

Fighting For Economic Justice With America's Best Mortgage





NACA'S BEST IN AMERICA MORTGAGE

Everyone who obtains a NACA mortgage gets these outstanding terms:

PURCHASE

Loans for a Wide Range of Eligible Property Types for Owner Occupancy

Single family, Condo, Coop, Mixed-use or Multi-family (two, three, or four units). Properties may be existing, in need of renovation or new construction.

NO DOWN PAYMENT

100% Financing, down payment not required.

NO CLOSING COSTS

Lender pays all lender required closing costs; not added to the loan.

INTEREST RATE

Below-Market Fixed Rate

Always below-market fixed rate with an additional one-percent reduction for low- to moderate-income. Members and those purchasing in a low- to moderate-income area.

TERM

Fixed Term - Fully Amortizing

30-year, 20-year, or 15-year.

BUY-DOWN

Permanently Reduce Interest Rate with Additional Funds (optional)

One-and-a-half percent (1.5%) of the mortgage amount permanently reduces the interest rate by 0.25% for the 30-year and 20-year mortgages, and by 0.375% for the 15-year mortgage. This is a great added benefit to lower the monthly mortgage payment or increase purchasing power for a more expensive house.

NO POINTS & FEES

Lender does not charge any points or fees.

CREDIT HISTORY

Credit Score Not Considered

A Member's personal payment history is evaluated without a minimum credit score or perfect credit history.

NO MORTGAGE INSURANCE

No Mortgage Insurance ("MI") which only protects the lender. Members benefit from NACA's comprehensive, free post-purchase program for as long as they have their NACA Mortgage.

RENOVATIONS/REPAIRS

Funds Set Aside at Closing for Repairs

Add funds for necessary repairs or renovations, which can be rolled into the mortgage without a payment for the six months of construction, paid by the seller, contributed by the Member, or with approved grant funds. NACA provides support throughout the renovation process.

REFINANCE

Funds for Repairs & Renovation

Refinance existing mortgage or properties without a mortgage with additional funds for renovations to primarily address code, structural, and safety issues.

CONTENTS

NACA	1
NACA'S Timeline Of Accomplishments	5
NACA Membership	7
NACA'S Departments	10
NACA Career Opportunities	12
NACA MORTGAGE	13
NACA'S Best In America Mortgage	13
NACA Mortgage Eliminates Barriers To Affordable Homeownership	13
NACA'S Homeownership Programs	15
• 15-Year Wealth Builder Purchase Mortgage	15
• 20-Year Rapid Payoff Mortgage	15
• Purchase & Rehab Mortgage	16
• HOT-PHA (Section 8/Housing Choice Voucher)	16
• One-Dollar Purchase Program	16
• NACA Homes	16
• Homeowners - Refinance & Renovation	17
FHA & HUD Mortgage Options	17
NACA Mortgage Term Comparison	18
NACA INTEREST RATE	19
NACA'S Below-Market Fixed Interest Rates	19
Interest Rate Buy-Down & Principal Reduction	20
MEMBER PORTAL	22
QUALIFICATION PROCESS	24
NACA Qualification	25
ELIGIBILITY CRITERIA	27
HOMEOWNERSHIP READY	29
Payment History	29
Income	31
MINIMUM REQUIRED FUNDS	32
Reserve Requirements	32
How Much Money Will You Need To Buy A Home?	33
MORTGAGE PAYMENT	35
Payment Shock	35
Debts	37
Limiting Factors	40
Maximum Mortgage Payment Assessment	42
CURRENT BUDGET	43
INTAKE COUNSELING SESSION	52
Logging In For The First Time	52
Scheduling Your Intake Session	53
Preparing For Your Intake Session	53
Confirming Your Intake Session	55
TEN STEPS TO HOMEOWNERSHIP	56

OUR MISSION

FIGHTING FOR ECONOMIC JUSTICE WITH AMERICA'S BEST MORTGAGE

NACA provides affordable homeownership to low- and moderate-income individuals as well as to people subjected to systemic racism - **Building Generational Wealth.**



NACA IS THE LARGEST NATIONAL HOUSING ORGANIZATION ACHIEVING EXTRAORDINARY OUTCOMES

75K+

NACA Mortgages

20%-30%

All HUD Housing Counseling

\$20B+

Mortgage Commitments

500K+

Homeowners Helped

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Foreclosure Rate



Services in all 50 States

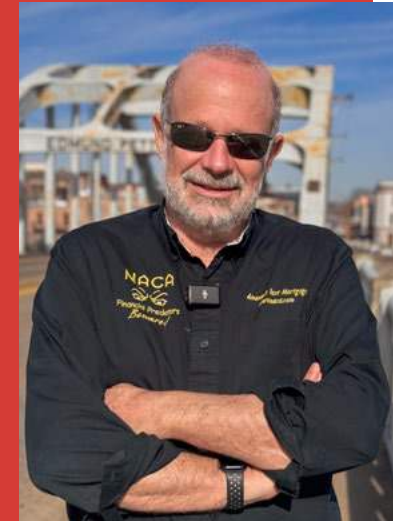


In-Person Counseling

MAKING THE NACA STANDARD THE NATIONAL STANDARD

NACA provides the best mortgage in America without consideration of one's credit score through the most effective homebuyer program in the nation.

WELCOME



Dear NACA Member,

NACA has been the national leader for over thirty-five years in fighting for economic justice and in the provision of affordable homeownership. The tremendous benefits you receive through NACA are the result of a tireless and ongoing struggle by many thousands of NACA Members, employees, and volunteers to end predatory and discriminatory lending. We were the first organization to take on unscrupulous lending in our campaign against Fleet Bank, and we were the first to coin the phrase "**Predatory Lending.**"

As NACA Members you have access to our outstanding homeownership programs including our Best in America Mortgage, purchase counseling program, One-Dollar purchase program, new construction, refinance for repairs/rehab, and NACA's HOT-PHA program which uses the Section 8/ Housing Choice Voucher for the mortgage payment. NACA Membership also requires responsibilities. This includes that you vote each year, if you are eligible, and that you participate in whatever way you are comfortable. While there are other requirements, these are fundamental to having your voice heard by decision makers and that you participate in contributing to building NACA and the NACA community. By not voting you are allowing others to vote for you who are opposed to your positions and economic interests. Each of us must become advocates and accept responsibility for improving our society.

As one of more than three million NACA Members, you are an essential part of an extraordinary organization. With your help, we can continue to provide and expand NACA's Best in America homeownership programs and stay in the forefront of providing economic opportunities for primarily low- to moderate-income individuals and people of color. NACA's success is built on the many people who struggled for civil rights and economic justice. Some of those people paid with their lives. In the words of Malcolm X "**By Any Means Necessary.**"

You now benefit 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. Regard it not as a requirement, but a privilege.

Welcome to NACA! The Fight Continues.

Bruce Marks
NACA Founder and CEO

NACA

The Neighborhood Assistance Corporation of America (“NACA”) mission is to fight for economic justice through comprehensive counseling with access to NACA’s Best in America Mortgage. NACA’s unwavering commitment to economic justice is underscored by its pivotal role in providing affordable homeownership and combating financial exploitation, evidenced by its groundbreaking homeownership programs and impactful advocacy.

NACA’s counseling subsidiary the Neighborhood Stabilization Corporation (“NSC”), is the largest non-profit, HUD-approved community advocacy and homeownership organization. NACA primarily serves low- and moderate-income and people of color, who without NACA, would likely be subjected to predatory terms or locked out of affordable homeownership altogether. For over thirty years, NACA has established itself by providing the most effective homeownership programs in the country for both homebuyers and homeowners with an unaffordable mortgage. Today, NACA remains at the forefront in addressing predatory and discriminatory lending practices through its aggressive and relentless tactics confronting predatory lenders.



NACA is both feared and respected by lenders and decision makers nationwide due to the active participation of its massive and engaged membership as well as its state-of-the-art operations. Most importantly, NACA is beloved by the people for whom NACA fights and provides unprecedented outcomes. Understanding NACA’s evolution over its three-decade journey is essential to grasping its monumental achievements in advancing comprehensive homeownership programs, extraordinary mortgage products, and impactful confrontational community advocacy strategies. These efforts set a benchmark for effective neighborhood stabilization initiatives nationwide.

NACA

EARLY YEARS:

Established in 1988 as the Union Neighborhood Assistance Corporation (UNAC) in Boston, NACA traces its origins to the groundbreaking efforts of the Local 26 hotel workers union – a local union that changed the federal labor law allowing for the first ever housing trust fund. Drawing inspiration from the union’s activist ethos, NACA adopted similar confrontational tactics to combat discriminatory and predatory lending practices prevalent in the financial sector.



CAMPAIGN AGAINST PREDATORY LENDING:

NACA coined the term “*Predatory Lending*” and remains at the forefront of combating predatory practices, including successful campaigns against powerful lenders, corporations, government entities and individuals. NACA’s initial campaign targeted lenders who were stealing the equity of lower income long-term elderly homeowners with predatory second mortgages. NACA won this campaign and then launched a relentless campaign against Fleet Finance, the nation’s largest predatory lender. After a four-and-a-half year war, NACA secured significant concessions, including a commitment of \$8 billion to low- and moderate-income loans and hundreds of millions of dollars in settlements for victims. Fleet also pledged to fund NACA’s revolutionary mortgage product.



CONTINUED ADVOCACY:

NACA’s advocacy did not stop with Fleet; NACA continued to wage 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 (also known as “Fast Eddy”). NACA won after a multi-year campaign, and First Union agreed to change its lending practices for working people. Next, NACA targeted The Associates, the country’s largest finance company, and a subsidiary of Ford Motor Company. As a result of NACA’s campaign, Ford ended their ownership of The Associates, and NACA subsequently forced them to reduce the interest rates for hundreds of thousands of its borrowers. NACA also won victories against Barnett Bank, Bank of Boston, Riggs, and others, prompting these institutions to make significant reforms to move away from their predatory and discriminatory lending practices as a direct result of NACA’s efforts. NACA continues to be a major community force, fully committed to continue its aggressive advocacy campaigns and confrontational tactics, with a determination to pursue each campaign for as long as it takes (see NACA’s History).

NACA

FORESEEING THE MORTGAGE CRISIS:

CEO Bruce Marks's prophetic testimony before Congress on September 12, 2000, was one of the first to predict the impending mortgage crisis.

MORTGAGE CRISIS:

NACA first 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. NACA's advocacy exposed predatory, discriminatory and illegal practices resulting in groundbreaking legally binding agreements with lenders, servicers, and investors, setting a national standard for aiding at-risk homeowners. Through NACA, homeowners were able to modify their mortgages by permanently reducing the interest rate to as low as two percent and sometimes the outstanding principal balance of the mortgage reduced saving hundreds if not thousands of dollars on their monthly mortgage payment to achieve an affordable mortgage payment. NACA's Save the Dream events were the most effective in providing same-day affordable solutions, making NACA the largest and most effective organization for homeowners at risk of losing their homes. NACA's accomplishments were unprecedented with 144 events nationwide and hundreds of thousands of at-risk homeowners participating in these events, and many thousands obtaining same-day affordable solutions.

ACHIEVE THE DREAM EVENTS:

These one-stop events are for homebuyers to quickly complete the NACA Qualification process and access NACA's Best in America Mortgage. At these multi-day events, homebuyers complete the first four steps for NACA Qualification all in one day:

1. Homebuyer Workshop.
2. Upload Information and Documents.
3. Meeting One-On-One with a NACA Counselor.
4. Meet with a NACA Mortgage Specialist to be NACA Qualified for the NACA Mortgage.

These free homeownership events attract thousands of homebuyers. Many homebuyers are qualified the same day, while others receive an action plan with the next steps for NACA Qualification. NACA continues to host one to two of these Achieve the Dream Events every month nationwide.



NACA

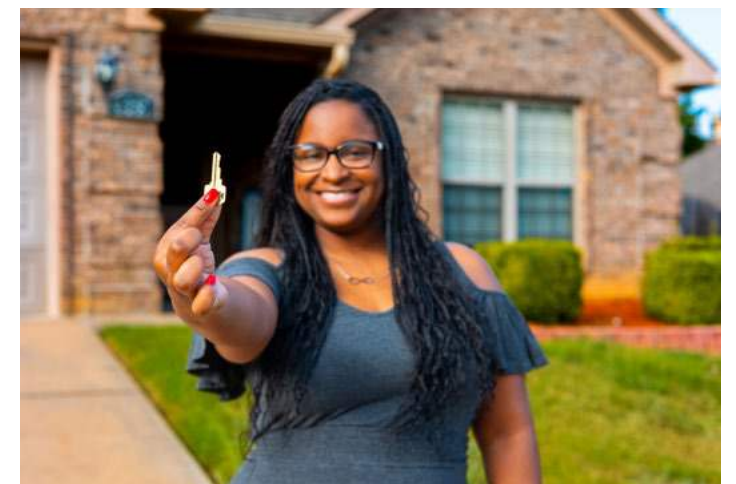


NACA'S LEGACY:

With over three million members and a legacy of unprecedented achievements, NACA continues to redefine mortgage lending, championing economic justice and fostering sustainable homeownership opportunities for underserved communities nationwide. NACA cannot rest on its unprecedented achievements but must build on this foundation to make the NACA standard the national standard. NACA will continue to be at the forefront of the fight for economic justice and affordable homeownership.

THE BATTLES HAVE BEEN WON BUT THE WAR CONTINUES!

NATIONAL RESULTS	
NACA MEMBERS	OVER 3,700,000
NACA MORTGAGE	OVER 75,000
NACA OFFICES	47 AND RAPIDLY EXPANDING
HOME SAVE AFFORDABLE SOLUTIONS	OVER 500,000



NACA'S TIMELINE OF ACCOMPLISHMENTS

The timeline below shows how the most effective affordable homeownership programs in the country have come to fruition through NACA's aggressive advocacy. Although it may sound too good to be true, NACA has made affordable homeownership a reality and continues to set the national standard. You can read extensive media coverage and up-to-date information on NACA at www.naca.com

1988

- Hotel Workers Union – Local 26 negotiates housing trust fund.
- 3 year campaign leads to trust fund agreement with Boston hotel management.
- Fund provides workers with down payment and other assistance to fulfill homeownership dreams.
- Contract requires an amendment to federal Taft-Hartley Act.
- Union Neighborhood Assistance Corporation established and later evolves into NACA.

1990

- **April 18, 1990**, President Bush signs Housing Trust Fund amendment into law.
- Amendment to Taft-Hartley made possible by Local 26's national campaign and Capitol Hill visits.
- Amendment allows housing assistance in union negotiations.
- First Taft-Hartley Act change in 30+ years.
- Historic local union achievement.
- NACA coins the term "Predatory Lending"

1992

- NACA Launches Second Mortgage Scam Campaign.
- Financial institutions targeting minority homeowners with high equity.
- NACA Unveils unscrupulous "home improvement" schemes.
- NACA conducts 2.5-year research and advocacy campaign.
- NACA Unveils Second Mortgage Scams.
- Massachusetts Attorney General investigates.
- **400+ newspaper articles** and numerous TV reports expose scams against workers.

1993

- NACA arranges Senate Banking Committee hearings on Fleet.
- **500+ participants join nationwide.**
- CEO Bruce Marks testifies before the Senate and House Banking Committees.

