c. Pre-paid Taxes – tax payments on the property in the future
 - d. Pre-paid Insurance – insurance payments on the property in the future
 - e. Reserves – funds available once you close on the property

The Minimum Required Funds (“MRF”) are funds you must have available to pay costs associated with the purchase of the property, pre-paid expenses at closing and a reserve for any costs once you close. The MRF for the NACA Mortgage is much lower than any other mortgage with the lender paying thousands of dollars in closing costs and not having a down payment requirement. Since there are no down payment

and no closing costs associated with the NACA Mortgage, the requirement to save these funds will not prevent you from being a homeowner.

The property acquisition costs consist of earnest/due diligence money, inspection, and evaluation fees. Earnest money is often required by the seller as a deposit to hold the property until inspections can be completed and the loan application is approved. Upon closing, the earnest money is applied toward the required pre-paid expenses, any applicable NACA Buy-Down or returned to you. Inspection and applicable property evaluation fees (i.e. such as property and termite inspections or when necessary, electrical, plumbing, system or structural evaluations) are paid up front so the overall property condition can be determined and evaluated.

Pre-paid expenses are a one-time payment for future costs. These costs include the first year's homeowner's insurance premium, mortgage interest from the day you close until the end of the month, property tax and homeowner's insurance escrows. You need to bring these funds to your closing. The lender requires these to be paid up-front but your future monthly mortgage payments will include the monthly fees for the property taxes and homeowner's insurance. The lender keeps your fees in an escrow account and pays them for you. Since these fees change over time, you receive a credit if the lender collects too much, or you may be charged additional amounts if there are insufficient funds. The cost to close may also include Homeowner Association initiation fees or other costs specific to the property. Be sure to review your Purchase and Sale contract thoroughly to understand anything you agreed to pay for.

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 Payment if Payment Shock is greater than \$300
- 2) Self-employed – Three Months of Mortgage Payments
- 3) Multi-family – Mortgage Payments: four months duplex; five months three family; six months four-family

These reserves must be documented in your bank account(s) 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 future house and to buy necessary household items such as furniture, appliances and accessories, as well as funds for deposits to start the utilities, and other items.

Reserves can later assist you with your monthly mortgage payments and allow you to keep your home if you suffer a setback, loss of income 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 have more reserves 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 MRF on your current bank statement(s). Funds for the MRF should be in any of the following types of accounts: checking, savings, CDs or money market accounts. You must explain the source of funds that are non-payroll or irregular deposits. The MRF can include gifts or one-time deposits but they cannot be from a borrowed source. For other types of accounts such as savings clubs you must 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 so it can be used later.

Documentation of other assets is important if used for the MRF, reserves and/or the 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 or repayment terms if applicable and the most recent 401K statement.
- Gift Funds - A gift letter may be required if used for the earnest money deposit or provided late in the process. The source of the gifted funds from a non-relative may need to be explained.

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	\$450	\$0
III. Costs at Closing		
Down payment (\$100,000 price)	\$10,000	\$0
Origination Fee	\$2,000	\$0
Document prep fee	\$200	\$0
Lender's Title insurance	\$225	\$0
Mortgage insurance for first year	\$1,520	\$0
Lender's attorney	\$600	\$0
Homeowner's insurance premium for the first year	\$1,200	\$1,200
Other lender fees	\$350	\$0
IV. Pre-pays (Escrows)		
Mortgage insurance (two months)	\$300	\$0
Homeowner's insurance (two months)	\$200	\$200
Real estate taxes (two to twelve months)	\$500	\$500
Pre-paid mortgage interest (closing 15 th)	\$329	\$329
One-month PITI in Reserve (PSS less than \$300) ³	\$0.00	\$1,305
Interest rate buy down (optional)		
TOTAL COSTS (Minimum Required Funds) ⁴	\$18,569	\$3,934

The above analysis is based on a \$200,000 purchase price for a single-family home, one-month reserves based on P&I at 4.0% plus \$350 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 use the NACA Buy-Down to qualify for your desired price or to reduce your monthly 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).

INTAKE SESSION & NEXT STEPS

After the workshop, if you are interested in becoming a homeowner or want assistance with your financial management, your next step is to schedule a one-on-one counseling session with a Housing Counselor.

Preparing for Your Intake Counseling Session

1. Schedule Intake Session

You should schedule your Intake appointment through your Web-file as soon as possible or call your local NACA office or Member Services at (425) 602-6222. There are two types of appointments you can schedule: 1) a face-to-face appointment in a local NACA office or, 2) a phone counseling appointment through our Housing Counseling Department.

2. Prepare for your Intake Session

Preparing for your Intake session requires a significant amount of work. Completion of this work both demonstrates that you are serious about purchasing a home and prepares you to be NACA Qualified in a timely manner. If you are unable to complete the Web-file intake preparation, please complete the workbook forms stated below and bring them to your face-to-face counseling session. Bring this NACA Qualification Workbook which should be well utilized and notated as it is your guide to becoming qualified for the NACA mortgage.

Workbook Forms:

- Budget Form: pages 16-18 (use your bank and credit card statements to verify information)
- Daily Expense Diary: page 18
- Landlord Contacts: page 41
- Employer Contact: page 42
- Member's Initial Assessment: page 43
- Participation Commitment: page 47

Financial Documents:

- Employment Income – Paystubs for most recent 30 days with year-to-date income.
- Self-employed Income:
 - Last 12-months of bank statements documenting business deposits (“BD”) and business expenses (“BE”) (next to each business expense write “BE” and next to each business deposit write “BD”).
 - 1099s for past two years (if applicable).
- Alimony or Child support - documentation includes verification of receipt for last 12-months and court order (only if you choose to use this income in your mortgage application).
- Other Income – (i.e. social security, disability, etc.). Award letter or other equivalent documentation.
- W-2s – Last two years for all employers.
- Bank Statements – Last 90 days with all pages for all open accounts.
- Tax Returns – Last two years with all schedules & transcripts (order call (800) 829-1040 or at www.irs.gov).
- Credit Card Statements – Last 90 days with all pages for all open accounts.

