Home Buyer’s Workshop
This is important information on the NACA Purchase Program. You still need to attend a Home Buyer Workshop for additional information and next steps. Contact your counselor if you have any questions including eligibility for the NACA program. Remember to stay up to date since the program can change.

Note: The information contained herein is designed for guidance only and is 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 information contained herein will necessarily apply to, or be effective in, any particular situation.
Go to www.naca.com to apply for a job at NACA to join us in our mission for affordable homeownership and economic justice.
NACA
Workshop Goals

01 Learn about NACA and the homebuying process

02 How to become NACA qualified

03 Preparation for your intake session
NACA

Questions

Why is NACA the organization you should trust with the largest purchase of your life?

What is NACA’s track record of both aggressive advocacy and state-of-the-art mortgage operations?
Over 25 Years of Victories & Results

NACA has set the national standard for affordable homeownership

NACA Timeline Spans from 1988 to Present

You are the Beneficiary of the Campaigns and Victories

Pledge to Participate

“The battle is over but the war goes on”
Non-profit HUD-Approved Community Advocacy and Homeowner Membership organization

First to take on Predatory Lenders and Coined the term “Predatory Lending”

NACA’s success is the result of active participation of thousands of Members over 30 years
NACA is a Nationwide Organization

40+ Offices and Rapidly Growing
NACA's Best in America Mortgage over

$13 Billion

committed from some of the country's largest lenders
NACA Mortgage

Questions

Why is the NACA Mortgage so extraordinary and affordable?

Is it true that I do not have to pay any up-front costs of the mortgage?
NACA Mortgage
The Best Mortgage in America

No Down Payment Requirement
No Closing Costs (lender paid)
No Points or Fees
No Income Maximum or Minimum
No Perfect Credit Required
No Credit Score Consideration
No Private Mortgage Insurance

Making the American Dream a Reality
# NACA Mortgage

**No Costs or Fees**

<table>
<thead>
<tr>
<th>Lender Pays</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appraisal Costs</td>
<td>Origination Fee</td>
</tr>
<tr>
<td>Attorney Fees</td>
<td>Application Fee</td>
</tr>
<tr>
<td>Settlement Agent Fees</td>
<td>Underwriting Fee</td>
</tr>
<tr>
<td>Title Insurance</td>
<td>Document Fee</td>
</tr>
<tr>
<td>Transfer Tax</td>
<td>Processing Fees</td>
</tr>
<tr>
<td>Customary Buyer Closing Costs</td>
<td>Private Mortgage Insurance</td>
</tr>
</tbody>
</table>
NACA Mortgage
Below Market Interest Rate

Today’s Incredible Low Fixed Rate is available at NACA.com
NACA Mortgage
Interest Rate Buy-Down

Most effective for reducing your mortgage payment and/or, increasing your purchase price while keeping your monthly mortgage payment affordable.

No other mortgage product permanently reduces the rate as much as NACA’s Mortgage.
NACA Mortgage
Interest Rate Buy-Down Details

30 Year Mortgage
Every 1% of the loan amount permanently reduces the Interest Rate by
One-quarter percent (.25%)

15 Year Mortgage
Every 1% of the loan amount permanently reduces the Interest Rate by
one-half of one percent (.50%)

Low and moderate income Members can permanently buy-down their interest rate to virtually
zero percent. Buy-down amounts above the HOEPA limits are matched with a lender grant.
Members with income above 100% of the median income may have the amount of their buy-
down limited by the HOEPA threshold.
NACA Freedom Mortgage
15 Year Mortgage

Benefits
Lower starting interest rate
Twice the buy-down rate
Generate Equity quickly
Free from debt in half the time

Downside
Higher Mortgage Payment
Qualified for lower priced home
**Housing Search**

**Property Types**
(existing or new construction)

- **Single Family**
  Detached, attached row houses, PUDs, and townhouses

- **Condo**
  Condo project must be at least 50% owner-occupied and HOA financially sound.

- **Mixed-Use**
  Commercial unit with minimum 50% residential

- **Multi-Family**
  Two, three or four family units; Owner unit vacant at close for owner-occupancy.
  Requires landlord training class to qualify for purchase.