- Over **100 Fleet victims** meet with Board of Governors at the Federal Reserve.
- **60 Minutes** airs expose on **Fleet's loan sharking.**

1994

- NACA confronts Fleet CEO at Harvard Business School event.
- After **4.5 years**, Fleet concedes to NACA's demands.
- Fleet agrees to **\$8 billion** community reinvestment program.
- Fleet settles lawsuits & investigations for over **\$350 million.**
- Fleet funds **\$140 million** of NACA's mortgage program.
- This forms the foundation for **NACA's Best in America homeownership program.**

1995

- NationsBank CEO Hugh McColl pledges **\$500 million** to NACA.
- He says if NACA lives up to its reputation, NationsBank will be NACA's biggest lending partner.
- McColl's prediction proves accurate.

1996

- First Union commits **\$150 million** to NACA.
- Signet and Riggs Banks reach agreements with NACA.
- **10,000+** attend largest homeownership event in America.
- NACA hosts event at First Iconium Baptist Church in Atlanta.

1998

- NACA contacts **100,000+ Associates/Ford borrowers.**
- NACA Organizes demonstrations at Ford locations.
- NACA Fills federal court hearings over capacity.
- NACA convinces federal judge to reject unfair Associates/Ford settlement. This settlement would have left victims with only **\$50 each.**
- NACA Begins statewide class action lawsuits against Associates/Ford.

- NACA's four-year campaign includes media exposés and disruption of Ford's annual meeting. The Associates settles. Associates agrees to automatic mortgage interest rate reductions.
- Customers save billions, revolutionizing sub-prime market.
- Associates commits **\$100 million** to NACA.
- Bank of America commits **\$3 billion** after reviewing NACA's impressive results.

2002

- NACA mobilizes thousands to support Georgia Governor Roy Barnes.
- Helps pass the nation's strongest predatory lending protection legislation.
- Legislation provides relief from high fees, interest rates, prepayment penalties, and balloon payments.

2003

- Citigroup commits **\$3 billion** to NACA, partnering to improve CitiFinancial lending practices.
- Bank of America adds \$3 billion, totaling **\$6 billion** committed to NACA.

2004

- After years in development, **NACA Lynx is unveiled.**
- NACA-Lynx is an innovative online counseling and mortgage processing software.

2006

- NACA enhances NACA-Lynx and expands program.
- Lenders show interest in NACA-Lynx.
- Citigroup CEO Chuck Prince visits NACA office for NACA-Lynx demo.

2007

- NACA CEO Bruce Marks named **2007 Bostonian of the Year by Boston Globe.**
- NACA launches Home Save Program to assist homeowners with unaffordable mortgages.
- NACA program includes **\$1 billion commitment** for refinancing and loan modifications.
- NACA sets national standard for assisting at-risk homeowners in restructuring mortgages.



- Hosts historic five-day Save the Dream Event with 300+ counselors at Capital Hilton Hotel.
- Over 20,000 participants; thousands of loans restructured.

2009

- NACA launches accountability campaign targeting mortgage executives.
- Predators Tour begins Feb 8th in Greenwich, CT.
- **350+ homeowners** protest at the homes of **Morgan Stanley CEO and Greenwich Capital CEO.**
- Home Save tour sees massive participation.
- Thousands receive same-day solutions.
- Interest rates permanently reduced to as low as 2%.
- Outstanding principal reduced based on affordability.
- Homeowners save hundreds, even thousands monthly.
- NACA sets national standard for affordable solutions.
- **All services provided by NACA are FREE.**

2010

- Save the Dream Tours continue successfully across the country.
- Events achieved through legally binding agreements with all major servicers, lenders, and investors.
- Legal agreements with major servicers and lenders.
- Cooperation from Bank of America, Wells Fargo, Citigroup, etc.
- NACA is so successful that nearly all servicers and investors cooperate.
- NACA continues its campaign against Chase, the one servicer refusing to provide affordable solutions.
- NACA storms the Chase Wall Street

- offices with thousands of homeowners.
- Works with OCC on Chase complaints and continues assisting Chase borrowers.

2011

- Bank of America commits another **\$3 billion** to NACA's mortgage.
- NACA sues and defeats HUD and NeighborWorks.
- HUD's political retaliation and the mismanagement of **\$1 billion EHLP** by NeighborWorks leads to **\$750 million** being return to the government and thousands losing their homes.
- Chase signs a new agreement, now offering some of the best restructuring solutions to NACA Members.

2012

- NACA adds the Purchase Program to the American Dream Tour.
- NACA helps homeowners obtain affordable payments.
- NACA helps homebuyers purchase with NACA's best in America Mortgage
- NACA hosts over 100 events in **4.5 years, including 43 events in 2012.**

2013

- NACA protests at CFPB with **1,000+ people**, shutting down CFPB operations.
- Hosts another **24 American Dream events.**

2014

- NACA visits every member of Congress to promote its mission.
- CFPB, after refusing to assist homeowners, supports NACA program.
- CitiMortgage and Bank of America make additional buy down funds available.
- NACA introduces the **15-year Wealth Builder Mortgage.**

2015

- NACA initiates the Neighborhood Stabilization Program in Detroit.
- NACA is the first to provide 150% loan-to-value ("LTV") mortgages.
- The Detroit Free Press writes an editorial about the NACA Mortgage titled **"Mortgage Program is Key to Detroit's Future".**
- NACA works with the OCC to provide a standard for high LTV mortgages in markets cut-off from conventional credit.
- NACA starts Neighborhood Stabilization Program in Detroit.

- NACA, first to offer 150% LTV mortgages.
- Detroit Free Press praises NACA mortgage.
- Works with OCC to provide standard for high LTV mortgage in certain markets.

2016

- NACA achieves highest number of Purchase Program closings.
- NACA streamlines process, closing loans within 28 days of contract date.

2017

- NACA expands homeownership for working people.
- NACA enables Section 8 voucher recipients to own homes through new HOT-PHA program.

2018

- NACA launches Achieve the Dream events that run for **3 to 5 days.**

2019

- NACA hosts **13 Achieve the Dream events nationwide** and has the largest increase in mortgage closings.
- NEJAC provides HUD approved training to Housing Counseling Agencies.

2020

- NACA offers remote housing counseling during pandemic.
- NACA provides over 30% of housing counseling nationwide.
- NACA has the largest number of HUD Certified Housing Counselors.

2021

- Bank of America adds **\$5 billion, for a total \$15 billion commitment to NACA.**
- NACA surpasses **\$20 billion in Best in America Mortgage commitments.**
- NACA expands training program to **12 HBCUs.** Trains students and alumni for housing and mortgage jobs.

2022

- NACA launches state-of-the-art Member Portal, allowing easier navigation for Members.
- NACA integrates direct bank data access for efficiency.
- NACA offers 20-year mortgage with unprecedented below-market rate.

2023

- NACA starts year with 19 Achieve the Dream events in rural Alabama. Events coincide with MLK Jr. holiday weekend.
- New solution for unaffordable housing, NACA constructs modular homes.

NACA MEMBERSHIP

Many people say the NACA program sounds too good to be true, but it is made a reality through the active participation of NACA's huge Membership over the years. NACA benefits from the struggle and advocacy of those in the civil rights movement. We hope that their struggle and accomplishments and NACA's history and success is inspirational. NACA builds on this foundation from which you are now benefiting. Therefore, it is essential that you are committed to our mission. We want you, your family, and those close to you to be active NACA Members promoting economic and racial justice for many years. We look forward to your active involvement and becoming a NACA homeowner with the best mortgage in America.

NACA is a membership organization whose mission of economic justice is not only based on the individual ownership of a house, but that **when we work for the betterment of all our brothers and sisters, everyone benefits**. Members are defined as independent adults 21 years or older who will either reside in a future home financed through NACA or otherwise access NACA's services and sign the NACA Membership Agreement ("Members"). NACA Membership provides Members with access to NACA's outstanding programs and services who fulfill important requirements as described herein and in other NACA documents. The membership requirements include a nominal annual membership dues, voting and participation. Individuals and households who do not want to adhere to NACA's participation and voting requirements can still join NACA. They would have limited counseling services without access to the NACA Mortgage and other NACA Programs and services ("Participant"). The Participant must pay an annual fee and sign the NACA Participant Agreement. The NACA Membership Agreement and NACA Participant Agreement ("NACA Agreement") is in the Member Portal for you to read and accept prior to your next steps in the Member Portal and counseling.

As a Member, you must agree to the terms outlined in the NACA Membership Agreement. This document governs membership, program participation, NACA Mortgage, NACA Programs, advocacy, and curricula now or potentially future offerings. It addresses eligibility requirements such as participation, and voting. It encompasses authorization for e-consent to sign electronically, credit data access, disclosures, responsibilities, and privacy matters. The NACA Membership Agreement also includes authorization to access your credit report and other information, disclosures, releases, responsibilities, obligations, and privacy matters. By agreeing to the terms of the NACA Membership Agreement, you become a NACA Member and acknowledge your consent to these terms to participate in NACA.

NACA Membership dues are per year per household that must be paid before the Intake Session with a pro-rate amount for the initial year and annually thereafter which can be changed at NACA's sole discretion. These dues support NACA's homeownership programs, neighborhood stabilization initiatives, advocacy, and other programs. NACA Homeowners have access to NACA's comprehensive post-purchase program through NACA's Membership Assistance Program ("MAP") with 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. To be in good standing, you must have signed the NACA Membership Agreement, be current your Membership Dues, vote each year if eligible, participate, and adhere to NACA's eligibility, other requirements, conditions, and program guidelines. You

have the option to opt-out of NACA Membership and be a Participant. To opt-out, you must send an email to services@naca.com with the subject stating "Member Opt-out." To receive limited NACA counseling you must sign the NACA Participant Agreement, pay an annual fee and adhere to all the provisions of the NACA Participant Agreement.

MEMBER PARTICIPATION

A membership requirement is that you participate in whatever way you feel comfortable. This is essential for NACA to continue to provide free comprehensive housing services, access to NACA's Best in America Mortgage, and, most importantly, to achieve NACA's overall mission of promoting economic and racial justice. We simply need some of your time to help others. There are numerous activities for you to take part in, including: advocacy campaigns; protests and demonstrations; voter 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. This collective participation is what makes NACA's programs so effective and impactful.

NACA participation has a point system with various activities having different points assigned. The participation activities and associated points are identified in the Member Portal which may change at NACA's sole discretion. You can sign-up for your participation activity and see the confirmation of your on-going participation. NACA requires that each household achieve a minimum of 20 points each year to meet the participation requirements. The Participation Pledge describes this requirement which each Member must agree to and sign in the Member Portal. This takes effect immediately and continues for as long as you have a mortgage through NACA. You must participate in at least one participation activity prior to NACA Qualification.

PARTICIPATION PLEDGE

I pledge to participate with NACA in future community outreach and advocacy campaigns. I understand that community advocacy is the major reason why NACA can provide America's Best Homeownership Program and free individualized housing services to its Members. 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 understand that there is a point system with various activities having associated points. I will participate in activities each year that achieve a minimum of twenty points. These activities include neighborhood outreach, protests/demonstrations, rallies, voting with NACA, assisting at an event or workshop, or other NACA activities in which I feel comfortable in participating. Participation begins from the time I become a Member and continues for as long as I have the home NACA has helped me purchase or save.

We need you to take the initiative and contact your NACA Counselor, or local NACA office to participate. NACA will regularly announce ongoing actions and activities, ensuring you have the opportunity to volunteer even if you are uncertain about how or when to get involved. If you receive a live or pre-recorded phone call, e-mail or text to participate in an event or action, please do your best to attend. If you are unable to participate in this event or action, it is important you find others who can.

NACA

Below are examples of NACA participation as you continue your journey toward becoming and as a NACA homeowner.

- Spread the word about NACA by distributing NACA flyers in your workplace, church, organization in which you are a part, and other places.
- Set up an introductory meeting or organize a Homebuyer Workshop at your local church, community center, place of employment, union, etc.
- Provide services and assistance to NACA Members as part of NACA's Skills Directory.
- Like NACA's social media pages and share NACA content on your own social accounts.
- Provide a testimony or volunteer at a NACA event or Homebuyer Workshop.
- Provide a video testimony for the NACA website and social accounts.
- Contact politicians and decision makers to show support for NACA's programs and mission.
- Register at least 10 people to vote through www.naca.com.
- Active participation in a NACA Action Committee ("NAC").
- Participate in advocacy campaigns and demonstrations.
- Place a NACA yard sign where you live.
- Do a testimony encouraging others about your experience with NACA while in the process, closing on your NACA Mortgage, and in your new home.

Every Member is encouraged to contribute their unique skills to NACA and its mission. The NACA Skills Directory contains contact information for people who can provide quality services and products to Members. These services can be offered at no cost, reduced cost, or for bartering. Please identify the specific skills that you would provide Members. We will contact you for more details as we continue to add to the directory.

At-Home Services:

Painter | Plumber | Electrician | Handyman | General Home Repair | Gardening | Childcare | Senior Care | Transportation Assistance | Tutoring

Professional Services:

Accounting | Tax Prep | Legal | Insurance | Social Work

Health Care Services:

Doctor | Nurse | Physician's Assistant | Physical Therapy | Speech Therapy | Pathology

Technical Services:

Software Development | Computer Repair | Tech Support | Graphic Design | Social Media | Photo/Video

VOTING REQUIREMENT

As a membership requirement you and all other NACA Members in your household must vote in a local or national election each year, if legally eligible. Having your voice heard by voting in elections significantly increases the likelihood that your concerns, including laws that impact your life, will be addressed. Verify your status or complete your registration through the Member Portal. Many people have been purged from the voter rolls without notice and need to re-register. Your voting is a public record which NACA will access to confirm that you voted but obviously not who you voted for.

NACA

NACA'S DEPARTMENTS

NACA has established teams of professionals covering every stage of the homebuying process. They will help guide, coach, and assist you with trusted advice as you pursue your home purchase, likely the largest investment of your life. Meet your homebuying team by department:

MEMBER SERVICES DEPARTMENT

Staff	National Service Representatives (NSRs)
Expertise & Services	<ul style="list-style-type: none">• Provide assistance for Members coming to the local office including the Member Portal.• Schedule appointments for Member's in-person or video counseling sessions.• Provide information and assistance with all aspects of the NACA program.• Respond to Members calling the local office and National Phone Line.
Availability	Monday - Friday 8:30 a.m. to 8:30 p.m (Eastern time) Saturdays 8:30 a.m. to 12:00 p.m (Eastern time) Contact Member services at (425) 602-6222 services@naca.com .

COUNSELING DEPARTMENT

Staff	NACA Counselors Counseling Management
Expertise & Services	<ul style="list-style-type: none">• NACA Counselors, who are HUD certified, provide comprehensive counseling to Members from our many offices nationwide and counseling center. They are the point of contact for the Member throughout the homebuying process including NACA Qualification and mortgage loan origination.• They work with community leaders, real estate agents, and grant programs to best serve NACA Members through one-on-one counseling.• Free live webinars on various topics (sign up at www.naca.com).

REAL ESTATE DEPARTMENT

Staff	NACA In-House Agents (IHA) Referral Agents NACA Real Estate Brokers
Expertise & Services	<ul style="list-style-type: none">• Comprehensive understanding of the NACA program to utilize most effectively for the Members.• Skilled negotiators with NACA program with local housing expertise.• Help educate the real estate community about the NACA program.• Represent Members' interests in finding affordable homes.• Contact the RED department at RED@naca.com for more information.