Other Documents:

- Bankruptcy papers – if applicable.
- Divorce documents – if applicable.
- Student Loan documents – if applicable.
- Please bring anything else that you think may be needed for your NACA Qualification (i.e. letters of explanation for late payments, divorce decree, proof of judgment satisfaction, etc.).

Submitting Documents:

Follow the below steps to upload your documents directly from your desktop or mobile device by first accessing your Web-file. Then follow the easy to use workflow that guides you through signing the NACA Agreement, entering data and uploading documents for each household member.

Following your Intake session to upload documents in your Web-file:

1. Select “Document Type” (i.e. income, assets, etc.)
2. Choose the file
3. Preview the document.
4. Complete the data entry

5. If it is correct and easily readable select "Submit".
a. If it is not legible, select upload the document again which will show at a higher resolution.

3. Confirm Intake session

Call your local office ten days prior to your session to confirm your appointment and discuss items and information to be prepared for your session. For additional assistance or to confirm a phone counseling session call the Counseling Center at (972) 764-6222

4. Attend your Intake Session

Arrive at least 15 minutes prior to your appointment to check in. It is most important that you and any co-borrowers attend. This first appointment can take two hours or more, and while children are welcome, they may grow bored very quickly. Call if you are going to be late or need to cancel. If you are a "No Show", you may be prevented from participating in the NACA program. You should bring the originals or copies of your documents even if you submitted them online. If you do not have your documents, you should still come to your Intake counseling session and begin the home buying process. For phone counseling, be ready prior to your appointment, and call the Counseling Center at (972) 764-6222 if you encounter any issues.

Remember: At a minimum, for you to have an Intake session you must have the following:

- Valid picture ID. It can be a passport, green card or other ID but not one that has expired.
- Bank account information (routing and account number) for:
 - a. Membership fee of \$25.00 per household for the year
 - b. Credit report cost of \$13.08 for an individual and \$13.41 for a joint report.

Intake Counseling Session

At your Intake session, your Housing Counselor will focus on your homeownership goals using the Member Initial Assessment which you should complete prior to your Intake session. S/he will provide you with an overall assessment of your readiness for homeownership, determine an affordable monthly mortgage payment and provide you with your next steps.

Your Housing Counselor will complete all the eight stages of the NACA Qualification requirements including income, debts, assets, rental history, payment history and more. You can be NACA Qualified quickly if you come prepared with a completed Member Preliminary Assessment, completed budget, and documents verifying your income, assets and budget expenses. If time permits, s/he will also spend time on your monthly budget which details your income and expenses and is crucial in determining an affordable monthly mortgage payment. For many Members the budget would be completed in the follow-up session. Your Intake Session is not complete unless you receive an Action Plan from your Housing Counselor and both of you review it. Your Action Plan will identify additional required documents and information as well as your next steps to become NACA Qualified. Also, you must schedule a follow-up counseling session within the next three months. The follow-up sessions can be done over the phone or by video conferencing.

The next steps are your responsibility. You need to access your Web-file and provide the missing documents and complete the items on your Action Plan as soon as possible. It is very important to continue communicating with your Housing Counselor. You should start and continue saving for your Payment Shock and Minimum Required Funds in a dedicated House Savings Account. If your Housing Counselor is not responding or you have any concerns or issues, contact Member Services at **Services@naca.com** or call (425) 602-6222.

NACA Qualified – Next Step

Once you are NACA Qualified, you must attend a Purchase Workshop which is held every Thursday from 6:00 p.m. to 7:30 p.m. at the local NACA office. This workshop is required for all NACA Qualified Members who want to access the NACA Mortgage. Sign-up in advance with the local NACA office. At the Purchase Workshop, you will be provided with information about the housing search, addressing repair issues, obtaining NACA Credit Access approval, submitting your NACA Mortgage loan application, processing the mortgage application, and accessing NACA's post-purchase assistance.

You will receive your NACA Qualification Form and NACA Qualification Letter and begin your housing search. To stay NACA Qualified, you will need to continue to pay all accounts on time, maintain your income, obtain no new debt and save your Payment Shock each month. Also, keep submitting the most current documents including paystubs, bank statements, etc. through your Web-file. Your NACA Qualification is valid for six months. It maybe sooner if or until your circumstances change, in which case you would need to be re-qualified to determine any change to your affordable monthly mortgage payment.

TEN STEPS TO HOMEOWNERSHIP

1. NACA Homebuyer Workshop

At this free workshop, you will learn about the NACA program, accessing NACA's comprehensive counseling, and how to become NACA Qualified for the NACA Mortgage and likely other mortgage products.

2. Intake Session

You upload documentation through your Web-file. Your Housing Counselor will review your payment history and income stability to determine whether you are currently ready for homeownership. S/he will determine a mortgage payment you can afford. Your Housing Counselor will identify your next steps and will work with you in becoming NACA Qualified.

3. NACA Qualification

NACA Qualification is being mortgage pre-approved, which is so extensive that you would likely meet the criteria for various mortgages. NACA Qualification is required to access the NACA Mortgage.