- **Co-Op**
  Limited to where participating lenders currently lend on Co-Ops.
  Confirm before signing a contract

- **Purchase-Rehab**
  Properties needing repairs or rehab can be purchased and renovated after closing using bids, evaluations and/or work write up

©NACA — 2015
NACA Mortgage
Requirements

01  Follow the NACA Process

02  There are NO Limits on Member’s Income

03  Sale Price cannot exceed maximum purchase price for the region

04  Property condition to meet all code, safety, health, structural and system requirements for both affordable and livable standards.
NACA Mortgage Requirements

01 Follow the NACA Process

02 There are NO Limits on Member’s Income

03 Sale Price cannot exceed maximum purchase price for the region
Mortgage Comparison

Questions

Is the NACA Mortgage better than other mortgage options?

Am I required to use the NACA Mortgage?
<table>
<thead>
<tr>
<th>NACA Mortgage</th>
<th>FHA / Government Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional</td>
<td>Non Conventional</td>
</tr>
</tbody>
</table>

Visit hud.gov to read more about FHA and other loan products
Mortgage Comparison

The NACA Mortgage

No Down Payment
Low Fixed Rate
No Application Fee
No Appraisal Fee
No Attorney Fees
No Closing Costs

Mortgage Comparison

Other Products

Down Payment
Higher Rate
Application Fee
Appraisal Fee
Attorneys Fees
Closing Costs
**Mortgage Comparison**

**The NACA Mortgage**

- HUD Certified
- Pre-Purchase Counseling
- Character Based Lending
- No Use of Credit Score
- Renovation Financing
- Post Purchase Assistance

**Mortgage Comparison**

**Other Mortgages**

- No Pre-Purchase Counseling
- Credit Score Limits
- Limited Renovation
- No Post Purchase Assistance
NACA Membership

Questions

Do I need to be a NACA Member to access the NACA Mortgage?

What are my responsibilities as a NACA Member?
NACA Membership

NACA provides Free Housing Counseling to NACA Members and Non-NACA Members

Non-NACA Member will obtain:
Free initial purchase counseling but,
Will NOT have access to the NACA Mortgage
NACA Membership

NACA Members have access to:

01 Quality comprehensive counseling

02 America’s Best Mortgage

03 Post-Purchase counseling and assistance
NACA Membership
Eligibility Requirements

01. NACA Member
Become a NACA Member and adhere to our policies and procedures

02. Owner Occupancy
Must occupy NACA home for as long as you have the NACA mortgage - Not For Investors

03. No Investors
No member of the household can own a house at time of closing

04. Participation
Willing to do at least five participation activities per Member per year

©NACA — 2015
NACA Membership
Voter Registration Requirement

Your commitment to be an active community homeowner includes registering to vote.

Thus NACA requires you and all members of your household to register if it is legally permissible.
NACA Membership
Voter Registration

If you are not registered yet, you will be able to register at your Intake Session

If you refuse to register to vote and have a voice in your community without a justifiable reason, you will not be counseled for the NACA Mortgage
All NACA Services are FREE

NACA’s free comprehensive housing services address every aspect of home ownership
NACA Home Buying Process

Questions

Does NACA work with you throughout the purchase process?

How long will it take to purchase a home with the NACA Mortgage?
NACA’s Team

- Housing Counselors
- Purchase Underwriters
- HAND Department
- Realtors
- MAP Department
- Community Organizers
- Office Staff
10 STEPS to Homeownership

Your Commitment to All These Steps Determines Your Ability to Succeed
STEP 1

Attend a Homebuyer Workshop
STEP 2

Housing Counselor

Your Housing Counselor determines if you are ready for homeownership, the mortgage payment you can afford, and provides you with your next steps.
STEP 3

Mortgage Options & NACA Qualification

Attend Purchase Workshop to prepare for the home buying process through closing.
STEP 4

Housing Search

Work with a NACA R.E. Agent or R.E. Agent of your choice to identify the home of your dreams.
STEP 5

Purchase and Sale Contract

Prior to signing a Purchase Contract, contact your Mortgage Consultant for a Qualification Letter verifying you can afford the property.
STEP 6