HOME AND NEIGHBORHOOD DEVELOPMENT (“HAND”) DEPARTMENT

Staff	HAND Repair/Rehab Coordinators (HRC) Rehab Specialists (RS) Escrow Coordinators (EC)
Expertise & Services	<ul style="list-style-type: none"> Review inspections to identify property issues including code, structural, health and safety. Property must be safe and habitable with the cost of repairs not exceeding what Member can afford. Facilitate completion of repairs if a Rehab Escrow is added. Collaborate with licensed professionals for inspections. Supply work write-ups and bids if a Rehab Escrow is applicable. Contact the HAND department at HAND@naca.com for more information.

MEMBERSHIP ASSISTANCE PROGRAM DEPARTMENT (“MAP”)

Staff	MAP Advocates HomeSave Advocates
Expertise & Services	<ul style="list-style-type: none"> Outreach to NACA Homeowners to proactively address any issues. Work with NACA Homeowners who are delinquent to provide an affordable solution including payment plans and modifications available to NACA Homeowners. Work with homeowners who have a mortgage with another lender to provide an affordable solution available through their servicer or investor. Provide ongoing counseling and assistance to homeowners. Contact the MAP department at MAP@naca.com.

MORTGAGE DEPARTMENT

Staff	Mortgage Specialists Mortgage Processors Closing Coordinators
Expertise & Services	<ul style="list-style-type: none"> Mortgage underwriting and processing with over 99% of the loan applications approved and funded. Review and approve NACA Counselor submissions for NACA Qualification and Credit Access. Provide mortgage processing. Address lender conditions and any outstanding issues to ensure timely closings. Contact the Mortgage department at mortgage@naca.com.

ADVOCACY DEPARTMENT

Staff & Volunteers	NACA Advocates NACA Action Committees (NACs)
Expertise & Services	<ul style="list-style-type: none"> Organize both NACA Members and other community residents from the local community (i.e., precincts) into NACA Action Committees (“NACs”) to address local, regional and national issues and Member concerns. Work with the NACs to assist with meetings, activities, actions, and other activities. Organize members and advocates for to engage in actions and campaigns to address economic justice neighborhood issues. Help members to vote and meet other Member and participation requirements. Contact the Advocacy department at advocacy@naca.com.

MEDIA DEPARTMENT

Staff	Creative Director Graphic Design Professional Video/Multimedia Professional Media Relations Professional
Expertise & Services	<ul style="list-style-type: none"> Responsible for NACA multimedia content creation. Includes: Video Production, Photography, Graphic design, Social Media content, Podcast, Public Relations.

NACA CAREER OPPORTUNITIES

NACA is the largest HUD-approved counseling non-profit organization, offering exceptional nationwide career opportunities in affordable homeownership and advocacy. NACA is an equal opportunity employer and strongly encourages minority applicants and those fluent in Spanish and/or other languages to apply. NACA also encourages candidates with previous non-financial criminal convictions to apply for a second chance. NACA provides extensive training ideal for experienced professionals, newcomers, and those looking to change careers. We seek highly motivated individuals with relevant skills, a strong work ethic, and a commitment to social justice. Join NACA’s dynamic team and make a difference while advancing your career. Apply now to be part of the nation’s most effective housing and advocacy organization. For detailed job openings and to apply online, visit www.naca.com or email questions to jobs@naca.com.



NACA MORTGAGE

NACA'S BEST IN AMERICA MORTGAGE

NACA provides the Best Mortgage in America. To date, lenders have committed over \$20 Billion, including \$15 Billion from Bank of America, to fund the NACA Mortgage on the following extraordinary terms:

NACA'S BEST IN AMERICA MORTGAGE	
No Down Payment	No Fees
No Closing Costs	Below-Market Fixed Rate
No Mortgage Insurance (MI)	Credit Score Not Considered

Since every homebuyer and investor would want to access the NACA Mortgage, it is restricted to low- to moderate-income homebuyers and higher income homebuyers purchasing in a low- to moderate-income area. Thus, individuals whose income falls at or below 120% of the median income of their desired purchase area can purchase anywhere, while those with higher income must purchase a property located in a census tract that is at or below the median income (i.e., 100%) of the area. The NACA Mortgage can be used for a wide range of property types listed below:

PROPERTY TYPE	CONDITION	TRANSACTION TYPE	
Residential	Pre-Existing	Single Family	Modular Home
Mixed-use properties	New Construction	Condominium	Manufactured Home
	Rehab properties	Multi-Family	Coop

NACA has built an unprecedented record of success. Having helped over 75,000 Members fulfill their dreams of homeownership, over 90% of whom are people of color. NACA has achieved an extremely low foreclosure rate of 0.00012 (i.e., about one-hundredth of one percent). This proves that low- to moderate-income individuals and people of color make their monthly mortgage payments and become prime borrowers when given the benefit of a prime rate loan and counseling. NACA has disproven the lending industry's justification for imposing high rates due to perceived "credit risk" by helping countless homebuyers with credit issues realize their dream of owning a home.

NACA MORTGAGE ELIMINATES BARRIERS TO AFFORDABLE HOMEOWNERSHIP

BARRIER: LIMITED SAVINGS

NACA SOLUTION: NO DOWN PAYMENT & NO CLOSING COSTS

The NACA Mortgage addresses the lack of savings barrier by offering no down payment, no closing costs, no mortgage insurance and no fees (fees are paid by the lender). This allows homeownership for working

NACA MORTGAGE

people who may struggle to save money for a down payment and closing costs but are able to meet their monthly mortgage payment and living expenses. Often their monthly mortgage payment can be lower than their rent. The VA mortgage, which also provided no down payment, was the primary financing tool responsible for building America's suburbs after World War II, but racist government and bank policies prevalent at that time excluded African American borrowers.

BARRIER: UNAFFORDABLE TERMS

NACA SOLUTION: BELOW-MARKET FIXED RATE & AGGRESSIVE BUY-DOWN

Standard lending practices favor high-income individuals and/or people from families with a tradition of homeownership by providing them with better access to affordable financing. As a result, low- to moderate-income and minority homebuyers are either excluded from homeownership or subject to predatory terms. NACA addresses this disparity by providing only a below-market fixed rate for a 30-year, 20-year or 15-year term. While other lenders charge different interest rates, Forbes magazine noted that, "there is one exception, NACA, which charges the same rate regardless of the credit score." In addition, NACA offers a unique option to permanently buy down the interest rate to an even lower rate, which is not available with any other lender.

BARRIER: RESTRICTIVE UNDERWRITING BASED ON CREDIT SCORE

NACA SOLUTION: CHARACTER-BASED LENDING WITHOUT CONSIDERATION OF CREDIT SCORE

The Mortgage industry's underwriting is based on the standard risk-based pricing model considering only three factors: down payment, credit score, and debt ratio. These criteria are put into an algorithm that determines whether the Member is approved and provides the corresponding interest rate and terms. The emphasis on the credit score is counter to NACA's underwriting that does not consider one's credit score since those three numbers do not define a person.

NACA's underwriting uses "**Character-Based Lending**" and compensating factors instead. NACA Counselors consider the life realities of Members who do not neatly fit into the standard underwriting criteria utilized by the lending industry. NACA provides comprehensive counseling with full documentation to determine whether a Member is ready for homeownership and can afford the approved monthly mortgage payment over the long term. Members complete realistic and verified budgets using their actual bank transactions to determine how they spend their money and opportunities to improve their financial management. NACA evaluates the Member's payment history as reflected in their comprehensive credit report (i.e., tri-merge report) to evaluate only the payments that the Member controls such as medical expenses. NACA's underwriting overcomes these obstacles since inability to pay off these debts does not demonstrate a lack of readiness for homeownership.

NACA uses the Member's current rent as a realistic benchmark to determine an affordable monthly mortgage payment. If Members wish to qualify for a mortgage payment higher than their current rent, they must save the difference for a period of time "**Payment Shock Savings**" to demonstrate their ability to afford the new monthly payment over the long term. Additionally, NACA assists Members who are unable to meet their desired payment with counseling for as long as it takes to get them financially ready for homeownership including accessing grants and other assistance.

NACA MORTGAGE

BARRIER: RACISM & BIASES

NACA SOLUTION: PRE-APPROVAL & ADVOCACY

The enduring legacy of slavery deeply affects the homebuying process, perpetuating racism and biases that hinder affordable homeownership, especially for African Americans and other people of color. While being open to all, NACA's program predominantly serves historically excluded communities. This commitment to underserved groups was particularly significant in the aftermath of the mortgage crisis, which disproportionately impacted African American homeowners, leading to substantial loss of wealth.

NACA revolutionizes the traditional homebuying process by prioritizing mortgage qualification as the first step. In order to overcome the obstacles of traditional homebuying including racism and biases, NACA qualifies Members for its "Best in America Mortgage" through comprehensive counseling. Once a Member is NACA Qualified (i.e., pre-approved), virtually all applications submitted to the lender successfully close their mortgage, while other lenders reject half of the submitted bank applications. With this rigorous, documentation-based approval in hand, Members become the equivalent of a cash buyer, making them a desired customer for real estate agents, sellers, and lenders.

Although NACA's qualification process and staff may not be able to combat every instance of racism, the organization is committed to mobilizing its membership and taking aggressive actions against discriminatory and predatory entities and practices. With more than three million Members nationwide and the resources to back up our campaigns, NACA is recognized as a major force that is both respected for its homeownership programs and feared by predatory and discriminatory lenders.

NACA'S HOMEOWNERSHIP PROGRAMS

The below programs provide additional options to the NACA Mortgage such as reduced terms with a lower fixed interest rate, unprecedented homeownership opportunities for people with a Section 8/Housing Choice Voucher, and access to city owned properties that address the lack of affordable inventory. NACA is also building affordable homes as part of its newest initiative.

15-YEAR WEALTH BUILDER MORTGAGE

The 15-year Wealth Builder Mortgage empowers Members to become debt free while quickly building wealth through home equity. The 15-year fixed interest rate starts lower than the NACA 30-year fixed rate, between 0.25% and 0.75%. It also offers the best permanent interest rate buy-down, with 1% of the mortgage permanently reducing the interest rate by 0.25%. Although monthly payments are higher, more goes toward the principal, thus reducing the total interest paid to the lender. You can also allocate a greater amount of your gross income, up to 35%, toward your monthly mortgage payment. The 15-year term is the quickest way to build wealth to invest in your next home purchase, children's education, retirement, or other expenses. Eliminating your mortgage debt sooner will leave the next generation with valuable real estate.

20-YEAR RAPID PAYOFF MORTGAGE

NACA's 20-year Rapid Payoff Mortgage offers similar advantages as the 15-year Wealth Builder Mortgage, but with an extraordinary interest rate that is always 0.50% below the NACA 30-year mortgage. It is an ideal option for Members who want to pay off their mortgage faster than the 30-year option while having a

NACA MORTGAGE

lower mortgage payment than the 15-year Wealth Builder mortgage. The interest rate buy-down is not as aggressive as the 15-year mortgage but is still much better than other options available elsewhere.

PURCHASE & REHAB MORTGAGE

Homebuyers can purchase a home and have funds available in a rehab escrow to revitalize properties with necessary repairs after closing. Homeowners unable to live in the property during the renovation do not have to make a mortgage payment for the first six months. NACA's HAND department provides the homeowner with ongoing assistance and coordination during their renovation or new construction. This includes property inspections, repair cost estimates, creating a project budget, identifying and reviewing contractors, contractor disbursements, and more. This allows homebuyers to compete with cash buyers and investors who would either flip the property at a much higher sales price or turn it into a rental property.

HOT-PHA (SECTION 8/HOUSING CHOICE VOUCHER)

The Homeownership Through Public Housing Assistance ("HOT-PHA") program is a transformative opportunity for public housing authority Section 8 or Housing Choice Voucher ("HCV") recipients who aspire to become homeowners. Through this innovative initiative, participants can combine their HCV with all the benefits of NACA's Best in America Mortgage, including a below-market 30- or 20-year mortgage to purchase a home. This is an ideal program to help families transition out of long-term public assistance and into affordable homeownership offering them the opportunity to build generational wealth.

The Payment Standard approved by the PHA, which is currently paid to the landlord, goes to the lender to pay a portion of the participant's monthly mortgage. This enables participants to own their home mortgage debt free in 20 years or less, ensuring long-term financial independence. It is a groundbreaking program that incurs no additional cost to the housing authority or government and enables families to transition from housing assistance to homeownership.

For more information, visit: www.naca.com/the-naca-hot-pha-program.

ONE-DOLLAR PURCHASE PROGRAM

NACA partners with cities to let residents buy vacant houses or lots for one dollar, with financing for renovations or new construction provided through NACA's Best in America Mortgage. The One-Dollar Purchase Program transfers government-owned properties, taken due to tax delinquency or code violations, to residents for affordable homeownership. Properties are for low- to moderate-income buyers and include a 10-year deed restriction or land trust to prevent flipping and maintain affordability. This program boosts city tax bases, reduces crime, and promotes stability and community involvement. Contact your local NACA office to participate in and advocate for this program.

NACA HOMES

NACA has developed a new construction initiative to offer affordable, high-quality factory-built modular homes with the total construction taking less than two months. The NACA Homes are low cost, beautifully designed homes with the best terms in the country. These modular homes are built in a controlled factory environment to state code requirements that far exceed the HUD Code. They are very affordable with the low-cost high-quality factory construction and elimination of excessive developer fees and overhead.

NACA MORTGAGE

The purchase prices range from \$110,000 to \$170,000 with a mortgage payment from \$800 to \$1,300 depending on the property structure and location.

The various NACA home designs blend in with existing communities and include features like porches, nine-foot ceilings, multiple stories, garages, etc. These homes benefit from innovative materials and building techniques, such as modular or panelized construction, and other building types that are tornado and hurricane resistant, and extremely energy efficient (saving 75% - 100% of monthly utility costs). The NACA Home can be built on a lot purchased through the One-Dollar Program or a lot owned or purchased by a Member with a mortgage payment that is likely lower than rent.

HOMEOWNERS – REFINANCE & RENOVATION

Existing low- to moderate-income homeowners can access NACA's Best in America Mortgage to refinance their property, with or without an existing mortgage. This allows access to funds for necessary repairs and renovations. The repairs must address significant issues, such as code, safety, health, and structural concerns. NACA's HAND department offers Members continuous assistance and coordination throughout the mortgage and renovation process including:



FHA & HUD MORTGAGE OPTIONS

As one of the largest HUD-approved counseling intermediaries, NACA works closely with HUD through its Neighborhood Stabilization Corporation subsidiary, including education on home buying and homebuyer programs. HUD's Federal Housing Administration (FHA) is a mortgage insurance program that assists low and moderate income individuals and families in obtaining financing to purchase a home or to refinance an existing mortgage. FHA mortgage insurance allows homebuyers to make a lower down payment. The borrower is required to pay closing costs, discount points, insurance premiums, and other fees. The interest rate, costs, and eligibility vary depending on the lender. An FHA-insured mortgage is provided by a HUD-approved lender, such as a bank, mortgage company, or credit union. NACA strongly encourages researching 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 other lenders. Your NACA Counselor can provide information on these programs.

NACA MORTGAGE

It is essential to note that HUD programs change over time, so it is best to consult HUD's guidelines and materials for details. Comprehensive information concerning HUD programs, including approved lenders, can be found on the HUD website at www.hud.gov or www.espanol.hud.gov. These websites provide comprehensive information about homebuying, homeownership, selling a home, making home improvements, and other housing-related topics in both English and Spanish.