4. Purchase Workshop & Housing Search

Attend the Purchase Workshop on Thursdays from 6:00 p.m. to 7:30 to obtain your NACA Qualification letters and learn your next steps. While you can choose any real estate agent, NACA has In-House Agents ("IHAs") and Referral Agents who understand the NACA program and will represent your interests.

5. Purchase & Sale Contract

Obtain advice before negotiating this binding contract for the purchase of a home. Check with your Mortgage Counselor or NACA staff to verify an affordable payment. The Purchase & Sale Agreement must be contingent upon a satisfactory home inspection and other conditions.

6. Property Condition

Hire a NACA-approved home inspector to evaluate your desired property and determine any needed repairs. Repair costs can be included in the NACA Mortgage unless done by the seller. NACA provides rehab assistance and administration

7. NACA Credit Access & Bank Application

You will need to provide updated documents to show that your finances have been on track since you were NACA Qualified and that you continue to meet NACA's requirements. Your Mortgage Consultant will then submit your application for a NACA Mortgage to a participating lender.

8. Mortgage Processing

NACA's process is designed to close loans within 28 days from receipt of the executed Purchase & Sale. The NACA Underwriter will address any lender conditions with your Mortgage Consultant continuing to be your primary point of contact. Virtually all NACA mortgage applications are approved.

9. Mortgage Closing

You will need to obtain homeowner's insurance. Examine the property to make sure all agreements involving repairs, tenants, cleaning, etc. have been followed. You will then conclude the purchase at the NACA office. Get the keys and MOVE IN!

10. Post-Purchase

NACA offers post-purchase counseling and financial assistance for as long as you have a NACA Mortgage. Through MAP you receive budget counseling, modifications and plans to prevent foreclosure, financial and other assistance.

**WITH NACA
YOUR DREAM OF HOMEOWNERSHIP
COMES TRUE!**

WEB-FILE

NACA has created a personal Web-file for you which is your go-to place as you progress through NACA's home buying process. Use your Web-file to become prepared for each of the following stages in the purchase process: 1. NACA Qualification, 2. Housing Search, 3. Credit Access, 4. Bank Submission, 5. Mortgage Process, and 6. Post Purchase. It is the place to go for updates on your status, identify your next steps in the purchase process, input information, submit documents, and much more. You can also schedule your Intake counseling appointment. Your Web-file will keep you up-to-date on what you must do to become NACA Qualified.

Obtain Your NACA ID and Access Your Web-File:

At the conclusion of the Homebuyer's Workshop follow the below steps to obtain your NACA ID and password which will provide you immediate access to your personal Web-file. At the end of the workshop the presenter will provide you with the Workshop ID code. You must immediately go to **www.naca.com** and at the top right of NACA's webpage click Web-File Login. You must select HBW Attendee. You will need to provide the following information: Attendee code, name, address, email for each Member, social security number or Tax ID, and create a password. Once you submit, you will receive an email with your NACA ID. You need a dedicated email address for yourself and for each co-member which you can obtain for free from several different email providers. If you have difficulty in obtaining your NACA ID or access your Web-file, contact Member Services at 425-602-6222.

Web-file – Preparation for Intake Session

Your Web-file is the most effective and fastest way to be prepared for your Intake session and to become NACA Qualified. It provides a step-by-step process for you to input information, electronically sign the NACA Agreement and E-Consent Agreement (electronic consent), pay for your Membership Fee and credit report, and upload your documents. There is a summary section which identifies which items are completed and which are still pending. You can submit documents through your Web-file for you and your co-borrowers. All this can be done on your computer, tablet or through your phone. It is user friendly and an important tool as you work through the homebuying process.

It is very important that you complete as much as you can prior to your Intake session. As a result of your preparation, your Housing Counselor will be able to review your information and documents in your electronic file and focus on counseling you to become NACA Qualified. Your preparation indicates your commitment to becoming a homeowner and will expedite the process. Most importantly, you need to attend your Intake Session and start the process. Your Housing Counselor is the expert who if you follow their advice, this process will be much easier and less stressful than you think. If you follow the process, the results will be extraordinary!

The below is an example of the Web-file showing what you need to do to prepare for your Intake session.

Intake Preparation: TEST - NACA ID: 0 Log Out

Information ✓ Voter Reg ✓ Income ✓ Funds ✓ Rental ✓ Debts ✓ Payment ✓ Summary ✓

100%

Summary

Members
Add Co-members or Household Members DONE - VIEW

ECOA
Equal Credit Opportunity Act (ECOA), Fair Housing Act (FHA), and Demographic Information DONE - VIEW

GOVERNMENT PROGRAMS & OPTIONS

FHA & Mortgage Options

As the largest HUD-approved counseling intermediaries, NACA through its Neighborhood Stabilization Corporation subsidiary works closely with HUD on a variety of issues including education on home buying and homebuyer programs. NACA strongly encourages you to research various mortgage programs and products to identify the one that best meets your needs. In addition to the NACA Mortgage and HUD programs, there are mortgages provided through state housing financing agencies and others provided directly by lenders. Your Housing Counselor can assist in providing information on these programs. HUD programs change over time so please consult HUD's "Guide to Single Family Home Mortgage Insurance" for details.

HUD's Federal Housing Administration ("FHA") is a mortgage insurance program that is the vehicle for low- and moderate-income individuals and families to obtain financing to buy homes or to refinance their current mortgages. FHA mortgage insurance allows a homebuyer to make a down payment, as low as 3.5%, and get a mortgage for the balance of the purchase price. The mortgage loan is made by a HUD-approved lender, such as a bank, mortgage company, or credit union. An FHA insured mortgage requires the borrower to pay closing costs, discount points, insurance premiums and some other fees. The interest rate, costs and eligibility vary depending on the lender. You can find HUD approved lenders, information concerning mortgage limits and general information concerning HUD programs on the HUD website at **www.hud.gov** or **www.hud.gov/lespanol**. These websites contain comprehensive information about home buying, homeownership, selling a home, making home improvements, and other housing-related topics in both English and Spanish.