Property Qualification

Hire a NACA-Approved Home Inspector to evaluate your desired property and determine any needed repairs. Repair cost can be included in Mortgage.
STEP 7

NACA Credit Access

Provide current documents showing that you have maintained your income, assets, payments & payment shock savings since you were NACA Qualified.
STEP 8

Bank Application and Processing

Your Mortgage Consultant will take and submit your mortgage application to the participating lender & NACA will process your file.
STEP 9

Mortgage Closing

Obtain your Home Owners’ Insurance, examine the property to ensure all repairs & other issues have been addressed. Close in the NACA office. Get Your Keys and MOVE IN!
STEP 10

NACA Post Purchase Program

NACA offers post-purchase counseling and financial assistance through MAP (Membership Assistance Program).
Testimonials From Our Members
Appointment & Attendance Forms

Complete Forms During Break

1. Counseling Appointment Form
   Complete including the following:
   - Desired dates and times
   - Face-to-face or phone
   - Turn it in during the break

2. Attendance Form
   Complete include the following:
   - SSN last four numbers or ITIN
   - Your & dependent info
   - Email - Valid & Active
   - Returned at the conclusion of workshop
Break Time

Remember:
Complete the Attendance Form
Complete & Turn-in Counseling Appointment Form

You must stay the entire workshop and submit the Attendance Form at the conclusion
Workshop Part Two

How to become NACA Qualified

Next Steps
NACA Affordability Analysis

Questions

Why is my future mortgage payment based on my current rent and savings pattern?

Why is completing the budget analysis crucial in managing my finances?
What does the term “affordability” mean to you?
NACA Affordability Analysis
Monthly Mortgage Payment (PITI)

Principal
Interest
Property Taxes
Insurance
Home Owner’s Association
NACA Affordability Analysis
Rent as Base Line

Generally you can afford what you pay in rent, provided:

01 Pay Rent on Time

02 You are not depleting your savings or,

03 Increasing Debts
NACA Affordability Analysis

Payment Shock Savings

Max Mortgage Payment
$1000

Current Rent
$600

PSS = $400

“Payment Shock” is the DIFFERENCE between your current rent and Desired Maximum Mortgage Payment
You must document Payment Shock Savings for 3 to 6 months

You must start demonstrating your Payment Shock Savings **NOW**

NACA will evaluate all Bank Account Transactions

Bank accounts balances should increase

- Without increasing your credit card balance
- Taking out new loans or,
- Without reducing your savings (i.e. moving funds from one account to another)
NACA Affordability Analysis

Multi-Family Affordability

☑ Live in one of the units

☑ Complete Landlord Tenant Education Course

☑ Have at least three months’ Mortgage Payment (i.e. PITI) as additional reserves

☑ Demonstrate at least $400 per month surplus to address tenant vacancies, repairs and other issues
NACA Affordability Analysis

Budget

Evaluation of Expenses

Better Management of Expenses

Savings for Payment Shock

Reality Check
## NACA Affordability Analysis

### Daily Expense Diary

<table>
<thead>
<tr>
<th>Daily Diary</th>
<th>Day 1</th>
<th>Day 2</th>
<th>Day 3</th>
<th>Day 4</th>
<th>Day 5</th>
<th>Day 6</th>
<th>Day 7</th>
<th>Monthly Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food (not groceries)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$65</td>
</tr>
<tr>
<td>Meals (eating out)</td>
<td>$10</td>
<td>$10</td>
<td>$10</td>
<td>$10</td>
<td>$10</td>
<td></td>
<td></td>
<td>$200</td>
</tr>
<tr>
<td>Coffee/Tea/Soft Drinks</td>
<td>$3</td>
<td>$1.50</td>
<td>$1.50</td>
<td>$3</td>
<td>$1.50</td>
<td></td>
<td></td>
<td>$42</td>
</tr>
<tr>
<td>Lottery Tickets</td>
<td>$3</td>
<td>$3</td>
<td>$3</td>
<td>$3</td>
<td>$3</td>
<td></td>
<td></td>
<td>$36</td>
</tr>
<tr>
<td>Movies (theater, rentals)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$42</td>
</tr>
<tr>
<td>School Lunches</td>
<td>$3</td>
<td>$3</td>
<td>$3</td>
<td>$3</td>
<td>$3</td>
<td></td>
<td></td>
<td>$60</td>
</tr>
<tr>
<td>Charity Donations</td>
<td>$100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$400</td>
</tr>
</tbody>
</table>