NACA MORTGAGE TERM COMPARISON

NACA 30-year Mortgage compared to the 20-year Rapid Payoff Mortgage and 15-year NACA Wealth Builder Mortgage. The below comparison uses 5.00% for a 30-year term, 4.50% for a 20-year term and 4.25% for a 15-year with a \$200,000 mortgage (loan amount).

	MORTGAGE 30-YEAR	RAPID PAYOFF 20-YEAR	WEALTH BUILDER 15-YEAR
Fixed Rate	5.00%	4.5%	4.25%
Loan Amount	\$200,000	\$200,000	\$200,000
P+I Payment	\$1,074	\$1,265	\$1,505
IN 15 YEARS			
	MORTGAGE 30-YEAR	RAPID PAYOFF 20-YEAR	WEALTH BUILDER 15-YEAR
Interest Paid	\$129,024	\$95,623	\$70,820
Principal Paid	\$64,232	\$132,130	\$200,000
Equity Percentage	32%	66%	100%
Remaining Years	15	5	0
Loan Balance	\$135,768	\$67,870	\$0
Principal & Interest	\$193,256	\$75,918	\$0

NACA INTEREST RATE

NACA'S BELOW-MARKET FIXED INTEREST RATES

NACA's mission prioritizes helping low- to moderate-income Members, as well as those purchasing in low- to moderate-income communities. These Members receive a one percent (1%) reduction in interest rate from the below-market NACA fixed interest rate ("Priority Interest Rate"). Members with a higher income who do not meet the income criteria and who do not purchase in a Priority Area, still benefit from a below-market interest rate, no down payment, no closing costs, no mortgage insurance, no fees, and flexible underwriting without consideration of one's credit score.

PRIORITY RATE ELIGIBILITY

- Members with combined income on the application equal to or below 100% of an MSA receive the Priority Interest Rate (i.e., 1% reduction).
- Census tracts where the median family income is equal to or less than 80% of the median income of the MSA ("Priority Area").

PURCHASE AREAS & INTEREST RATE

The chart below outlines the purchase areas and interest rate for low- to moderate-income and Higher Income Members.

MEMBER'S INCOME (\$)	PURCHASE AREA	INTEREST RATE
Member's income equal to or below 100% of the MSA median income.	Member can purchase anywhere in the MSA.	1% reduction to NACA's Below-Market Fixed Rate.
Member's income greater than 100% and equal or below 120% of the MSA median income.	Census tract with family median equal to or below 80% of the MSA median income.	1% reduction to NACA's Below-Market Fixed Rate.
Member's income greater than 100% and equal or below 120% of the MSA median income.	Census tract with family median income greater than 80% and equal or below 100% of the MSA median income.	Below-Market Fixed Rate.
Member's income greater than 120% of the MSA median income.	Census tract with family median income equal to or below 80% of the MSA median income.	1% reduction to NACA's Below-Market Fixed Rate.
Member's income greater than 120% of the MSA median income.	Census tract with family median income higher than 80% and equal or below 100%.	Below-Market Fixed Rate.

NACA INTEREST RATE

INTEREST RATE BUY-DOWN & PRINCIPAL REDUCTION

The NACA Interest Rate Buy-Down (or NACA Buy-Down) can have a significant impact on your finances. Buying down your rate can help you afford a higher purchase price and/or reduce your monthly mortgage payment, effectively increasing your purchasing power. This is a significant advantage, especially for Members who have or can obtain additional funds.

One discount point is equal to one percent of the mortgage (loan) amount. The interest rate reduction for each discount point paid is significantly greater than what is typically available in the market. The NACA program even enables you to reduce the interest rate more than other programs.

- **30-year NACA Mortgage:** One-and-a-half discount points permanently reduces the interest rate by one-quarter of one percent (0.25%) for the life of the mortgage.
- **20-year Rapid Payoff Mortgage:** One-and-a-half discount points permanently reduce the interest rate by one-quarter of one percent (0.25%) for the life of the mortgage.
- **15-year Wealth Builder Mortgage:** One discount point permanently reduces the interest rate by one-quarter of one percent (0.25%) for the life of the mortgage.

The NACA Buy-Down option is exclusive to the NACA Mortgage. This option is only accessible when submitting your bank loan application and cannot be obtained after closing on your loan. You can use funds from your savings, grants, contributions from the seller, and/or a gift from family members and others who do not require repayment.

Seller contributions for the NACA Buy-Down are limited to 10% of the contracted sale price. Seller concessions above 10% can go toward a post close repair escrow. You cannot finance the NACA Buy-Down with an increased purchase price. If the seller contribution exceeds 6%, a risk review may be initiated by the participating lender to verify that the NACA Buy-Down was not financed as part of a higher sales price. Please note that the NACA Buy-Down is limited by current regulations and subject to change.

Grants may be obtained for both the interest rate buy-down and/or principal reduction. Most grants are funded by the federal government and occasionally supplemented by state and local municipalities. Cities and municipalities are responsible for administering and providing these grants. The funding provided ranges from \$5,000 to over \$50,000 and sometimes much more per buyer, which can cover principal reduction and the NACA Buy-Down. These funds are typically most effective when used to buy down the interest rate permanently from NACA's already below-market fixed rate. To access these funds, you need to contact your state, county, or city officials to get them to work with the NACA Mortgage. NACA can assist you in obtaining access to government funds.

Information You Should Consider Before Buying-Down Interest Rate

There are several ways you can use available funds. You may choose to keep them as savings or use them to lower the loan amount, which is also known as principal reduction. Another option is to use the funds as discount points to permanently decrease your interest rate. Alternatively, you could allocate the funds toward necessary repairs in a rehab project. The information below is critical to aid you with your decision and ensure that it aligns with your unique circumstances.

NACA INTEREST RATE

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 for unexpected expenses or emergencies. Failure to retain sufficient funds could leave you unable to pay for your living expenses, debts, mortgage, or an emergency.

NACA BUY-DOWN VS. PRINCIPAL REDUCTION	
PROS	CONS
<p>Lower Payment: The NACA Buy-Down will reduce the amount of the monthly mortgage payment, about two times more than using the same funds for principal reduction.</p>	<p>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.</p>
<p>Higher Equity in Your Home During Later Years: Your initial loan balance will not decrease, but your loan balance will be lower and your equity higher in later years if you do not need to refinance or sell your home during the early years of your loan.</p>	<p>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.</p>

Example of Interest Rate Buy-Down vs. Principal Reduction

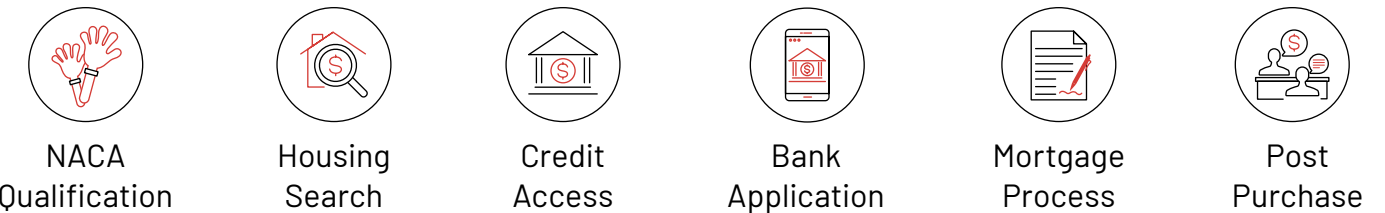
The example uses a 5% 30-year fixed rate with a \$200,000 mortgage with a mortgage payment (principal, interest, and estimated taxes and insurance) of \$1,374. It compares using \$9,000 for either the NACA Buy-Down or principal reduction. The NACA Buy-Down would reduce your monthly mortgage payment by \$41 or approximately 4% a month. It is important to note that the longer you have the mortgage, the greater the benefit of the NACA Buy-Down. In the below comparison, about \$24,000 in interest payments would be saved over the full 30-year NACA Mortgage term.

Interest Rate Buy Down:
$\$200,000 \times 1.50\%$ Price per point = \$3,000
$\$9,000 / \$3,000 = 3$
0.25% reduced rate per point $\times 3 = 0.75\%$
5.00% starting rate $- 0.75\% = 4.25\%$ final interest rate
$\$200,000$ Mortgage Amount at 4.25% for 30 Years = \$984 principal and interest payment
Principal Reduction:
$\$200,000 - \$9,000 = \$191,000$ Mortgage Amount
$\$191,000$ Mortgage Amount at 5% final rate = \$1,025

MEMBER PORTAL

The NACA Member Portal is crucial throughout your homebuying process and after closing. You are responsible for providing your information, uploading your documents, and addressing your action items through the Member Portal, which puts you in control of the process. This allows your Counselor to focus on providing financial management and other counseling.

Each Member you add to your file, using the same NACA ID, receives an email with instructions to activate their Member Portal Account, allowing them to log in with their unique email address and password. The Member Portal is tailored to your specific situation, requiring information and documents based on your type of income and other individual circumstances. The Member Portal will require different information for each stage of the homebuying process:



The Member Portal streamlines the homebuying process for you, allowing you to see your status, complete action items, enter information, upload documents, and much more. It is your secure central hub which allows you to do the most crucial parts of the application process, such as:

ACCESS FUNDS DATA

Link your bank accounts through the Mastercard Open Banking system at no cost to you. You can provide NACA with the last 24-months of your transactions from all your accounts, including your credit cards, allowing you and your NACA Counselor to improve your financial management and budgeting.

ACCESS CREDIT DATA

Link your credit and debt data at a very low cost per Member and provide explanations for each late payment within the past 24 months.

ENTER INFORMATION

Provide information for all Members, making your best efforts to provide complete and accurate information. If you knowingly provide false information, you will be excluded from NACA counseling and removed from the program.

UPLOAD DOCUMENTS

You can upload documents from your desktop or mobile device and review them at any time. To upload a document you should:

- Make sure the document you want to upload is on the device being used. You may also use your device's camera or a scanning app to take a photo of the document you want to upload.
- Review the document before uploading. Make sure it is the correct document being requested. If it is illegible, blurry, or otherwise unclear, you should delete the file and scan the document again.
- Complete the necessary data entry, which may be different for each document.
- Click the Submit button when all required form fields are completed to submit the document and information.

MEMBER PORTAL

USE ELECTRONIC SIGNATURES

You must electronically sign the NACA Agreement.

MAKE PAYMENTS

You can pay for your Membership Fee and credit reports with your credit card, debit card, or ACH transfer. The Membership Fee is an annual payment for the household and can be paid up to one year in advance. If you are returning to NACA after a significant period of time, you are required to pay for the current year and the previous year. Each Member must order their individual credit report (one per Member). Your NACA Counselor can order addition ones once the payment has been made.

ADDRESSING ACTION ITEMS

The Member Portal system or your NACA Counselor may require you to complete certain tasks called Action Items. Usually, an Action Item will ask for updated information and documentation.

SCHEDULING APPOINTMENTS

You can schedule a counseling appointment at any time once you have signed the NACA Agreement, paid your Membership fee and registered to vote if eligible. While not required, you should make your best efforts to complete all the pre-counseling sections in the Member Portal prior to your counseling session. Completed sections have a green check (✓) next to them. You should be able to get an in-person or video appointment in less than two weeks. If no appointments are available, you want an earlier appointment, or there are no suitable times available, you can put your name on the waiting list, which will likely get you a counseling appointment within days.

You can access the Member Portal using your computer, tablet, or smartphone, or use the computers at a local NACA office (Kiosks) with staff assistance. To check your progress, review the menu on the left side of the screen, which shows all completed and pending items. Every section must be completed to move forward, unless marked as "optional." A green check mark will appear next to a section once you have completed it. The sections do not have to be completed in any specific order.

RECEIVING SUPPORT WITH USING THE MEMBER PORTAL

Using the Member Portal is a required part of participating in the NACA Program with each Member being comfortable with using it. We are committed to helping everyone who requires assistance by offering several support tools for navigating the Member Portal. If you experience technical difficulties or have any questions, you can receive support in the following ways:

- Register and attend the Member Portal webinar presented every Monday and Wednesday, from 6:00 p.m. – 7:00 p.m. EST and Saturday 1:00 p.m. – 2:00 p.m. at www.naca.com/live-webinars.
- Email NACA at services@naca.com.
- Call the national call queue at **(425) 602-6222**, Mon – Fri 8:30 a.m. – 5:30 p.m. EST, CST, MST, and PST.
- Go to a NACA office to work on the Member Portal from a NACA kiosk with assistance from staff.

QUALIFICATION PROCESS

NACA is a champion of the ongoing struggle to reverse this country's history of exclusion from affordable homeownership for those subjected to systemic racism. NACA's Purchase Program offers a solution to the major barriers in the housing market that cause historically low homeownership rates especially for low- to moderate-income individuals and people of color. NACA's solution incorporates NACA's transformative mortgage product, comprehensive housing counseling services, and character-based underwriting.



NACA's purchase program sets the national standard for providing the most effective affordable homeownership program particularly for those who would otherwise be prevented from obtaining an affordable mortgage and accumulating wealth. NACA provides access to the Best Mortgage in America as described in detail later. NACA is the alternative to the bad actors and exploitative practices rampant in the real estate and mortgage industries, which particularly target low- to moderate-income and people of color.

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



NACA has several tools to assist you throughout the qualification process in addition to the Member Portal. As a NACA Member, at no cost to you, you can access your bank account and credit card data through Finicity (a MasterCard subsidiary). This is absolutely secure providing you and your counselor with real-time data on all your transactions. It eliminates bank statements and is used by the lender to underwrite your loan.

The foundation of the NACA program is the comprehensive one-on-one counseling offered by NACA's Counselors. NACA is the largest HUD-approved non-profit housing counseling organization, providing between 20% and 30% of all housing counseling in the country. All NACA Counselors are HUD certified. NACA Counselors and other staff come from the same backgrounds and circumstances of the Members.

QUALIFICATION PROCESS

Their commitment and personal connection to our Members ensures that they are treated with respect and fairness throughout the process making the home purchase a positive life-changing experience.

Your NACA Counselor is the primary point of contact throughout your homebuying process working with you to determine your readiness for homeownership, maximum affordability and devise strategies to overcome a wide range of financial hurdles. S/he works with you to become a homeowner and/or improve your financial management. This includes addressing your individual circumstances, including your explanations of late payments, without consideration of your credit score. While NACA recognizes that many Members come to NACA with credit issues, no one is turned away because of late payments, bankruptcies, foreclosures, or no credit— as long as you are committed to overcoming these roadblocks. Your NACA Counselor will work with you for as long as it takes to overcome these obstacles and purchase a home, and NACA will continue to support you as a homeowner for as long as you have your NACA Mortgage.

NACA QUALIFICATION

You must have the following to begin the NACA Qualification process:

- At least one open and active bank account.
- Access to the internet to use the Member Portal at www.naca.com.
- An email address that you check on a regular basis.
- A stable job and/or other regular and reliable income.
- The dedication to understand and manage your finances to achieve homeownership.
- The desire to support and participate in NACA's overall mission of achieving economic justice.