Rights Under Fair Housing Act

NACA is dedicated to promoting housing access for and protecting the rights of low-to-moderate income and minority individuals seeking affordable housing. It is important for you to know that you are not alone if you experience housing discrimination, and NACA encourages you to report illegal treatment so that together we can affect meaningful change in this country. NACA works with HUD to address these illegal practices.

Housing discrimination is a pervasive problem nationwide. It is also severely under-reported. HUD estimates that more than two million instances of housing discrimination occur each year, but less than one percent are reported. Many people are unaware that they have been victims of housing discrimination. Studies by HUD suggest that many renters and homebuyers do not fully understand which activities are illegal under the Fair Housing Act.

The Fair Housing Act prohibits discrimination in housing on the basis of: Race or Color, National Origin, Religion, Sex, Familial Status (families with children), and/or Disability. Under the Fair Housing Act, the following activities are among the illegal activities:

- Refuse to rent or sell housing, negotiate for housing, or make housing unavailable,
- Set different terms, conditions, or privileges for sale or rental,
- Deny any access to or membership in a facility or service (such as a multiple listing service) related to the sale of housing,
- Refuse to make reasonable accommodations in rules or services if necessary for a disabled person to use the housing,
- Threaten or interfere with anyone making a fair housing complaint, and
- Refuse to provide municipal services, property insurance or hazard insurance for dwellings, or providing such services or insurance differently.

If you think your rights to fair housing have been violated, help is available. Housing discrimination complaints can be filed by phone or in writing, with HUD and/or with private fair housing enforcement agencies located across the country. To reach the local HUD office in your area, call (800) 669-9777 or visit **www.HUD.gov**. To identify the private housing enforcement office in your area, call (202) 898-1661 or visit the National Fair Housing Alliance. You should also contact NACA's Member Services Department at (425) 602-6222. You have the right to fair housing. It's not an option. It's the law. Together, we can make a difference.

CONTACTS

Landlord Contacts

Fully complete the form below for your Rental and Landlord History for the past 24 months. Start with your most recent place of residence. Bring this form to your Intake appointment.

1. Current Address: Move-In Date: _____ Rent: \$ _____

Address: _____

City: _____ State: _____ Zip code: _____

Landlord's Name: _____

Address: _____

City: _____ State: _____ Zip code: _____

Contact Person: _____ Title: _____

Phone Number: (____) _____ Cell:(____) _____

E-mail: _____

2. Previous: Move-In Date: _____ Move-Out Date: _____ Rent: \$ _____

Address: _____

City: _____ State: _____ Zip code: _____

Landlord's Name: _____

Address: _____

City: _____ State: _____ Zip code: _____

Contact Person: _____ Title: _____

Phone Number: (____) _____ Cell:(____) _____

E-mail: _____

3. Previous: Move-In Date: _____ Move-Out Date: _____ Rent: \$ _____

Address: _____

City: _____ State: _____ Zip code: _____

Landlord's Name: _____

Address: _____

City: _____ State: _____ Zip code: _____

Contact Person: _____ Title: _____

Phone Number: (____) _____ Cell:(____) _____

E-mail: _____

Employer Contacts

Use the worksheet below to list all employers and their information for the past 24 months. Fully complete the form below. Bring this form to your Intake appointment.