Name: Jane Lynn Doe  
Month: April  
Days: 30  
Year: 2015
# NACA Affordability Analysis

## Comprehensive Budget Form

**Name:** Jane Lynn Doe  
**Month:** April  
**Year:** 2015

### 1. NET INCOME - Take Home Income per Month:

<table>
<thead>
<tr>
<th>Job Description</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Job</td>
<td>New Orleans Police Dept.</td>
</tr>
<tr>
<td>Second Job</td>
<td></td>
</tr>
<tr>
<td>Co-Borrower - First Job</td>
<td></td>
</tr>
<tr>
<td>Co-Borrower - Second Job</td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td></td>
</tr>
</tbody>
</table>

**Total Net Income for the Month:** $5,600
### NACA Affordability Analysis

**Comprehensive Budget Form**

#### 2. DEBTS - Liability Payments per Month:

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Monthly Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Installment Loans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Car Loans</td>
<td>$25,000</td>
<td>$350</td>
</tr>
<tr>
<td>Student Loans</td>
<td>$7,000</td>
<td>$110</td>
</tr>
<tr>
<td>Personal Loans</td>
<td>$5,000</td>
<td>$150</td>
</tr>
<tr>
<td>Credit Union Loans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child Support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Installment Payments:</strong></td>
<td></td>
<td><strong>$610</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Payments Required</th>
<th>Payments You Make</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. Credit Cards</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Master Card</td>
<td>$54</td>
<td>$54</td>
</tr>
<tr>
<td>Visa</td>
<td>$150</td>
<td>$150</td>
</tr>
<tr>
<td>Discover Card</td>
<td></td>
<td></td>
</tr>
<tr>
<td>American Express</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Store Cards</td>
<td>$150</td>
<td>$150</td>
</tr>
<tr>
<td>Gas Cards</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer Credit Counseling</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Credit Card Payments:</strong></td>
<td></td>
<td><strong>$354</strong></td>
</tr>
</tbody>
</table>
# NACA Affordability Analysis

## 3. HOUSING PAYMENTS - Monthly Housing Expense:

<table>
<thead>
<tr>
<th>Rent or Mortgage</th>
<th>Monthly Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing Payments per Month</td>
<td>$1,100</td>
</tr>
</tbody>
</table>

**Total Installment Payments:** $1,100
# NACA Affordability Analysis

4. **LIVING EXPENSE** - Regular Monthly Expenses:

<table>
<thead>
<tr>
<th><strong>A. Utilities</strong></th>
<th><strong>Monthly Payments</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone</td>
<td></td>
</tr>
<tr>
<td>Cable TV</td>
<td></td>
</tr>
<tr>
<td>Heat</td>
<td></td>
</tr>
<tr>
<td>Electric</td>
<td>$240</td>
</tr>
<tr>
<td>Water &amp; Sewer</td>
<td>$60</td>
</tr>
<tr>
<td>Internet and Cable</td>
<td>$140</td>
</tr>
</tbody>
</table>

**Total Utilities:** $440

<table>
<thead>
<tr>
<th><strong>B. Food and Related Expenses</strong></th>
<th><strong>Monthly Estimates</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Grocery Store</td>
<td>$240</td>
</tr>
<tr>
<td>Personal Items</td>
<td>$90</td>
</tr>
</tbody>
</table>

**Total Food Expense:** $330

<table>
<thead>
<tr>
<th><strong>C. Transportation</strong></th>
<th><strong>Monthly Payments</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Car Insurance (if annual, divide by 12)</td>
<td>$150</td>
</tr>
<tr>
<td>Excise Tax (if annual, divide by 12)</td>
<td>$2.50</td>
</tr>
<tr>
<td>Car Maintenance</td>
<td>$22.50</td>
</tr>
<tr>
<td>Public Transportation</td>
<td></td>
</tr>
</tbody>
</table>