NACA Qualification is required to access the NACA Mortgage. Your NACA Counselor will guide you through this process. The NACA Qualification is comprised of four stages which are described in detail in this Qualification Workbook:

- 1. ELIGIBILITY:**
Meeting NACA Membership requirements including the voting and participation requirement.
- 2. HOMEOWNERSHIP READY:**
Addressing late payments and demonstrating stable income.
- 3. MINIMUM REQUIRED FUNDS:**
Having the minimum required funds.
- 4. MORTGAGE PAYMENT AFFORDABILITY:**
Determining a maximum affordable monthly mortgage payment with a homeownership budget that accurately reflects your ability to afford this payment.

You must complete the NACA housing counseling program and become NACA Qualified before you are eligible to apply for the NACA Mortgage. If you have signed a contract committing to a property prior to becoming NACA Qualified, you will unlikely be able to meet the time deadline for closing. You may need to delay the closing to complete the NACA qualification requirements or terminate the purchase contract.

QUALIFICATION PROCESS

Use the information in the following sections of this workbook as your guide to become NACA Qualified. Your NACA Counselor is always able to assist if necessary. This information, with supporting documentation, is used by your NACA Counselor for you to be NACA Qualified. This is equivalent to being pre-approved for the NACA Mortgage and likely other mortgage products which you should compare to the NACA Mortgage. NACA Qualification can take approximately three months for most Members who actively participate in the program. It may take less time for Members who fully utilize the Member Portal and address Action Items quickly. It may take more time for those Members with significant financial issues, or Members who are not ready to commit to purchasing a home right away. Whatever your pace, your NACA Counselor is here to support you.

NACA's counseling is based on a thorough analysis of your financial situation to determine whether you are ready for homeownership, and what you need to do to get there if you are not. Your NACA 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. Options to increase your affordable mortgage payment will be provided by your NACA Counselor.

At your Intake session, your NACA Counselor will review all qualification requirements with you, including income, debts, assets, rental history, payment history, and more. Your NACA Counselor will help you improve your financial management by developing a Homeownership Budget based on your current budget, which is critical to determining an affordable monthly mortgage payment. Your Intake session is not complete until all stages are addressed and an Action Plan including Action Items for NACA Qualification is reviewed with your Counselor. These Action Items should be attended to as quickly as possible. Once completed, schedule a follow-up session in the Member Portal or by contacting your Counselor directly to continue the process of becoming NACA Qualified.



ELIGIBILITY CRITERIA

NACA's eligibility requirements are necessary to achieve our mission of neighborhood stabilization and economic justice for people and people of color. Members must abide by the below eligibility items throughout the homebuying process which NACA may revise in its sole discretion.

MEMBERS MUST OCCUPY THE HOME FOR AS LONG AS THEY HAVE THE NACA MORTGAGE

Owner-occupied housing is fundamental to NACA's mission of stabilizing communities. You must reside in the home you purchased through the NACA Program for as long as you have a mortgage obtained through the NACA Program. If you violate this requirement by not living in the home while still having a NACA Mortgage, NACA reserves the right to demand a payment of \$25,000 and foreclose on your property in violation of the NACA Membership Agreement without written authorization from NACA at its sole discretion. While you can sell or refinance your property at any time, NACA strongly encourages neighborhood stabilization through long-term homeownership. Thus, if you sell your home for a profit within five (5) years from your NACA Mortgage closing, you must remit to NACA a Neighborhood Stabilization Payment ("NSP"). The NSP is initially \$25,000 and then is reduced by \$5,000 after each full year you have the NACA Mortgage. A refinance occurring during this five-year period requires the then applicable NSP.

NACA enforces the owner-occupancy, NSP and other requirements with a lien. If you decide to sell or refinance the home, you will need to contact NACA (releases@naca.com) to obtain a release of the lien. NACA will provide this free of charge if you have complied with all NACA requirements. Your ability to obtain a second mortgage may be limited since it requires NACA to subordinate its lien to the second mortgage. NACA, in its sole discretion, may or may not agree to do so, depending on your reason and the impact the new loan payment will have on your affordability. These serious actions and remedies are in place to prevent misuse of the NACA Mortgage. 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 other properties while continuing to live in the house purchased with a NACA Mortgage.

NO MEMBER OF THE HOUSEHOLD CAN HAVE AN OWNERSHIP INTEREST IN ANY OTHER PROPERTY

NACA's Purchase Program is based on owner-occupied housing and not for investors owning multiple properties. While the NACA Mortgage is not limited to first-time homebuyers, no Member in the NACA purchase process can own or hold an interest in any other property at the time of closing. Property ownership excludes land, time share, inherited property without a mortgage, a mobile home titled as a personal property rather than real estate, or properties in another country without a mortgage. If you currently own a home, you must have an executed Purchase & Sale contract to sell prior to submitting a mortgage application through NACA. You must complete the sale of your existing home prior to the closing on the NACA Mortgage. However, after you close on your NACA Mortgage, you can purchase other property so long as you continue to live in the property that has the NACA Mortgage.

INCOME AND AREA LIMITATIONS

NACA's mission prioritizes helping Members, as well as those purchasing in low- to moderate-income communities.

Low- To Moderate-Income Members

LMI Members are Members whose combined income is equal to or less than one hundred and twenty percent of the median family income (i.e., 120%) for the Metropolitan Statistical Area (MSA) where they

ELIGIBILITY CRITERIA

are purchasing a property. An MSA, as defined by the US Census, is a large geographical region with high population density named after a major metropolitan area. LMI Members can purchase a property anywhere in the MSA. Since NACA's purchase program is nationwide serving all MSAs, each with different median incomes, you could be a LMI Member in one MSA, but not in another.

To find your MSA's median income, visit www.ffiec.gov/Medianincome.htm

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

Higher-Income Members

Members who have a total combined application income exceeding 120% of the MSA median income can access the NACA Mortgage; however, they must purchase in a census with a median income 100% or below of the median income of the MSA. A census tract is defined as neighborhoods with a population of 2,500 to 8,000. To find out which MSA and census tract a property is in, go to www.geomap.ffiec.gov/ffiecgeomap <https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx>

- Type the property address in the address bar and click search.
- Click the Census Demographic Data button on the left.
- The sixth box down in the grid, labeled Tract Median Family Income %, gives the percentage of the median income. Anything below 80 is a Priority Area. Between 80 and 100 is an Eligible Area. The third box down, labeled FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income, is the median income for the MSA.
- If the address is not found, check the box on the left labeled User Select Tract and place the dot where the house is on the map. This may require the use of Google Maps, zoom in and out to find the right place to drop the dot on the FFIEC map.

OTHER ELIGIBILITY CRITERIA

You must also adhere to the below eligibility requirements which NACA may change or add to its sole discretion.

- You are a NACA Member in good standing including payment of your Membership Dues.
- You adhere to NACA's policies and procedures.
- You provide NACA with complete and truthful information.
- You provide all the documents and information NACA requires for all Members in the purchase process.
- You read, understand, sign, and adhere to the NACA Membership Agreement which includes participation in support of NACA's mission, authorizations, disclosures, releases, and privacy statements. This includes your acknowledgement 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.
- You accept the terms of the Rehab Agreement for a Rehab Escrow with the completed scope of work.

PROHIBITIONS

Contact NACA immediately at services@naca.com if any of the below has occurred.

- You paid a fee to be referred to or participate in NACA's program. NACA services must remain FREE!
- You were referred to a real estate agent by a NACA employee.
- You work(ed) with a prohibited real estate broker/agent or purchased a property from a prohibited seller.

HOMEOWNERSHIP READY

Readiness for homeownership is determined by responsibility in making payments and stable income. To make this determination, you and your NACA Counselor will review your history of paying your debts in a timely manner and your source(s) of income. Your NACA Counselor will work with you, as needed, to improve your financial management including making on-time payments.

PAYMENT HISTORY

- There is no consideration given to your credit score.
- A reasonable on-time payment history over the past 24 months is required, with a focus on the most recent 12 months.
- Late payments that are out of your control or those that are predatory are not considered.
- Timely rental payments are the most significant indicator of your ability to make mortgage payments on time.

NACA determines your readiness for homeownership through a detailed analysis of your payment history, taking into account explanations for any late payments. NACA does not consider a lack of payment history as a problem if there is documentation of on-time rental payments.

NO CONSIDERATION OF CREDIT SCORE

Unlike many other lenders who rely heavily on credit scores to decide mortgage eligibility and terms, NACA's approach considers the individual circumstances behind overdue payments, which can be a result of factors beyond your reasonable control. NACA believes that credit scores, those three numbers, do not reflect your readiness or commitment to stable homeownership.

RENTAL PAYMENTS

Rental payments are the most important indicator of your ability to make future mortgage payments on time. One fundamental principle of the NACA program is that you can pay the same amount or less for a mortgage than you are currently paying in rent with on-time rental payments.

You must provide documentation of on-time rental payments for the last 12 months. Your NACA Counselor will require verification of your timely rental payment history, so it is best to pay your rent by check or electronic bank transfer and be consistent with your payment method. This ensures that rent withdrawals are accurately identified in your bank data/statements without the need to obtain verification from your landlord. All we would need is your lease agreement. If necessary, your current landlord can verify your rental payments by completing a NACA Rental Verification Form sent directly from NACA to your landlord. Alternatively, you can provide NACA with other documentation for proof of payment, such as a copy of money orders with a matching bank statement withdrawal. Note that if you are related to your landlord or plan to purchase the house you currently live in, you must provide bank data/statements demonstrating on-time rental payments for the most recent 12 months.

If you have a legitimate dispute with your landlord and are not paying rent as a result, you must explain how the rent payments were managed and provide documentation of the dispute and your efforts to resolve it. NACA does not provide legal advice for lease disputes, thus it is recommended to seek counsel from an attorney specializing in landlord/tenant law. Your NACA Counselor can refer you to low-cost or free legal aid options needed.

HOMEOWNERSHIP READY

PAYMENT HISTORY

An on-time payment is defined as a payment made within 30 days of the due date or that does not incur late fees or negative repercussions when paid late. NACA retrieves credit reports for all Members over 21 who will live in the home to review their payment history for all debts. For NACA to retrieve the report, all Members must provide a photo ID and electronically sign an authorization form.

Preparation for homeownership should involve maintaining current payments before coming to NACA. Consistent on-time payments across all accounts are important throughout counseling and up until mortgage closing. Recent late payments must be explained by submitting a reasonable explanation, detailing what circumstances caused the late payment, how it was resolved, and giving assurances against recurrence for consideration. Members are responsible for any late payments on co-signed accounts. You can use alternative forms of credit to demonstrate that you pay your obligations on time, such as utilities, phone, cable, internet, and car insurance.

The following serious financial difficulties require additional evidence of on-time payments:

- Mortgage loss due to foreclosure, short sale, or deed in lieu of foreclosure.
- Bankruptcy – Chapter 7 (Chapter 13 discharged does not require an additional waiting period).

If either 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. Documentation may include a credit letter, pay ledger, or recent bill showing payments made as agreed.

LATE PAYMENT EXPLANATIONS

Your NACA Counselor requires a written explanation for any late payment within the past 24 months, regardless of the account's current status. The explanation should detail the reason for the late payment, how it was addressed or resolved, and why it is unlikely to recur. Providing a vague reason like, "will correct payment problem" is unacceptable. An accurate and detailed explanation is required for any late payment, whether there is a good reason for the late payment or not. Your Counselor will evaluate whether the late payment was due to the circumstance beyond your reasonable control. Examples include:

Unaffordable Medical Bills: Late medical bills are more a reflection of our dysfunctional medical system than of your readiness for homeownership, since your ability to pay should not be a consideration when obtaining necessary medical care.

Divorce: Divorce can be challenging, especially when you have to rely on the cooperation of someone unwilling to work with you.

Timing: You made the payment on time, but it was not received due to delivery or administrative issues.

Predatory or Problematic Account: The terms were problematic, the product was defective, or the services were not provided as agreed.

Mistaken Identity: The payment obligation and any late payments were mistakenly connected to you.

HOMEOWNERSHIP READY

You should not be penalized for incorrect information in your credit report. Studies show that 40% or more of the information in a credit report can contain inaccuracies. Identify any errors with the credit reporting agency by submitting a dispute letter with supporting documentation. Inform your NACA Counselor of the situation and provide the resolution once available, unless the updated information is already on your credit report. Credit reporting agencies are required to correct errors, but it takes time. You will need proof of the resolution through an updated credit report, receipt, bank data/statement, a letter from the creditor, or other documentation.

INCOME

- Steady income over the past 24 months is required.
- A variety of income sources are acceptable, provided the income is considered stable: wages, self-employment income, alimony, Social Security, pension, child support, and other documented income.

Income evaluation is based on documented stable income that is likely to continue. It is essential to have one or more reliable sources of income before committing to long-term monthly mortgage payments.

WAGE INCOME

You must document your wage income to prove its continuity. Sources include salary, hourly wages, overtime, bonuses, and commissions. Consistent income for at least two years is typically required, but an exception can be made by your NACA Counselor if you have at least one year of stable income and can show that you spent the previous year advancing your career or improving your skills in other ways. Frequent job changes are acceptable; many low- to moderate-income workers change jobs frequently due to the nature of their work or attempts to improve their situation. However, any gaps in income of 30 days or more will be assessed for impact on income stability.

SELF-EMPLOYED INCOME

Self-employment income is calculated using the average of your tax returns for the past two years and the most recent 12 months' cash flow as appropriate. To determine your cash flow, you must provide bank data/statements for the most recent 12 months identifying business deposits and expenses. You must have two years of consistent self-employment income.

OTHER INCOME

You may also use other income and benefits such as child support, alimony, social security, pension, annuities, retirement, housing allowance, Section 8 voucher (also known as the Housing Choice Voucher), etc. It is essential to document these sources of income with receipts of payment and proof of continuity for upcoming years. You must also provide relevant documentation such as award letters, court orders, and income verification forms to support your claim.

MINIMUM REQUIRED FUNDS

Even though the NACA Mortgage does not require funds for a down payment, closing costs or fees, there are still certain out of pocket costs you will incur when purchasing a property. The Minimum Required Funds (MRF) are funds you must have available to pay these costs, including pre-paid expenses at closing and a reserve for one to six months of mortgage payments dependent on the type of property, type of income or amount of Payment Shock. The MRF for the NACA Mortgage is much lower than any other mortgage, which means the need to save these funds will likely not prevent you from becoming a homeowner.

- Earnest money for a deposit on a property (credited back at closing).
- Inspection fee used to identify any property issues and repair costs.
- Pre-paid taxes on the property.
- Pre-paid insurance on the property.
- Per Diem Interest from the day of closing until the end of the month.
- Homeowners Association (HOA) fees. (if applicable)
- Reserves: Funds available once you close on the property.

Property acquisition costs include earnest money deposit, inspection, and evaluation fees. Earnest money is often required by the seller as a deposit to hold the property until inspections are completed and the loan application is approved. It is applied toward pre-paid expenses, any NACA Buy-Down or principal reduction, or otherwise returned upon closing. Inspection and evaluation fees, such as property and termite inspections, electrical, plumbing, or structural system assessments, are paid upfront so the overall property condition can be evaluated. These fees are non-refundable, even if you choose not to purchase or cannot close on the property.

Pre-paid expenses are one-time payments for future costs, like the homeowner's insurance premium for the first year, mortgage interest from closing to month-end, pre-paid property taxes, and pre-paid insurance. These funds are required at closing by the lender and held in an escrow account and pays them for you. Your future monthly mortgage payments will include amounts for property taxes and homeowner's insurance which may change over time. You may receive credit for overpayments or owe more if there are insufficient funds. Funds to close may also include HOA initiation fees, flood insurance, or other property-specific costs. Review your Purchase and Sales contract thoroughly to understand all your payment obligations.