1. Employer: Start Date: _____ End Date: _____

Employer's Name: _____

Human Resources Phone Number: _____

Address: _____

City: _____ State: _____ Zip code: _____

Contact Person: _____ Title: _____

Phone Number: _____ Fax: _____ E-mail: _____

Job Title: _____ Department: _____

2. Employer: Start Date: _____ End Date: _____

Employer's Name: _____

Human Resources Phone Number: _____

Address: _____

City: _____ State: _____ Zip code: _____

Contact Person: _____ Title: _____

Phone Number: _____ Fax: _____ E-mail: _____

Job Title: _____ Department: _____

3. Employer: Start Date: _____ End Date: _____

Employer's Name: _____

Human Resources Phone Number: _____

Address: _____

City: _____ State: _____ Zip code: _____

Contact Person: _____ Title: _____

Phone Number: _____ Fax: _____ E-mail: _____

Job Title: _____ Department: _____

MEMBER'S INITIAL ASSESSMENT

Row #	Financial Assessment	Example	Member's Info
1.	<u>INCOME</u>		
2.	Number of adults earning income who will reside in your future household.	2 adult incomes	
3.	Individual Monthly Gross Incomes – W2 Hourly Example: \$15 per hour times 40 hours per week, times 52 weeks for annual income, divide by 12 for gross monthly income.	$\begin{array}{r} \$15\text{hr} \times 40 \text{ hrs} \\ \times 52 \text{ wks} \div 12 \\ \hline \$2,600 \\ \\ \$36,000 \div 12 \\ \hline \$3,000 \end{array}$	
4.	Total Monthly Gross Income – W2 Salaries – Monthly total gross income. Add all Individual Monthly Gross Income for household income.	$\begin{array}{r} \$2,600 \\ +\$3,000 \\ \hline \$5,600 \end{array}$	
5.	Income – W2 Commission Household Earners – Monthly total gross income	\$0	
6.	Income – All Self-employed Household Earners – Monthly total gross income	\$0	
7.	Total Gross Monthly Income:	\$5,600 (Income)	
8.	Total All Monthly Debts: (car payments, student loans, credit card minimum payments, etc.)	\$500 (Debts)	
9.	<u>MAXIMUM AFFORDABLE PAYMENT</u>		
10.	Current Rent	\$1,200 (Rent)	
11.	Housing Ratio: Multiply total gross monthly income (Row 7) by 31% (31% of your gross monthly income is the maximum that can go toward your house payment)	$\begin{array}{r} \$5,600 \text{ (Income)} \\ \times .31 \\ \hline \$1,736 \text{ (PITI-H.Ratio)} \end{array}$	
12.	Debt Ratio: Multiply your gross monthly income (Row 7) by 40%, and subtract your monthly debts (Row 8) (40% of your gross monthly income minus all monthly debt obligations is the maximum that can go toward your mortgage payment)	$\begin{array}{r} \$5,600 \text{ (Income)} \\ \times .40 \\ - \$500 \text{ (Debt)} \\ \hline \$1,740 \text{ (PITI-D. Ratio)} \end{array}$	
13.	Maximum Affordable Payment: Take the lower of the following: Rent (Row 10), Housing Ratio (Row 11), and Debt Ratio (Row 12). This is your current affordable payment that will cover Principal, Interest, Taxes, Insurance and any applicable HOA fees, (PITI).	\$1,200 (PITI-Rent)	

Row #	Financial Assessment	Example	Member's Info
14	Maximum Affordable Payment Increase:		
15.	<p>Payment Shock Savings: Deduct current rent (Row 10) from the lower of the housing ratio result (row 11) or debt ratio result (row 12) to determine your Payment Shock Savings amount (PSS). You need to save this amount as if you were already making the higher mortgage payment to demonstrate your ability and willingness to afford the higher mortgage payment. The PSS is not necessary if you want a mortgage payment not exceeding your current rent, if it is affordable, unless you have increased your debts or reduced your savings.</p>	$ \begin{array}{r} \$1,736 \text{ (PITI-H. Ratio)} \\ - \$1,200 \text{ (Rent)} \\ \hline \$536 \text{ (PITI-Increase)} \end{array} $	
16.	<u>MAXIMUM LOAN AMOUNT</u>		
17.	<p>Deduct – Monthly Homeowner's Insurance (HOI): from the Maximum Affordable Payment. This estimated amount will likely be greater depending on the value of the property, type of structure, insurance company and other factors</p>	\$50 (HOA)	
18.	<p>Deduct – Monthly Real Estate taxes: The calculation is: purchase price x tax rate/12. The rate varies per area as it is determined by the tax assessor for each county, typically they are about 1% to 4% of the value of the property. Your counselor can assist with the rate in your area.</p>	\$200 (RE Taxes)	
19.	<p>Principal & Interest Payment: Deduct the estimated homeowner's insurance (Row 17) and the estimated monthly real estate taxes (Row 18) from your Maximum Affordable Payment (Row 13). This will be the amount left to cover principle and interest of your loan.</p>	$ \begin{array}{r} \$1,200 \text{ (PITI-Rent)} \\ - \$50 \text{ (Insurance)} \\ - \$200 \text{ (RE Taxes)} \\ \hline \$950 \text{ (P\&I Payment)} \end{array} $	
20.	<p>Maximum Loan Amount: Using the mortgage tables on pages 25 and 26 (30 or 15 year-term table) take the Principal & Interest Payment (Row 19) and find the column for today's rate or the closest to today's rate (available at naca.com) and find the monthly payment closest to your affordable payment, the column on the far left under Mortgage Amount will indicate the loan amount this affordable monthly payment can currently afford you.</p>	\$211,560 (3.5 -30-yr) (Loan Amount)	



Row #	Financial Assessment	Example	Member's Info
21.	<u>Maximum Loan Amount Increase</u>		
22.	Interest Rate Buydown – Savings & Govt. Assistance. This amount will allow you to use two percent (i.e. two points) of the mortgage amount to permanently reduce your interest rate by half-percent.	\$4,506 (Buydown Fund)	
23.	New Interest rate – Mortgage Amount x 1% = 1 discount point. Number of points x 0.25% = percent rate reduction from starting rate.	2 (points) 3.5% – (2 x .25%) = 3.0%	
24.	Revised Maximum Loan Amount	\$225,330	
25.	Increased Maximum Loan Amount	$ \begin{array}{r} \$225,330 \\ - \$211,560 \\ \hline \$13,770 \text{ (Mort. Incr.)} \end{array} $	
26.	<u>MINIMUM REQUIRED FUNDS (MRF)</u>		
27.	Current Funds: How much have you have in all your accounts combined checking, savings and cash at home (any cash kept at home needs to be deposited into your bank account as soon as possible). You will need to have a minimum amount saved to cover the out of pocket cost to pay for a home inspection, to prepay your home owner's insurance, real estate taxes, and mortgage interest for the month you move in, as well as a reserve of 1 to 3 months of mortgage payments for single units and up to 6 months for multi-unit. These funds will be needed to pay any required earnest money deposit which will be credited to you at closing.	\$3,000 (Current Funds)	
28.	MRF - Property Inspection: Funds allocated to pay a licensed inspector to assess the structure, safety and health condition of the property. The cost varies per inspection and per region costing approximately \$500 or more depending on the property type. It will likely be more for a multi-family and a possible reinspection.	\$500 (Inspection)	
29.	MRF - Pre-paid Homeowners Insurance: 12 months of Homeowner's Insurance that must be paid in advance at closing plus 3 months to open the escrow account for a total of 15 months prepaid.	$ \begin{array}{r} \$50 \text{ (HOI-month)} \\ \times 15 \\ \hline \$750 \text{ (HOI-Pre Paid)} \end{array} $	