**Total Transportation Expense:** $175
# NACA Affordability Analysis

## D. Child Care
- **Day Care/Babysitting**
- **Child Expenses**
- **After-School Programs**
- **Other: Piano Lesson**

<table>
<thead>
<tr>
<th>Monthly Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>$150</td>
</tr>
<tr>
<td>$250</td>
</tr>
</tbody>
</table>

**Total Child Care Expense:** $400

## E. Clothing
- **New Clothing**
  - *(If you buy in season, divide what you spend by the number of months that you use it)*

<table>
<thead>
<tr>
<th>Monthly Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>$90</td>
</tr>
</tbody>
</table>

**Total Clothing Expenses:** $90

## F. Medical Health
If your medical/dental insurance already comes out of your paycheck, do not count that amount here. Use the following lines for regular and recurring expenses.

<table>
<thead>
<tr>
<th>Medical Insurance (if paid separately)</th>
<th>Monthly Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doctor</td>
<td>$90</td>
</tr>
<tr>
<td>Medical Co-Payments</td>
<td>$110</td>
</tr>
<tr>
<td>Dentist</td>
<td>$20</td>
</tr>
<tr>
<td>Medication (including over the counter)</td>
<td>$85</td>
</tr>
<tr>
<td>Life Insurance</td>
<td></td>
</tr>
<tr>
<td>Disability / Accident Insurance</td>
<td></td>
</tr>
</tbody>
</table>

**Total Medical Expenses:** $305
# NACA Affordability Analysis

## G. Education
- **Tuition:**
- **Book Purchases:**
- **School Supplies:**
  *(if you buy at the beginning divide by 12)*

<table>
<thead>
<tr>
<th>Monthly Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>$25</td>
</tr>
</tbody>
</table>

**Total Education Expenses:** $25

## H. Other
List any monthly payments that do not fit into the above categories.
*(cell phone, hair, nails, haircuts, internet, gym etc.)*

<table>
<thead>
<tr>
<th>Monthly Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mani &amp; Pedi</td>
</tr>
<tr>
<td>Internet &amp; Phone</td>
</tr>
<tr>
<td>LA Fitness</td>
</tr>
</tbody>
</table>

**Total Other Expenses:** $405
# NACA Affordability Analysis

## 5. Walking Around Money

| Total from Daily Expense Diary: | $1,082 |

## 6. Yearly Expenses - Annual Expenses Monthly Basis:

Include here any yearly expenses that were not accounted for above

<table>
<thead>
<tr>
<th>Estimates</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacations</td>
<td>$1,800</td>
</tr>
<tr>
<td>Gifts to Family (birthdays, holidays, etc.)</td>
<td>$2,500</td>
</tr>
<tr>
<td>Organizational Dues</td>
<td>$99</td>
</tr>
<tr>
<td>Other - Amazon Prime</td>
<td>$60</td>
</tr>
</tbody>
</table>

**Total Yearly Expenses Per Month:** $372

(total divided by 12)

## Summary:

<table>
<thead>
<tr>
<th>Net Income:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,600</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Less</th>
<th>Monthly Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Debts</td>
<td>$295</td>
</tr>
<tr>
<td>B. Housing Expenses</td>
<td>$1,100</td>
</tr>
<tr>
<td>C. Living Expenses</td>
<td>$770</td>
</tr>
<tr>
<td>D. Walking Around Money</td>
<td>$1,082</td>
</tr>
<tr>
<td>E. Yearly Expenses (monthly cost)</td>
<td>$372</td>
</tr>
<tr>
<td>F. Surplus (for unexpected expenses)</td>
<td>$200</td>
</tr>
</tbody>
</table>

**Total Expenses:** $3,819

**Available Savings Commitment:** $700
NACA Affordability Analysis

SAVINGS COMMITMENT
I will work towards saving the above circled amount each month in my dedicated House Savings account (used for my NACA minimum required funds.) There will not be any withdrawals from My House Savings Account during my home buying process except for the home purchase costs (i.e. escrow, inspections, etc.) I further understand that this must be actual savings and not the result of reducing balances in other accounts in order to show increases in the savings account. I also will not incur any overdrafts (which include overdraft protection) and/or insufficient funds activity in my checking account. I have read the above paragraph and will comply.