RESERVE REQUIREMENTS

NACA requires reserves based on the following:

PAYMENT SHOCK:

- One month mortgage payment if Payment Shock is less than \$300.
- Two months of mortgage payments if Payment Shock is greater than \$300.

SELF-EMPLOYED INDIVIDUALS:

- Three months of mortgage payments.

MULTI-FAMILY PROPERTY PURCHASE:

- Four months of mortgage payments for a duplex.
- Five months of mortgage payments for a three-family home.
- Six months of mortgage payments for a four-family home.

MINIMUM REQUIRED FUNDS

The mortgage reserves must be documented in your bank account(s) prior to closing and cannot be used for a NACA Buy-down or principal reduction. Funds saved as part of your Payment Shock can also be used for your reserves. While the reserves can be used for any purpose after closing, they primarily ensure you have funds available for essential household items like furniture and appliances, as well as deposits for utilities and other needs.

Reserves can also help cover your monthly mortgage payments and protect against setbacks like income loss or unexpected expenses. Financial experts recommend maintaining a dedicated savings account with at least six months' worth of mortgage payments. For multi-family homes, additional reserves above the minimum are advised to handle vacancies or tenant non-payment. Effective saving requires a financial plan with specific, measurable, and achievable goals. Building savings prepares you for various challenges that can include any of the following: major home repairs, tenant issues, family emergencies, unexpected taxes, major medical expenses, job loss, separation or divorce, disability, or increased property expenses. The budget worksheet can help you achieve these goals.

Funds for the MRF can be in any of the following types of accounts: checking, savings, CDs, or money market accounts. These funds must be liquid and readily available in your bank account(s) at the time of NACA Qualification. You must disclose the source of any non-payroll or irregular deposits being used. The MRF can include gifts or one-time deposits as long as they are not from a borrowed source or part of the purchase transaction. Documentation may be required to verify their source. For accounts like savings clubs, you must document the amount and your ability to access it. If you keep cash, it is strongly recommended to deposit the funds into your bank accounts early in the process.

It is important to document other assets you intend to use for the MRF, reserves, and/or the NACA Buy-Down or principal reduction. These funds must be deposited into your bank account before the NACA Credit Access review, and remain there throughout the bank application and closing process:

- **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 and additional documentation from the donor are required if used for the earnest money deposit or provided late in the process. Gifted funds from a non-relative will need to be explained in writing.

HOW MUCH MONEY WILL YOU NEED TO BUY A HOME?

The analysis below is based on a \$200,000 purchase price for a single-family home, one-month reserve 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 an increased sales price and interest rate. The total funds required will vary depending on whether you purchase a single or multi-family home, the area's property taxes, homeowner's insurance, and the day of the month you close. If you use the NACA Buy-Down or principal reduction 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.

MINIMUM REQUIRED FUNDS

	TRADITIONAL MORTGAGE (Assumes 5% Down)	NACA MORTGAGE (No Down payment)
PRE-MORTGAGE APPLICATION		
Offer (Earnest Money Deposit) ¹	\$2,000	\$2,000
Home Inspection	\$600	\$600
Your Attorney	\$0	\$0
Credit Report ²	\$45	\$0
MORTGAGE APPLICATION		
Application Fee	\$250	\$0
Appraisal	\$450	\$0
COSTS AT CLOSING		
Down Payment (\$200,000 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
PRE-PAID (ESCROWS)		
Mortgage Insurance (2 Months)	\$300	\$0
Homeowner's Insurance (2 Months)	\$200	\$200
Real Estate Taxes (2-12 Months)	\$500	\$500
Prepaid Mortgage Interest (Closing on 15 th of the Month)	\$329	\$329
One-Month PITI in reserve (PSS Less than \$300) ³	\$0	\$1,305
Interest Rate Buy Down (Optional)		
TOTAL COSTS (MINIMUM REQUIRED FUNDS)⁴	\$19,769	\$5,134

1. The earnest money deposit is applied to the pre-paids. The amount significantly increases for multi-family homes.
2. Your payment for the credit reports, which is at a discounted rate, is refunded by the lender at closing.
3. The reserves remain with the Member. NACA verifies the that reserves are available to ensure there are sufficient funds after closing.
4. Total Costs exclude the Offer (earnest money deposit).

MORTGAGE PAYMENT

Members work with their NACA Counselor to determine an affordable monthly mortgage payment. This process requires obtaining and reviewing information about every Member and dependent who will live in the purchased home, regardless of whether they are on the mortgage. This is essential because every member of the household affects the overall household financial situation and ability to make monthly mortgage payments on time.

The monthly mortgage payment determines the total mortgage amount you can afford, which includes the purchase price plus any rehab escrow. It is imperative that you purchase a home you will be happy with for years to come. Even the most beautiful house can become a nightmare if you are unable to afford the monthly mortgage payment. Owning a home should not be a burden that requires sacrifices like reducing your standard of living. You should also not feel pressured to purchase a house you are not happy with simply because it is all you can currently afford. NACA will work with you for as long as it takes to find the right home with a monthly mortgage payment that is truly affordable over the long-term.

It is essential to calculate an affordable mortgage payment that leaves enough funds for other monthly expenses, as well as savings for home maintenance and other needs. This payment is commonly known as PITI (Principal, Interest, Taxes, and Insurance) in the mortgage industry. The PITI is comprised of four components: the principal balance of the mortgage (i.e., the amount you borrow); the interest charged for the loan (i.e., the amount you pay for borrowing); monthly escrow payments for property taxes; and insurance premiums. While mortgage insurance premiums are customary in the industry, they are not necessary for NACA Mortgages. Additionally, it is important to consider other expenses that come with owning a property, such as homeowner's association fees and flood insurance coverage.

The process of determining an affordable monthly mortgage payment starts with your current rental payment, or with no base if you are not paying rent. Your NACA Counselor will review and evaluate your savings pattern documented by your bank data or bank statements to support a mortgage payment greater than your current rent. Your affordable mortgage payment consists of your affordable rent plus regular savings pattern (known as Payment Shock) without exceeding the maximum Housing Ratio or Debt Ratio.

PAYMENT SHOCK

This section demonstrates how to qualify for a monthly mortgage payment that exceeds your current affordable rent, allowing you to purchase a higher-priced home. NACA's calculation of your affordable monthly mortgage payment is based on your rent. Your history of affordable rent payments proves your ability to make a housing payment, reflecting a balanced budget between housing and other needs. Nevertheless, if your current rent is unaffordable or is causing financial strain, NACA will use a reduced amount that you can afford over the long-term.

A mortgage payment greater than your rent requires you to demonstrate your ability to save the amount equal to the difference between your current affordable rent and your desired affordable monthly mortgage payment. This is called the Payment Shock, the shock experienced when your payment is suddenly more than what you are accustomed to paying for rent. It is crucial to document your ability to save the Payment Shock since it reduces available funds for other expenses. A lack of preparation for a higher housing payment is one major cause of financial difficulty that can lead to foreclosure.

MORTGAGE PAYMENT

Remember: Projected income cannot be included to demonstrate the affordability for your new house payment (e.g., you cannot rely on anticipated future raises or higher income job offers to afford a higher mortgage payment).

YOUR PAYMENT SHOCK CALCULATION:

- Desired Mortgage Payment (may not exceed debt or housing ratio limitation) \$ _____
- Less: Current Rent _____ minus \$ _____
- Equals: Required Monthly Savings: \$ _____

The Payment Shock amount calculated above must be saved every month until you close to show that you can reliably afford your monthly mortgage payment for the entire term (i.e., the next 15, 20, or 30 years). You can get a good sense of life without the use of these funds after three to six months of successfully saving your Payment Shock. You must determine whether you are comfortable allocating this amount toward your mortgage payment indefinitely, without sacrificing your desired lifestyle. Your Payment Shock savings pattern should result in an increase in your overall bank accounts or other funds accounts, and not be the result of moving funds from one account to another. Your total savings balance must grow each month by, at a minimum, the Payment Shock amount. It can also be reflected in your assets, including stocks and other funds. We will also check to ensure that the balance on your credit cards has not increased and that you have not taken out any new loans. An increase of savings in your account(s) with a corresponding increase in credit card balances indicates that your savings were borrowed.

PAYMENT SHOCK EXAMPLE

If your current monthly rent is \$700, but you want a monthly mortgage payment of \$1,200 (as long as it adheres to the maximum Housing and Debt Ratios), you would need to save an extra \$500 each month to demonstrate your ability to afford the higher payment. You must save this amount every month for a minimum of three months before being NACA Qualified, with these monthly Payment Shock savings maintained each month through closing. This is comparable to your landlord suddenly increasing your monthly rent by \$500, while also imposing responsibility for all property maintenance and repairs on you. If you do not have a recent history of rent payments, your overall funds must increase by the total desired monthly mortgage payment (i.e., 100% Payment Shock) over a period of six months prior to gaining NACA Qualification and through closing.

You should also make adjustments for one-time deposits and/or expenses. Since the Payment Shock savings need to reflect a regular pattern of savings you should include an adjustment for any lump sum activity in your accounts. These include any irregular withdrawals and/or deposits that are not reflective of your regular savings pattern or expenses. Each one-time deposit and/or expense requires a written explanation accompanied by any supporting documents in the Savings Pattern section of the Member Portal.

ONE-TIME DEPOSITS

These deposits are one-time events (e.g., tax refunds, gifts) and should be excluded from your calculation to reduce your Payment Shock, accurately reflecting your regular savings pattern. Without these deposits, you would not have saved as much during that month. They can be used for Minimum Required Funds (MRF) and/or buy-down funds if not borrowed. The one-time deposits would also indicate if you are maintaining

MORTGAGE PAYMENT

an unaffordable lifestyle, such as profits from the sale of a previous home, a loan, an insurance settlement, or a lump sum retirement, which would be unavailable with just your regular income.

ONE-TIME WITHDRAWALS

These withdrawals result from one-time circumstances (e.g., paying off debts). Excluding them from your calculation increases your Payment Shock, reflecting your true savings pattern. Without these unusual expenses, you could have saved the money for your mortgage payment. Documentation may be required if the bank data/bank statement does not show the payment.

You may decide that a higher monthly mortgage payment is not worth the sacrifice. While failure to save the agreed Payment Shock amount each month may limit your purchase options, you can use the NACA Buy-Down option and/or grants to increase your mortgage amount without raising your monthly payment.

BANK DATA/STATEMENTS

You must have at least one bank account. It is most effective to provide access to your bank data through the Member Portal eliminating the need for bank statements. We strongly recommend that you authorize NACA to access your bank data electronically through MasterCard. At no cost to you, NACA can provide you and your NACA Counselor access to your bank data and all transactions. It is more effective and secure since it is through MasterCard and cannot be manipulated or have issues associated with a bank statement. Also, NACA uses this bank data to determine your Payment Shock savings pattern and NACA Qualification, and the lender uses this for underwriting your mortgage. Authorizing linked accounts through MasterCard makes your qualification process more efficient. If you require use of your bank statements, there are additional steps and increased processing times. We must have at least the past three months of statements for all open accounts with all pages, even those that are blank, which must be updated throughout the homebuying process. Bank statements must be legible. Do not cross out any sections, write over the printed information, or use a highlighter. Additional bank statements may be required to verify your information.

The transactions identified through accessing your bank data must be identified as to the type of transaction. This categorization is for both income and expenses. This is important in identifying how you spend your money and where you can reduce expenses. It is the most effective way to improve your financial management. As opposed to estimating how you spend your money, you can see your actual expenditures and income and make appropriate on non-essential expenses. Most importantly, you can review your monthly savings pattern in the Member Portal. You can update your bank data throughout the process to evaluate changes in your financial situation.

DEBTS

1. Charge-off accounts do not have to be paid off. This rule does not apply to federal debt, student loans, taxes and child support.
2. Collections that occurred within the past 24 months need to be paid off or must be in an approved payment plan with at least three payments made. Medical collections are exempt, regardless of when the debt was incurred.
3. Liens and Judgments need to be resolved and documented as released from court or must be in an approved payment plan if your state allows it.

MORTGAGE PAYMENT

4. All current debts are included in the affordability analysis and Debt Ratio calculations. This includes an estimated payment for student loans in deferment or forbearance.

The lower your monthly debts, the greater potential for a higher Mortgage Payment. Debts are defined as your current obligations as well as any obligations that become payable in the future, such as student loans in deferment. **You must disclose all debts**, including those that do not appear on your credit report, such as new car loans, tax debts, child support, or debts in someone else's name. Furthermore, you must provide the latest monthly statement for any new credit line that does not appear on your credit report. All credit report inquiries within the past 90 days must be explained in writing, specifying the reason for the inquiry, whether new credit was obtained, or to verify that no additional debt has been incurred.

NACA needs to determine your total monthly ongoing debt payment obligations to evaluate your debt load. High debt payments can limit your ability to afford a monthly mortgage payment, which limits the amount you can borrow for a mortgage and the price range of the house you can purchase. If you believe that a debt listed on your credit report is incorrect in any way, you will need to provide supporting documentation.

There are four types of debts that must be addressed:

- **Installment Debt:** Debt with fixed monthly payments and an ending date (e.g., auto loans, student loans, personal loans, child support, etc.)
- **Revolving Debt:** Debt with variable balances, and thus variable monthly payments (e.g., credit cards).
- **Collections:** Debts that a creditor has categorized as non-payment (usually between three and six months of delinquency).
- **Liens and Judgments:** Debts a creditor has recorded with the courts.

COLLECTIONS

You want to resolve collections before purchasing a home is necessary, especially if they might lead to garnishments. You do not want old debts to resurface and cause additional financial burdens. Debts can lead to wage garnishments that reduce your net income and hinder your ability to pay your mortgage. Any collection within the most recent past 24 months must be resolved in one of the following three ways:

- Paid to a zero balance prior to NACA Qualification.
- Documented settlement for less than the outstanding balance.
- Incorporated into an approved payment plan with at least three months of documented payments.

Collections older than 24 months rarely need to be paid off unless they involve federal accounts or child support. Usually, an explanation letter that addresses the current balance will suffice. Collection agencies often buy old debts at a discount and use aggressive collection tactics, like adding fees and placing liens on a new home. You and your NACA Counselor should assess the likelihood of these debts being reinstated and decide whether to pay them off in full or arrange a payment plan. Negotiating a settlement for less than the total amount due is often possible, as creditors will often accept 40% or less of the total amount due. Delinquent child support payments must be made current or documented as paid in full. Child support arrears in an approved payment plan require 12 months of on-time payments.

LIENS & JUDGMENTS

Liens and judgments must be paid in full and documented as satisfied and released, requiring proof from

MORTGAGE PAYMENT

the court or documentation of an approved payment plan. Examples include defaulted child support, back taxes, and student loans. Even if you have legitimate grievances, you may need to arrange payments to avoid future actions by the creditor or courts. Some states do not allow mortgage loans to close when liens or judgments are not paid in full.