Row #	Financial Assessment	Example	Member's Info
30.	MRF - Pre-paid Real Estate Taxes: You will pay about 3 to 6 months of real estate taxes which will depend on your region and the month you close	$ \begin{array}{r} \$200 \text{ (Taxes-month)} \\ \times 3 \\ \hline \$600 \text{ (RE Taxes)} \end{array} $	
31.	MRF - Pre-paid Mortgage Interest: You will not pay a mortgage payment the first month when you move in, but you will be required to pay the interest rate from the date you close to the end of that month. Calculation: 1. Loan Amount; 2. multiply by current interest rate (daily amount of interest payment); 3. divide by 365 days (daily rate); and 4. multiply by number of days from the estimated closing date to the end of the month.	$ \begin{array}{r} \$211,560 \text{ (Mortgage)} \\ \times .0350 \\ \div 365 \\ \times 15 \\ \hline \$304 \text{ (Prepaid interest)} \end{array} $	
32.	MRF - Reserves: You must save one to six months PITI for reserve funds to be available after you close based on the following criteria: <ul style="list-style-type: none"> • One-month reserve if your Payment Shock less than \$300; • Two-months reserve if your Payment Shock is greater than \$300; • Three months reserves if using self-employment income; • Four months reserves if two-family property; • Five months reserves if a three-family property; and • Six months reserves if a four-family or mixed-use property. 	\$1,200 (One-month PITI)	
33.	Minimum Required Funds: Add together Property Inspection (Row 28) + Pre-Paid Homeowners Insurance (Row 29) + Pre-Paid Real Estate Taxes (Row 30) + Pre-Paid Interest (Row 31) + Reserves (Row 32) to determine the Minimum Required Funds. Calculation: Inspection, HOI, RE taxes, Mortgage Interest, reserves. The MRF could be higher if there is a HOA fee required at closing	$ \begin{array}{r} \$500 \text{ (Inspection)} \\ + \$750 \text{ (HOA)} \\ + \$600 \text{ (RE)} \\ + \$304 \text{ (Interest)} \\ + \$1,200 \text{ (Reserves)} \\ \hline \mathbf{\$3,354 \text{ (MRF)}} \end{array} $	
34.	MRF Additional Requirement: Subtract Minimum Required Funds (Row 33) from Current Assets (Row 27). If the number is negative, you must increase your funds by this amount. With your counselor, use the budget to determine how long it will take to save this amount, unless you can count on other funds such as a gift from a relative, tax return, etc.	$ \begin{array}{r} \$3,000 \text{ (MRF)} \\ - \$3,354 \text{ (Funds)} \\ \hline \mathbf{\$354 \text{ (MRF Short)}} \end{array} $	

MEMBER PARTICIPATION

Your active involvement in whatever way you feel comfortable is essential for NACA to continue providing free comprehensive housing services, access to NACA's Best in America Mortgage and most importantly to achieve NACA's overall mission of promoting economic justice. Before joining NACA, you must agree with the Participation Pledge located on the following page. The pledge requires you to participate in at least five identified activities each year in support of NACA's mission in whatever way you feel comfortable. This applies immediately with at least one activity prior to your NACA Qualification and extends for as long as you have a mortgage through NACA. By signing the NACA Agreement you are committing to this participation pledge.

NACA Participation is an essential eligibility requirement and expresses the fundamental principle of what NACA stands for. **We stand for communities where we are thy brother's keeper and work to support all current and future NACA Members and the communities in which we live.** The most successful programs and campaigns are those where people come together and speak with one strong voice. In terms of housing, President Carter made this a fundamental element of Habitat for Humanity with the sweat equity requirement.

NACA's mission of economic justice is not just based on the individual ownership of a house, but on a strong sense of community. Members can meet their participation requirements by joining NACA's advocacy groups. One such group is called NACA Action Committees ("NACs") which further NACA's mission in fighting for economic justice on the local level. Another way to participate is through NACA Action Groups ("NAGs"), to address specific issues that can be acted upon by the NACs and other coalition partners. These groups allow NACA to involve its many Members in advocating for issues that may impact them on both the local and national level.

Many people say the NACA program sounds too good to be true but it is a reality due to the active participation of NACA's huge membership. Every Member is encouraged to contribute his/her unique skills to NACA and its mission. There are numerous activities for you to take part in including: advocacy campaigns; protests and demonstrations; voter registration activities; actions against persons or companies that discriminate against or victimize others; political activities; ballot initiatives; assisting at a NACA event or a Homebuyer Workshop; increasing participation in NACA; or other activities requested by NACA.

In addition to your NACA participation, the following are activities that one should do on your own:

- Spread the word about NACA such as distributing NACA flyers in your workplace, church, and any other place or organization of which you are a part, and/or placing a NACA yard sign where you live.
- Be a contact in NACA's Skills Directory to provide services and assistance to NACA Members.
- Like us or share about NACA on your social media.
- Provide a testimony at a NACA Homebuyer Workshop or at an Achieve The Dream Event.
- Call and write politicians and decision-makers in support of NACA's programs and mission.

We need you to take the initiative and contact your NACA office, your Housing Counselor or local NACA Organizer to volunteer and participate or go to **www.naca.com** and sign-up on the volunteer link. If you receive a live or tape-recorded phone call or e-mail to participate at an event or action, please pay attention to these and do your best to attend. If you are unable to participate, it is important to find others who can. Remember that participation and direct action have made NACA successful and will continue to strengthen our neighborhoods and NACA.