Name: Jane Lynn Doe                Date: 4/19/2015
Signature: Jane Lynn Doe
NACA Qualification

Questions

What do I need to provide to show that I am ready for home ownership?

Why is the NACA Qualification based on my payment history not my credit score?
NACA Qualification

To be NACA Qualified is very easy and in your control. Provide the following to your counselor:

1. Eligibility
   Not Investor
   Participate
   Voter Registration

2. Readiness
   Make on-time payments that you control
   Have stable income

3. Affordability
   Rent as foundation
   Increased monthly savings

4. Funds
   Inspection
   Escrows
   Reserves
NACA Qualification

Information Qualification

Personal Information

Picture ID

Email Address - Active

Household Member Info

Dependents Information

Commitment to participate

©NACA — 2015
NACA Qualification

Income Qualification

1. Wage Earners
   2 Years Employment History or, Minimum one solid year of employment

2. Other Income
   Social Security Retirement Income
   Child Support (court ordered)
   Alimony

3. Self-Employee
   2 Years same business
   2 Years reported income to IRS
   Cash flow analysis
Debt Qualification

the determination of what you owe creditors and the total balances and monthly payments
NACA Qualification

Debt Qualification

Active Debts
Verify the balances and monthly required payments on all active debts

Charge-Offs and Collections
If occurred within last 2 years, the unpaid balance must be paid in full, settled, or in an approved 12 month payment plan;
If occurred greater than 2 years, remaining unpaid balance must be explained

Liens and Judgements
Court documentation showing paid in full
Explain why debt resulted in lien or judgement
NACA Qualification
Debt Qualification

Student Debt

NACA will work to determine your monthly student loan payment, which includes:

- Payment on your credit report can be used without further documentation
- If you disagree with the reported monthly payment, then provide proof of actual payment
- Deferred or forbearance must provide a statement with account numbers & exact totals with payment plan
- Approved Income Base Repayment Plan
Late Payments are a result of circumstances out of your control or poor money management?
Pay History

Wage Earners and Other Income (12 months on-time payments)

Self-Employed (24 months on-time payments)

BK-7, Foreclosure, Short Sale, or Deed in Lieu of (24 months on-time payments from occurrence)

Alternative Credit Lines, if applicable (12 months on-time payments - other obligations)

Credit Explanations (Explanation required for late payments, charge-off and collections within most recent 2 years)
NACA Qualification

Rental Qualification

Rental payments are the most important indicator of a housing payment you can afford and the likelihood of making your future mortgage payments on time.

On time mortgage payment

On time rental payment
NACA Qualification

Rental Qualification

Rental Payments

➢ 12 months on-time payments

➢ Pay rent by check that can be tracked through your bank statements

➢ Identify the rental payments on your bank statements

➢ If you pay no rent, demonstration of six months of Payment Shock Savings

➢ Provide 24 months landlord/address history

Mortgage Payments

(i.e. Current Homeowners)

➢ 24 months on-time payments
Funds Qualification

You must have funds available which we call Minimum Required Funds (MRF). These funds are expenses needed for the purchase and closing on your home.
# NACA Qualification

## Funds Qualification

<table>
<thead>
<tr>
<th>Property Acquisition Cost Paid by Members</th>
<th>Reserves based on Payment Shock</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnest Money Deposit</td>
<td>1 month</td>
</tr>
<tr>
<td><em>(Credited at Closing)</em></td>
<td><em>if Payment Shock is less than $300</em></td>
</tr>
<tr>
<td>Inspections</td>
<td>2 months</td>
</tr>
<tr>
<td><em>Home, Termite &amp; Re-Inspection</em></td>
<td><em>if Payment Shock is $300 or higher</em></td>
</tr>
<tr>
<td>Home Insurance</td>
<td>3 months</td>
</tr>
<tr>
<td><em>1 yr. premium &amp; escrow</em></td>
<td><em>if you are Self-employed</em></td>
</tr>
<tr>
<td>Real Estate Taxes</td>
<td></td>
</tr>
<tr>
<td><em>Including escrow deposit</em></td>
<td></td>
</tr>
<tr>
<td>Loan Interest</td>
<td></td>
</tr>
<tr>
<td><em>From closing to end of month</em></td>
<td></td>
</tr>
</tbody>
</table>