STUDENT DEBTS

Your NACA Counselor will help determine your monthly student loan payment. You can use the student loan payment on your credit report if it is accurate, or if there is a discrepancy you must provide proof of the actual payment. Once your student loans are out of deferment or forbearance, the loan servicer must provide a statement with the loan account numbers and fixed payment amount. Please note that the payment included in the affordability and ratio calculations cannot be a forbearance payment or an initial payment in a graduated payment plan. Accepted repayment plans include: approved income driven repayment plans (e.g. Income Based, Pay as You Earn, etc.), standard payments, extended fixed payments, and the largest payment amount for graduated payment plans. Income driven repayment plans are often the lowest payment option, calculated by taking 10% to 15% of your discretionary income.

For additional information visit: <https://studentaid.gov/manage-loans/repayment/plans/income-driven>.

Do not be discouraged if your federal student loans are in default, multiple options can help you resolve this. First, determine who owns or services your loan at www.studentaid.gov (this site does not include private loan information). Private student loans are classified as installment debt and are not subject to federal guarantee, limitations, or benefits. Second, consider the following payment options:

- Repay in full.
- Negotiate a settlement for a lower amount (typically requires a lump sum payment).
- Rehabilitate the loan.
- Consolidate the loan.

If you decide loan rehabilitation is your best option, contact the Department of Education or the collection agency servicing your loan. More information is available at: www.studentaid.gov/loan-simulator. Once your loan is rehabilitated, the default status will be removed and you will regain eligibility for benefits like deferment, forbearance, various repayment plans, and loan forgiveness. You will also be eligible for additional federal student aid. Credit bureaus will be instructed to remove the record of default from your credit history for the rehabilitated loan, however, late payments recorded before the default may remain.

Another option is a direct consolidation loan. To remove your federal student loan from default through a direct consolidation loan, you must either: 1) agree to repay under an income-based repayment plan or 2) voluntarily make three consecutive, on-time full payments on the defaulted loan before consolidation. Once consolidated, you regain eligibility for benefits like deferment, forbearance, and loan forgiveness, as well as additional student aid. Please note that this program does not remove the default from your credit history. When consolidating with a private lender you forfeit the benefits of a federally backed student loan, including the income-based repayment plan. For more information, visit www.studentaid.gov or contact the Loan Consolidation Information [Call Center at 1-800-557-7392](tel:1-800-557-7392).

MORTGAGE PAYMENT

LIMITING FACTORS

In the mortgage industry, two metrics are used to limit the monthly mortgage payments in relation to your personal finances: the Housing Ratio and the Debt Ratio. These ensure that your monthly mortgage payment does not consume an excessively high percentage of your income, reducing your standard of living and leaving insufficient savings for other living and emergency expenses.

HOUSING RATIO

Your Housing-to-Income Ratio (Housing Ratio) is calculated by dividing your monthly mortgage payment by your gross monthly income. Research shows that your affordable mortgage payment, including principal, interest, taxes, insurance, and HOA fees, should be no more than 33% of your gross income. This ensures that at least two-thirds, and ideally more, of your income remains for other living expenses. A high Housing Ratio indicates a high mortgage payment, which can limit funds for necessities, a comfortable lifestyle, helping family members, or handling other financial difficulties, leaving you house-rich but cash-poor.

Remember that the Housing Ratio calculation uses gross income, which is the income before taxes and other deductions are taken away. A 33% Housing Ratio usually translates to over 45% of your net income, the actual amount you take home after taxes, going toward your monthly mortgage payment. This leaves less than 55% of your remaining income to cover all other monthly expenses, which may include car and credit card payments, student loans, food, clothing, healthcare, retirement savings, etc. To reduce your Housing Ratio, you need to increase your gross income and/or reduce your mortgage payment.

Exceptions: Your maximum Housing Ratio may be increased to 35% of your gross income if you have a history of paying rent on time, your rent amount already exceeds 35% of your gross income, and you have not increased your liabilities or depleted your savings. Conversely, your maximum Housing Ratio may be less than 33% of your gross income if your other debts (e.g., car loans, student loans, credit card debt, etc.) are so high that when combined with your monthly mortgage payment, the total exceeds 40% of your gross income. The 15-year Wealth Builder Mortgage also allows a Housing Ratio up to 35%.

DEBT RATIO

Your total Debt-to-Income Ratio (Debt Ratio) is calculated by combining your monthly mortgage payment plus other monthly required debt payments and dividing by your gross income. The required debt payments used for this ratio include the mortgage payment, car loans, credit card debt, student loans, child support, etc. It does not include monthly living expenses such as food, clothing, entertainment, gas, utilities and other expenses. This Debt Ratio cannot exceed 40% of your gross income. This maximum equals about 60% of your net take home pay going toward your monthly mortgage payment and other debts, leaving you with 40% of your income to cover left for monthly living expenses. The ratio can be increased to 43% in certain documented circumstances, such as high rent, purchasing in a high-cost markets and other situations. To reduce your Debt Ratio, you need to increase your gross income and/or reduce your debts.

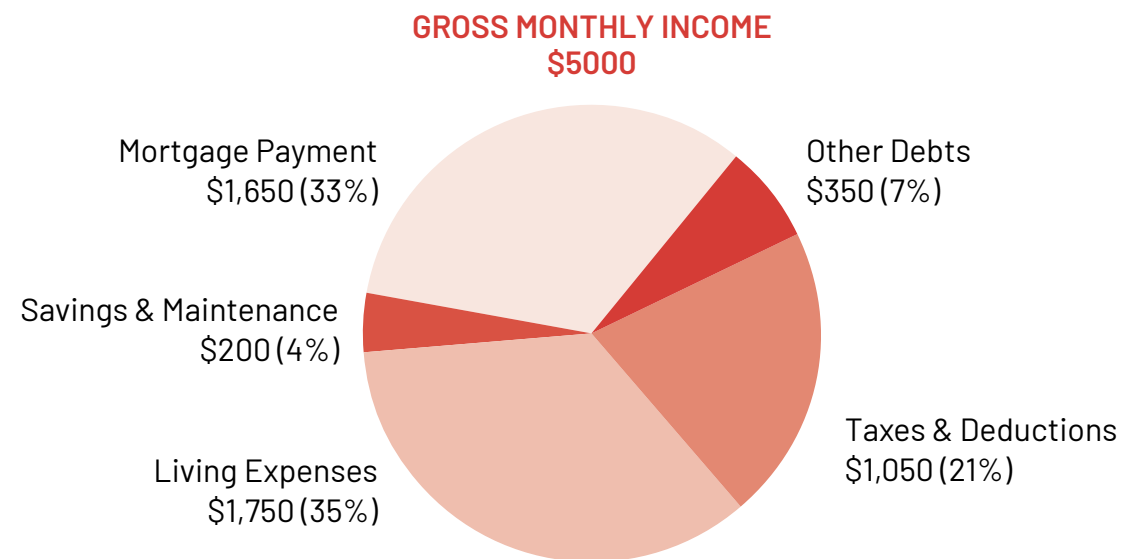
MORTGAGE PAYMENT

RATIOS AS LIMITING FACTORS EXAMPLE:

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

- Monthly Mortgage Payment: 33% of gross income (\$1,650).
- Other Debts: 7% of gross income (\$350).
- Taxes & Deductions (e.g., health, benefits, etc.): 21% of gross income (\$1,050).
- Savings, Repairs, & Maintenance: \$200 to cover emergencies, home repairs, and maintenance.
- Living Expenses (food, clothing, utilities, healthcare, transportation, etc.): 35% of gross income (\$1,750).

This demonstrates that using the maximum amount for your monthly mortgage payment (33%) leaves much less for living expenses and other spending. It also shows that high non-mortgage debt reduces funds available for your monthly mortgage payments. HUD recommends a monthly mortgage payment of no more than 31% of your gross income, and total debt obligations of less than 40% of your gross income. Therefore, you should make every effort to adhere to these guidelines.



MORTGAGE PAYMENT

MAXIMUM MORTGAGE PAYMENT ASSESSMENT			
ROW	FINANCIAL ASSESSMENT	INCOME, PSS & MRF EXAMPLE	MEMBER'S INFO
1	GROSS MONTHLY INCOME		
2	Number of adults earning income residing in your future household.	2 Adult Incomes	
3	Individual 1: Monthly Gross W-2 Income	\$15hr x 40 hrs per week x 52wks ÷12 months = \$2,600	
4	Individual 2: Monthly Gross W-2 Income:	\$36,000 annual ÷12 months = \$3,000	
	Other Monthly Gross W-2 Income:	\$0	
5	Self-Employed Income	\$0	
6	TOTAL GROSS MONTHLY INCOME:	\$5,600	
7	MONTHLY DEBT PAYMENT	\$500	
8	CURRENT MONTHLY RENT:	\$1,200	
LIMITING FACTORS			
9	• Housing Ratio (Maximum 33% Gross Income):	\$5,600 (Gross Monthly Income x .33) = \$1,848	
10	• Debt Ratio (Maximum 40% Gross Income):	\$5,600 (Gross Monthly Income x .40) - \$500 (monthly debts) = \$1,740	
MAXIMUM MORTGAGE PAYMENT			
11	Maximum Payment: No Payment Shock Lowest of: Rent (Row 8), Housing Ratio (Row 9), or Debt Ratio (Row 10)	\$1,200	
12	Maximum Payment Shock Deduct current rent (Row 8) from the lower of the Housing Ratio (Row 9) or Debt Ratio (Row 10).	\$1,740 (debt ratio) - \$1,200 (current rent) = \$540	
13	Payment Shock Savings ("PSS") Amount you saved each month for at least three months demonstrating your ability and willingness to afford the higher mortgage payment.	\$540	
14	Maximum Payment: Payment Shock Lowest of: Rent (Row 8) + PSS (Row 13) Limited to lower (Housing Ratio - Row 9) or (Debt Ratio - Row 10)	\$1,200 + \$540 = \$1,740	

CURRENT BUDGET

Your Current Monthly Household Budget is a limiting factor in determining your affordable monthly mortgage payment and an important tool in improving your financial management. We have included an example of the monthly budget form, which has two columns: Frequency - to determine the frequency of the specific income or expense; and Monthly Amount - to determine the total income or expense per month. This form, which you may want to make copies for additional months, can help you complete the Current Budget in the Member Portal. You should complete the Current Budget in the Member Portal prior to scheduling your Intake counseling session.

Your Current Budget should include the income and expenses of all the Members to reflect the household's complete pattern of reliable monthly income, debt payments, and ordinary expenses. It provides a realistic evaluation of whether your household can save on a regular basis. Keep in mind that Members who are not on the mortgage can also affect your ability to afford a house based on their debt and income. You want to avoid any unpleasant surprises when your monthly mortgage payment is due, so be conservative with your estimates. Using the actual amounts from the bank data or shown on your bank, credit card, and other statements will result in the most accurate representation of your current financial situation. All reliable sources of consistent household income and expenses must be included to determine the true cash flow.

During the counseling sessions, you will work with your NACA Counselor to complete a Homeownership Budget. This budget will consist of estimates for your future home, taking into account the current income and expenses for each Member of the household as well as future homeownership expenses.

CURRENT BUDGET ANALYSIS

Experts say most people do not know where 20% of their income is spent. A monthly household budget is crucial for better financial management, as it can reveal the true extent of your income and expenditures and whether you are living beyond your means. Following your NACA Counselor's advice is crucial to improving your finances in preparation for affordable homeownership. You and your NACA Counselor must get a thorough understanding of your cash flow, including your reliable, consistent income and costs. Fixed costs include expenses such as rent, utilities, food, debt payments, transportation, childcare, education, etc. While the goal may be to reduce some of these costs, many are under contract and have minimum payments that will not change anytime soon. Elective expenses include money spent on things beyond basic needs, like clothes, eating out, coffee, hair, nails, cable TV, entertainment, etc. These are the expenses you should consider reducing if you are willing and able.

A change in your budget must be indicated in your bank data credit card balances as an increase in savings or accelerated debt reduction. For example, maintaining a high credit card balance while only making the minimum monthly payment is extremely expensive and reflects poor financial management. In this case, it is likely that your finances are stretched too thin. The minimum payment, which is likely to have an extremely high interest rate, is typically only two to four percent of the outstanding balance and it could take many years to pay off the complete outstanding balance in its entirety.

Your NACA Counselor will work with you to improve your financial management. You can determine how changes in household expenses and casual spending affect your finances by using the knowledge gained from the monthly budget exercise. Separating necessities from wants enables you to decide which

CURRENT BUDGET

non-necessities can be eliminated to afford a house. You will likely need several months to determine if changing your spending habits is a realistic way to meet your targeted Monthly Savings Commitment. Use this time to determine if you and the other Members in your household are comfortable with the permanent spending reduction necessary to afford a monthly mortgage payment higher than the current rent. The actual numbers on the budget may surprise you compared to the estimate in your head. The monthly budget exercise helps with:

- Better management of expenses.
- Increase savings potential.
- Reality check - what you believe your expenses are compared to your actual expenses as reflected in your bank accounts, credit card statements, and other payments.

After completing your budget, you and the other Members in your household must answer 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?
- Am I/are we able to save money?
- Can I/we make the necessary changes to meet the desired monthly mortgage payment?

MONTHLY AVAILABLE SAVINGS

The Monthly Available Savings is the amount that remains after deducting the total payments for liabilities, rent, and household expenses from the total net income. Your bank account(s) should reflect a monthly increase if your Monthly Available Savings are positive. This also 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. If your Monthly Available Savings are negative, it means that your bank account(s) will reflect a deficit and/or your credit card(s) will show an overall balance increase. This indicates that the household may be living beyond its means by relying on credit or savings. In this case, the affordable monthly mortgage payment will likely be an amount lower than your current rent.

MONTHLY SAVINGS COMMITMENT

The Monthly Savings Commitment are funds you will need as a homeowner to cover unexpected expenses. You must add at least \$200 to your total expenses to account for unexpected or one-time expenses for a single-family home, and \$400 for a multi-family property. Your Monthly Savings Commitment, which can be used for your Minimum Required Funds and Payment Shock, needs to be deposited into a Household Savings Account without any overall reduction in the balance in your other accounts (i.e., you need to increase your savings, not just move money between accounts). You should not withdraw any funds from your Household Savings account during the homebuying process except for home purchase costs (e.g., escrow, inspections, etc.).