VOTER REGISTRATION

A NACA eligibility requirement is for all borrowers and household members to be registered voters if they are legally eligible. The most effective way is through NACA's website or your Web-file. NACA's website checks to determine if one is on the voter rolls and then to provide access to register online or by paper ballot. NACA keeps updated voter rolls nationwide since many people have been purged from the voter rolls and need to register again. To be NACA Qualified every eligible person in their household must be identified as on the voter roll or registered through NACA. In addition, one of the effective participation activities can be accomplished by registering at least ten other non-registered people including family, friends, neighbors, co-workers and others.

PARTICIPATION PLEDGE & COMMITMENT

Participation Pledge

I pledge to participate with NACA in future community outreach and advocacy campaigns. I understand that community advocacy is the major reason that NACA can provide America's Best Homeownership Program including free individualized comprehensive housing services. I embrace NACA's mission to revitalize communities, advocate against financial exploitation, promote economic justice, and eliminate predatory and discriminatory lending practices.

I therefore pledge to stand with NACA in pursuit of this mission. I will participate in at least five actions and activities a year, such as neighborhood outreach, distributing information about NACA, informing people about NACA's Purchase and HomeSave programs, participating in rallies, demonstrations and providing public education, or in whatever way I feel comfortable in support of NACA's mission. Participation begins from the time I begin the NACA process and for as long as I have the home NACA has helped me purchase or save.

Participation Commitment

- ___ Set-up introductory meeting with your church, community organization, employer, union or other organizations to increase participation in the NACA programs.
- ___ Organize a homebuyer's workshop to take place at your church, community organization, work place, union, or other organization.
- ___ Register to vote at least ten people through **www.NACA.com**.
- ___ Active participate in a NACA Action Committee ("NAC").
- ___ Participate in advocacy campaigns and demonstrations.
- ___ Assist at a NACA event or Homebuyer Workshop.

Skills Directory

Skills Directory has information and contains information and contacts for people who can provide good quality services and products that Members can access. This could be at no cost, reduced cost or bartering. Please identify below such skills that you would provide Members. We will contact you for details as we put together this Skills Directory.

At-Home Services:

Painter___ Plumber___ Electrician___ Handyman___ General Home Repair___ Gardening___
Child Care___ Senior Care___ Transportation Assistance___ Tutoring___
Other_____

Professional Services:

Accounting___ Tax Prep___ Legal___ Insurance___ Social Work___
Other_____

Health Care Services:

Doctor___ Nurse___ Physician's Assistant___ Physical Therapy___ Speech Pathology___
Other_____

Technical Services:

Software Development___ Computer Repair___ Tech Support___ Graphic Design___ Social
Media___ Photo/Video___
Other_____

Provide Details Below:

By signing below, I agree to the Participation Agreement and Commitment.

Member's Name: _____ Signature: _____

Member's Name: _____ Signature: _____

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, any particular situation. NACA reserves the right to change any requirements or policies at any time and to make exceptions in NACA's sole discretion.

NACA HISTORY IN THE MEDIA

NACA has been a national leader fighting for economic justice, against predatory lending and lack of access to affordable credit. As a result of many years of struggle **NACA** has developed the best homeownership programs for low-and-moderate income and minority individuals with the best mortgage product in America. **NACA's** success and advocacy has been documented by thousands for press coverage of the past thirty years. Below are few of the headlines.

Please go to our website at www.naca.com to see the many press clips, videos and press releases over the past 25 years.

Associated Press

February 28, 1993

Banking campaign of terror

Bruce Marks of Boston pushes the big banks hard and unconventionally in the battle against alleged discrimination in lending

By ROB WELLS
ASSOCIATED PRESS

It wasn't a typical gathering inside the Federal Reserve Board's room in Washington. But Bruce Marks isn't typical.

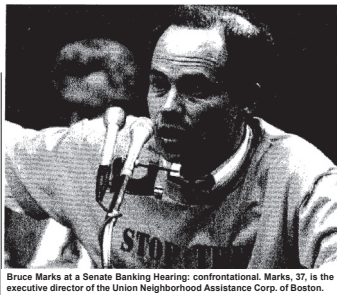
Around the Fed's boardroom table, where many of the nation's key financial decisions are made, sat Marks—who calls himself a “banking terrorist”—and 40 black home owners.

They were there to demand that the Fed's staff hold hearings on mortgage-lending abuses and prevent Fleet Financial Group Inc., a major banking company caught up in the case, from expanding

approach as very confrontational, in an extreme manner, that on balance will yield fewer results than a more tempered approach,” said Richard Driscoll president of the Massachusetts Bankers Association. “I think Bruce sees victims wherever he sees a bank.”

Fleet Financial based in Providence, R.I., threatened to the criminal legal action against Marks in December for making “irresponsible allegations.” Marks claims that Fleet, the nation's 14th-largest banking company, faces \$1.2 billion in liabilities and could be rendered insolvent if it lost just one of five lawsuits it faces in Georgia.

Fleet also has accused Marks of



Bruce Marks at a Senate Banking Hearing, confrontational. Marks, 37, is the executive director of the Union Neighborhood Assistance Corp. of Boston.

The New York Times

BUSINESS DAY | THE HOME FRONT

The Homebuyer's Champion

By BINYAMIN APPELBAUM FEB. 25, 2014

WASHINGTON — About 200 people struggling to become homeowners filled the pews of Plymouth Congregational church on a recent Saturday morning. Some were self-employed, others short on a down payment, many branded by credit problems. Mortgage lenders would have thrown money at them a decade ago. Now, the chastened industry turns them away.

Bruce Marks, the unconventional lender who organized the gathering, is determined to demonstrate that the rest of the industry is wrong.



Mr. Marks, center, calling Richard Driscoll, left, of the Consumer Financial Protection Bureau, to help homeowners. Credit: Steve Delaney for The New York Times.