### Buy-down Funds

Funds you have committed to buy-down
## NACA Qualification

### Funds Qualification

#### Pre-Mortgage Application

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offer (Earnest Money Deposit)</td>
<td>$1,000</td>
</tr>
<tr>
<td>Home Inspection</td>
<td>$275-$400</td>
</tr>
</tbody>
</table>

#### Closing Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Down Payment ($100,000 Price)</td>
<td>$0</td>
</tr>
<tr>
<td>Closing Cost</td>
<td>$0</td>
</tr>
</tbody>
</table>

#### Pre-Paid (Escrows)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeowner's Ins (Premium &amp; 2 Months)</td>
<td>$50-$100</td>
</tr>
<tr>
<td>Real Estate Taxes (Two to Twelve Months)</td>
<td>$200-$300</td>
</tr>
<tr>
<td>Pre-paid Mortgage Interest (Closing 15th)</td>
<td>$200-$400</td>
</tr>
<tr>
<td>Reserves - One Month PITI (PSS &lt; $300)</td>
<td>$500-$1,500</td>
</tr>
</tbody>
</table>

#### Total Minimum Required Funds

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Minimum Required Funds</td>
<td>$2,225-$3,700</td>
</tr>
</tbody>
</table>

©NACA — 2015
NACA Qualification

Funds Qualification

Documenting Minimum Required Funds

- **Bank Statements**
  
  *Checking, Savings & Money Market*

- **Investment Accounts**
  
  *IRA’s, Mutual Funds, Stocks & Bonds*

- **Employer’s Voluntary Retirement Saving Plans**
  
  *401K, 403B & Thrift Savings Plan (TSP)*

- **Gift Funds**
  
  *Relatives, In-law & God Parents*

- **Grant Funds**
NACA Qualification

Your Homework

The Homebuyer’s Workbook provides you with all the information needed to be NACA Qualified

The workbook provides NACA’s underwriting criteria
Intake Appointment

Questions

What do I need to do prior to my first counseling appointment?

How can I be NACA Qualified at my Intake session?
Intake Appointment

Prior to your Intake appointment you should obtain the documents and input the information as stated in this section.
Use your personal Web-File to do this.

Preparing for your first appointment with your Counselor
Intake Appointment

NACA Web - File

NACA is paperless & within one week you will be assigned a virtual web-file which can be accessed at naca.com.

NACA will send you two emails that will provide:

Your NACA ID#
Temporary Password

This will allow you to:
Submit your information and documentation
Make an appointment with a counselor
Change and customize your password
Intake Appointment

Income Documents

1. Wage Earners
   - 30 days of pay stubs with YTD earnings
   - Last 2 Years W2s
   - Last 2 Years Tax Returns and Tax Return Transcripts

2. Other Income
   - Alimony Payment
   - Social Security
   - Disability
   - Child Support
   - Retirement Account

3. Self-Employee
   - Last 12 months Business Bank Statements
   - Last 2 Years 1099
   - Last 2 Years of Tax Returns and Tax Return Transcripts

©NACA — 2015
Intake Appointment

**Required Documents**

**Current Picture I.D.**
Members & all Household members 21 or older

**Bank Statements**
All open accounts last 90 days with all pages
If not paying rent need last six months

**Voter Registration**
All members if legally permissible
Intake Appointment
Submitting Information & Forms

Submitting Information
Personal and Household Members' information
Two Year Employment History
Two Year Rental History & Landlord Information

Completed Forms
Participation Pledge & Commitment
Daily Expense Diary and Comprehensive Budget

Electronically Complete
Membership Agreement
Member Authorization Agreement
Credit Report Fee $12 per Report
Membership Dues $25 per household
Intake Appointment
Required Documents - As Applicable