THE WALL STREET JOURNAL.

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FRIDAY, FEBRUARY 11, 1994

Banking on Publicity, Mr. Marks Got Fleet to Lend Billions

Self-Styled 'Urban Terrorist' Won Battle on Redlining But Needs a New T-Shirt

By Suzanne Alexander Ryan
and John R. Wilkie

Staff Writers of THE WALL STREET JOURNAL

BOSTON—When Fleet Financial Group Inc.'s troubles over community-lending issues were beginning, the Federal Reserve Bank of Boston arranged a meeting between top Fleet officials and Bruce Marks, the banks toughest critic. Although the Fed may have wanted to calm the waters, Mr. Marks wasn't interested.

This was his ultimatum at the June 1991 meeting: If Fleet would fund his organization, the Union Neighborhood Assistance Corp.,



organization than by altruism. Yesterday, Mr. Marks shook hands with Mr. Murray, and landed him for his “bold and innovative” inner-city lending program. The last time Mr. Marks was in the Capitol, he wore a T-shirt with the word “Wanted” above a picture of Mr. Marks, and below “Lunatic.” He had come to Washington with some 400 members of the Red Workers’ Union to crash a Senate Banking Committee hearing, filling the hearing room and singing gospel songs before the meeting began.

Surprise Visits
The was one of a string of outrageous stunts Mr. Marks staged to embarrass Fleet. Always flanked by militant union members, he has turned up at analysts meetings, picketed press conferences and disrupted speeches. Two years ago, trying to head him off from speaking at the bank's annual

“I threw him out of my office,” Mr. Bozzuto says. “He was a yuppie in a suit. He looked like the young M.B.A.s who sit on the wrong side of the contract bargaining table—someone who wanted to get a little taste of urban community service to round out his resume.” Mr. Marks wouldn't go away.

He plunged into union work, pressing a landmark contract with Boston's booming hotel industry that created the Union Neighborhood Assistance Corp., a non-profit affiliate that disbursed small, no-interest loans to members to help them make down payments on homes.

News show “60 Minutes” to run a critical story.

Fleet says that in the face of all the criticism, it reviewed all of its lending practices and “to avoid even the perception of wrong doing” halted the purchase of such loans from third parties.

For Fleet's Mr. Murray, the last straw may have been when Mr. Marks's shock troops showed up uninvited at a Boston Business-club breakfast last October where Mr. Murray was speaking. Union members sat every table and mostly stood up to pass out protest flyers.

Exasperated Mr. Murray agreed to a meeting. Three days later, Messrs. Marks and Murray met for the first time for a three-hour talk. “I came away feeling he took our issues seriously,” Mr. Marks says. By mid-December, Mr. Marks' group had drafted a written

The Atlanta Journal

SUNDAY OCTOBER 20, 1996

Terms of New NACA Loan Program Unbelievably Good



JOHN ADAMS

Let's try to design the perfect home purchase.

Bank, NACA administers the loan program from beginning to end. To get the type of loan described above, you must pass a home buying class and obtain one-on-one counseling about the responsibilities of homeownership. In addition, if you fall behind on your payments, NACA representatives will meet with you and try to get you back on track. Such post-purchase counseling has proven effective before

We know that there is a direct relationship between home ownership and wealth accumulation in this country. Yet, one in three Americans continue to live in a home that the head of household does not own. The rest of us live in our own homes. We call that percentage the homeownership rate and it has hovered around 66% for several years. The principal factor affecting the rate in the past has been

The Boston Globe

TUESDAY, JANUARY 13, 2004

A \$6 billion lift

Bank of America doubles its commitment of funds to beloved and reviled lending activist Bruce Marks

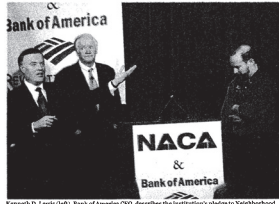
By Sasha Talcott
GLOBE CORRESPONDENT

When Bruce Marks sat down a decade ago with Bank of America's future chief executive, Hugh McColl, the Boston affordable lending activist did not mince words. “I think we have a home buyer's program that is

top of the line, but we understand that all bankers are evil and all you care about is maximizing your profits at any cost,” Marks told McColl, then the chairman of Nations Bank. But yesterday, Marks was all smiles around the corporate banking giant, as Bank of America's current

chief agreed to funnel \$6 billion in home mortgage loans through Marks' Boston-based affordable lending organization. The commitment adds an extra \$3 billion over the next 10 years to Bank of America's current pledge to Marks' Neighborhood Assistance Corp. of America.

It was perhaps the largest victory yet for Marks, a self-styled “urban terrorist” who has made a name for himself with raucous protests at shareholders' meetings and threats of class action lawsuits. But as Marks' national stature has grown, the longtime opponent of large financial institutions



Kenneth D. Lewis (left), Bank of America CEO, describes the institution's pledge to Neighborhood Assistance Corp. of America while Fleetbank CEO Chad Gilbert and Bruce Marks look on.

Detroit Free Press

Mortgage program is key to Detroit's future

the Detroit Free Press Editorial Board 12:08 a.m. EDT April 17, 2015

One of the more eye-popping statistics about Detroit's troubles is this: In all of 2014, there were fewer than 400 mortgages written for properties in the city.

In some cities, that's how many would be written in a single neighborhood.

But even with the thousands of sales that take place, and the burgeoning new interest in city living being fueled by transplants and young professionals, most sales don't qualify for the conventional lending (or were re-routed to avoid the hassles of qualifying) that is a hallmark of a stable real estate market.



Photo: Karen Roach