Additional Liability Documents

Student Loan Statements
Alimony/Child Support
12 months Payment Statements
Alternative Credit (non-traditional credit lines)
12 months Statements

Other Documents

Divorce Decree and Settlement Agreement
Bankruptcy Documents
HUD-1 Previously Owned Properties
Intake Appointment
Submitting Documents

You can submit documents for you and all co-borrower(s) directly into your electronic file in three ways:

Faxing it into your NACA File using your NACA Fax Cover to 877-329-6222

Emailing into your NACA File: (NACA ID)@nacalynx.com

Uploading it online into your NACA File
Participation

Questions

Why is the participation requirement important for NACA to provide its homeownership programs?

Do I need to participate in demonstrations or can I give back in whatever way I feel comfortable?
NACA’s program sounds too good to be true. It is the result of many thousands of Members’ participation over the past 25 years.

NACA’s future success is based on everyone’s continued participation

“We are thy brother's keeper and we are all in the fight for economic justice”
Participation
Your Commitment to NACA

01 Your participation is required beginning now and after you close for you to access the NACA Mortgage and NACA’s services

02 Participate in whatever way you feel comfortable

- Refer Family & Friends to NACA
- Participate in Actions, Campaigns, Ballot Initiatives, etc.
- Volunteer in your NACA offices & Workshops
- Educating politicians, business & community leaders about NACA
Participation

NACA’s Commitment to You!

- Provide Top Quality Service during & after your purchase
- Shall act honestly & responsibly
- Does not accept fees for our services – do not pay others for our services
- Provide services to ensure your goal of homeownership
- Address your individual circumstances as long as it takes to become a homeowner on the best terms in the mortgage industry
Participation

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 and 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
Feedback and Advocacy

NACA is committed to addressing both local and national issues
Tell us your community issues now and email them to advocacy@naca.com

Examples
Cost of Education, Lack of Political Representation, Police Issues, Lack of Affordable Housing, Quality of Public Schools, Access to Public Transportation

Learn About and Participate In NACA’s Current Advocacy Campaigns
Next Steps

Questions

What can I do to become NACA Qualified very quickly?

What are the next steps to become NACA Qualified?
Next Steps

NACA & Other Real Estate Agents

1. NACA In-House R.E. Agents
   R.E. Agents who work solely for NACA Members

2. NACA Referral R.E. Agents
   R.E. Agents to whom NACA refers Members

3. Outside R.E. Agents
   R.E. Agents you identified outside of NACA

NACA In-House or Referral R.E. Agents are the most effective in utilizing the NACA program for your benefit
Next Steps

Start Saving Your Payment Shock!

01 All your accounts must grow by the PSS Amount

02 You can use your Payment Shock Savings to meet your MRF

03 This is necessary to ensure you can comfortably make a mortgage payment higher than your current rent
Next Steps

NACA Qualified NOW!

If you meet the following you are READY NOW!

✅ Meet eligibility criteria
✅ Stable income
✅ No late payments most recent 12 months
✅ No unpaid charge-offs/collections within past two years
✅ No unpaid lien or judgment
✅ Minimum Required Funds
✅ Submit or will bring all required documents

You can be NACA Qualified very quickly!
Next Steps
Counseling Appointment

The following are options for you to make a counseling appointment:

Complete Appointment Form to schedule at conclusion of workshop.

Through your Web-File

Call your local office

Call Member Services at 425-602-6222
Next Steps

Open House at NACA

NACA staff are available in the NACA office most Saturdays from 9:00 a.m. to 1:00 p.m.

Come to the Open House

If you are ready to be qualified or have questions. You can be seen faster and become NACA Qualified quickly. Come anytime to our office to use a NACA computer to enter your information and documents.
Next Steps
Connect with us on Social Media
Comments or Questions?
Call us at Member Services
425-602-6222
Provide our volunteers and NACA staff with the Attendance Form

Volunteers and NACA Staff Return Completed Appointment Forms
Questions?
On behalf of NACA, we thank all of the members who volunteered today!

Without you, this would not have been a success...