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

CURRENT BUDGET

MONTHLY CURRENT BUDGET FORM					
MONTH COMPLETED:			YEAR:		
Total number of people intending to live in your future home:					
Members are identified by their number in the below budget:					
M1:		M2:			
M3:		M4:			
Dependents:					
1.		2.			
3.		4.			
CURRENT BUDGET					
INCOME AND EXPENSE TYPE			FREQUENCY (monthly or other)	MONTHLY AMOUNT	
GROSS INCOME					
M1: \$	M2: \$	M3: \$	M4: \$		
NET INCOME (TAKE-HOME INCOME)					
M1: \$	M2: \$	M3: \$	M4: \$		
Job 1 (W2 Income)					
M1: \$	M2: \$	M3: \$	M4: \$		
Job 2 (W2 Income)					
M1: \$	M2: \$	M3: \$	M4: \$		
Self-Employment Income					
M1: \$	M2: \$	M3: \$	M4: \$		
Other Income					
M1: \$	M2: \$	M3: \$	M4: \$		
TOTAL HOUSEHOLD NET INCOME					

CURRENT BUDGET

DEBT PAYMENTS				FREQUENCY (monthly or other)	MONTHLY AMOUNT
Credit Cards					
M1: \$	M2: \$	M3: \$	M4: \$		
Car Loans					
M1: \$	M2: \$	M3: \$	M4: \$		
Student Loans					
M1: \$	M2: \$	M3: \$	M4: \$		
Federal & State Tax Payments					
M1: \$	M2: \$	M3: \$	M4: \$		
Child Support/Alimony Payments					
M1: \$	M2: \$	M3: \$	M4: \$		
Timeshares & Other Properties					
M1: \$	M2: \$	M3: \$	M4: \$		
Payday Loans					
M1: \$	M2: \$	M3: \$	M4: \$		
Buy Now & Pay Later					
M1: \$	M2: \$	M3: \$	M4: \$		
Personal Loans					
M1: \$	M2: \$	M3: \$	M4: \$		
Other Household Loans (Eg: Personal Loan, Other Debt)					
M1: \$	M2: \$	M3: \$	M4: \$		
TOTAL DEBT PAYMENTS					
HOUSEHOLD EXPENSES				FREQUENCY (monthly or other)	MONTHLY AMOUNT
Rent Payment					
Mortgage Payment (Including Taxes, Insurance, and PMI)					
Homeowner Association Fees					
Repairs/Improvements					
Home Cleaning					
Household Supplies					
Renter/Homeowner Insurance					

CURRENT BUDGET

Yard Maintenance		
Security System		
Appliances Warranty		
Storage		
Other Housing Expenses		
TOTAL HOUSING EXPENSES		
UTILITY EXPENSES	FREQUENCY (monthly or other)	MONTHLY AMOUNT
Electricity		
Heat & Gas		
Waste Disposal		
Water/Sewer		
Solar Energy		
Other Utilities		
TOTAL UTILITY EXPENSES		
COMMUNICATION EXPENSES	FREQUENCY (monthly or other)	MONTHLY AMOUNT
Internet Phone		
Mobile/Home Phone		
TV/Cable Services		
Other Communication Expenses		
TOTAL COMMUNICATION EXPENSES		
FOOD & BEVERAGE EXPENSES	FREQUENCY (monthly or other)	MONTHLY AMOUNT
Groceries		
Take Out/Delivery		
Meals Out (eg: Restaurant, Cafe, Bar)		
Coffee/Snacks		
Alcohol		
Tobacco /E-Cigarettes/Recreational Substances		
Other Food & Beverage Expenses		
TOTAL FOOD & BEVERAGE EXPENSES		

CURRENT BUDGET

TRANSPORTATION EXPENSES	FREQUENCY (monthly or other)	MONTHLY AMOUNT
Car Maintenance/Repairs		
Fuel		
Tolls/Parking		
Public Transportation		
Taxi/Ride Share		
Car Insurance		
Excise Tax		
Vehicle Registration		
Vehicle Warranty		
Other Transportation Expenses		
TOTAL TRANSPORTATION EXPENSES		
HEALTHCARE EXPENSES	FREQUENCY (monthly or other)	MONTHLY AMOUNT
Prescription/Medication		
Doctor/Hospital Bills		
Copays & Deductibles		
Gym Membership & other Fitness		
Supplements/Vitamins		
Eyecare/Glasses/Contacts		
Dental/Braces		
Therapy Services		
Insurance - Medical/Dental/Visiion		
Insurance - Life/Disability		
Other Healthcare Expenses		
TOTAL HEALTHCARE EXPENSES		
CHILD EXPENSES	FREQUENCY (monthly or other)	MONTHLY AMOUNT
Tuition		
Daycare/Babysitter		
Clothing		
Lunches		

CURRENT BUDGET

School Supplies/Books		
After-School/Extracurricular Activities		
Lessons/Tutoring		
Allowance/Toys		
Dorm Room/Meals		
Camp		
Other Child Expenses		
TOTAL CHILD EXPENSES		
EDUCATION EXPENSES (ADULTS)	FREQUENCY <small>(monthly or other)</small>	MONTHLY AMOUNT
Tuition		
School Supplies/Books		
Other Education		
TOTAL EDUCATION EXPENSES (ADULTS)		
PET CARE EXPENSES	FREQUENCY <small>(monthly or other)</small>	MONTHLY AMOUNT
Pet Food/Supplies		
Veterinarian		
Pet Daycare		
Grooming		
Pet Insurance		
Other Pet Care		
TOTAL PET CARE EXPENSES		
ENTERTAINMENT EXPENSES	FREQUENCY <small>(monthly or other)</small>	MONTHLY AMOUNT
Movies/Concerts/Shows		
Sporting Events		
Hobbies		
Gambling/Lottery Tickets		
Sport Expenses		
Hunting/Fishing/Camping		
Magazines/Books/Newspapers		

CURRENT BUDGET

Other		
TOTAL ENTERTAINMENT EXPENSES		
APPEARANCE/CLOTHING EXPENSES	FREQUENCY <small>(monthly or other)</small>	MONTHLY AMOUNT
Clothing/Shoes		
Accessories		
Haircare		
Manicure/Pedicure/Lashes		
Personal Care Products		
Dry Cleaning/Laundromat		
Other Appearance/Clothing Expenses		
TOTAL APPEARANCE/CLOTHING EXPENSES		
TRAVEL EXPENSES	FREQUENCY <small>(monthly or other)</small>	MONTHLY AMOUNT
Airline/Train Tickets		
Vacations		
Other Travel Expenses		
TOTAL TRAVEL EXPENSES		
SUBSCRIPTIONS/MEMBERSHIP EXPENSES	FREQUENCY <small>(monthly or other)</small>	MONTHLY AMOUNT
Streaming Subscriptions (e.g., Netflix, Hulu, HBO)		
Retail/Shopping		
Membership & Organization Dues		
Gaming/Magazines//Newspapers		
Credit Monitoring		
Delivery Service		
Cloud Storage		
Apps		
Other Subscriptions/Membership Expenses		
TOTAL SUBSCRIPTIONS/MEMBERSHIP EXPENSES		

CURRENT BUDGET

GIFT/CHARITY EXPENSES		FREQUENCY (monthly or other)	MONTHLY AMOUNT
Gifts to Family/Friends (e.g., Birthdays, Holidays)			
Charitable Donations			
Tithes			
Other Gifts/Charity Expenses			
TOTAL GIFT/CHARITY EXPENSES			
FINANCIAL FEES		FREQUENCY (monthly or other)	MONTHLY AMOUNT
Banking Fees			
Overdraft Fees			
International Transfer Fees			
Check Cashing Fees			
Convenience Fees			
Other Financial Fees			
TOTAL FINANCIAL FEES			
MISCELLANEOUS EXPENSES (IF NOT LISTED ABOVE)		FREQUENCY (monthly or other)	MONTHLY AMOUNT
1.	2.		
TOTAL MISCELLANEOUS EXPENSES			
TOTAL HOUSEHOLD EXPENSES			
MONTHLY BUDGET CALCULATION		FREQUENCY (monthly or other)	MONTHLY AMOUNT
Total Household Net Income			
Less			
Total Household Debt Payments			
Total Housing Expenses			
Total Household Expenses			
MONTHLY AVAILABLE SAVINGS			
MONTHLY SAVINGS COMMITMENT			

INTAKE COUNSELING SESSION

Your next step after attending the Homebuyer Workshop, you can start completing the required information in the NACA Member Portal.

You can access the Member Portal through the NACA website at www.naca.com (click on Sign-In and select Member Portal Login) or directly at portal.naca.com. To register your account, you need the unique 5-digit workshop code which your presenter will provide at the end of the in-person workshop. For the self-paced Homebuyer Workshop, the code is in the instructions after successfully completing the workshop.

Once registered, you will receive your NACA ID, and you can log into the Member Portal using the email address and password you registered with to begin your home purchase journey. Verify that you can begin building your file in the Member Portal before you leave the Homebuyer Workshop, or immediately after completing the self-paced online workshop. If you have difficulty registering or accessing the Member Portal, contact Member Services at [\(425\) 602-6222](tel:4256026222) or email services@naca.com.

LOGGING IN FOR THE FIRST TIME

To access the Member Portal, you will be prompted to complete the following three steps:

- 1. Agree to the Terms of the NACA Agreement.**
- 2. Pay the Annual NACA Membership Dues:**
The membership dues are per household per year, pro-rated based on the month you joined. You can make payment by credit card, debit card, and by bank transfer using your account number and the bank's routing number.
- 3. Be a Registered Voter.**
NACA Membership eligibility requires you to vote in a local or national election each year, if eligible.
 - You are a registered voter confirmed by our records with the following information:**
 - Name:
 - Address:

If any of this information needs updating, please contact the Secretary of State office in your state through www.vote.gov.
 - You are a registered voter but it does not show in our records:**
Provide your Voter ID Number or upload your voter registration card.
 - You are not a registered voter and not eligible to vote:**
Complete the form confirming your ineligibility.
 - You are not yet registered:**
Visit www.vote.gov to register, then provide one of the following:
 - Enter your Voter ID Number.
 - Upload verification of registration (e.g., voter card, application, screenshot of registration, or other verification of registration).

INTAKE COUNSELING SESSION

SCHEDULING YOUR INTAKE SESSION

Once you have access to the Member Portal, you can schedule an Intake appointment by:

- Logging into the Member Portal and clicking **“Schedule appointment”**.
- Calling the main NACA number at **(425) 602-6222**.

You can choose either an in-person appointment at your local NACA office, or a video counseling session. If you are flexible with your time, you will be able to get a counseling appointment within a few weeks. You can also put your name on the waiting list for an earlier appointment or a more suitable time, often within days.

PREPARING FOR YOUR INTAKE SESSION

You should start your NACA qualification process as soon as possible through the NACA Member Portal by entering the required information and documents, and by linking your credit information and bank data. Preparing for your Intake session, while not difficult, requires a significant amount of work. Your preparation demonstrates your resolve to buy a home and is essential for an effective and comprehensive counseling session.

The Member Portal allows you to provide all required information and upload the necessary documentation based on your individual circumstances. Your Intake counseling session will be most effective if you complete as many sections in the Member Portal as possible beforehand. Outstanding items are identified in the Action Items sections and completed sections will show a green check (✓). The more effort you put in, the more effective the counseling session and the faster the process. You are in control of the timeline to homeownership.

If you would like to learn more about how the NACA Member Portal works, you can attend a Member Portal webinar every Monday and Wednesday from 6:00 p.m.- 7:00 p.m. EST and Saturday from 1:00 p.m.- 2:00 p.m. EST. You can also go to a NACA office to access a computer or scanner (i.e., NACA Kiosk) Monday – Friday from 8:30 a.m. to 5:30 p.m. local time and receive assistance from a NACA staff person.

MAKE YOUR BEST EFFORTS TO COMPLETE THE FOLLOWING TASKS PRIOR TO YOUR INTAKE SESSION:

ACTION ITEMS

All outstanding items you need to complete for NACA Qualification are listed here. The Action Items may be automatically generated, or requested by your NACA Counselor.

MEMBER INFORMATION

Input information for each adult Member 21 years or older who will be living in your future home. Each Member needs a dedicated email address so they can access the Member Portal separately. You can obtain an email for free from many different email providers.

CREDIT DATA

Members are responsible for the cost of accessing their credit data which can be paid by any Member of

INTAKE COUNSELING SESSION

the household. This is necessary prior to addressing the below payment history and debts sections. Your NACA Counselor may request that you pay for additional credit data requests as time progresses.

LINK FINANCIAL ACCOUNTS

Each member should link their bank account data through the MasterCard Open Banking system. This eliminates the need for bank or credit card statements. There is no cost for this service.

TRANSACTION TYPE

Categorize the transactions from your linked financial data. This includes identifying one-time income and expenses. Self-employed Members must also identify business deposits and expenses for the most recent 12 months of transactions.

RENTAL HISTORY

Enter at least two years of residential history for each Member.

LATE PAYMENT EXPLANATIONS

From your credit data, you can see your late payments over the past 24 months and provide explanations for each one.

DEBTS

Shows your active debts from your credit data. You can manually add additional debts that are not shown. You can also change the debt types that are not correct.

INCOME

Enter your income information and provide the following documentation.

W-2 Based Employment Income:

- Paystubs from the most recent 30-days with year-to-date income.
- W-2 forms from all employers over the past two years.

1099 Self-Employment Income:

- 1099 from the past two-years.

Corporate Self-Employment Income:

- Corporate Tax Returns for the past two years.

Alimony or Child Support:

- Court order and verification of receipt from the last 12-months.

Other Income (e.g. social security, disability, etc.):

- Award letter or other applicable documentation.

ADDITIONAL FUNDS ACCOUNTS

For any open funds accounts which do not link automatically, you must upload at least 3 months of bank statements (12 months for self-employed members).

TAXES

The previous two years of tax returns with all schedules, as well as the transcripts.

Call **(800) 829-1040** or visit **www.IRS.gov** to order transcripts.

INTAKE COUNSELING SESSION

PARTICIPATION

Select the participation activities you will complete this year. Each participation will have points associated with it. Your household needs to reach at least 20 points each year.

BUDGET

Complete your current budget. If you categorize your expenses and income in the Transaction Type section, the budget will be generated automatically. If done accurately, it will show whether you have a deficit and are living beyond your means, or a surplus which you are able to put away in savings each month.

CONFIRMING YOUR INTAKE SESSION

To verify your appointment, you must respond to one of the counseling appointment confirmation emails typically sent ten and five days prior to your session or confirm by logging into the Member Portal. If you do not confirm at least three days before your appointment, it may be canceled and given to another member on the waiting list.

Please arrive at least 10 minutes before your in-person appointment, or be ready and at your computer for a video counseling session. Preferably all Members of the household attend, although this is not required. Be prepared for your first appointment to last up to two hours. Children are welcome but may become bored quickly. If you are running late, please call or email or call your NACA Counselor or the local office to notify them. *If you need to reschedule, we need at least 24 hours in advance notice to accommodate another Member from the waitlist.* No-shows who fail to provide proper notice may be blocked from future participation in the NACA program.

Rest assured, your NACA Counselor is an experienced professional who can help streamline the process and relieve any anxieties that may arise. If you heed their guidance, the outcome will be exceptional!

Contact Member Services at services@naca.com or (425) 602-6222 if needed.

**THANK YOU FOR JOINING THE NACA FAMILY,
WE ARE EXCITED TO GUIDE YOU ON YOUR JOURNEY TO AFFORDABLE HOMEOWNERSHIP!**



TEN STEPS TO HOMEOWNERSHIP

- 1**  **NACA HOMEBUYER WORKSHOP:** You will learn about the NACA program, accessing NACA's comprehensive counseling, and how to become NACA Qualified for the NACA Mortgage and potentially other mortgage products at this free workshop.
- 2**  **MEMBER PORTAL:** The Member Portal is your go-to place throughout the purchase process. Input your information and upload your documentation prior to your Intake Session. You need to complete all the sections in the Portal prior to making an Intake appointment. Utilize the portal to review and complete the Action Items and take the next steps towards homeownership.
- 3**  **NACA QUALIFICATION:** NACA Qualification is required to access the NACA Mortgage. To be qualified, your NACA Counselor reviews your payment history and income stability to determine if you are ready for homeownership and any next steps. They will also determine an affordable mortgage payment.
- 4**  **PURCHASE WORKSHOP & HOUSE SEARCH:** You will need to attend a Purchase Workshop on a Thursday from 6:00 p.m. to 7:30 p.m. to obtain your NACA Qualification Letter and learn your next steps. While you can choose any real estate agent, NACA has In-House Agents ("IHAs") who understand the NACA program and will represent your interests.
- 5**  **PURCHASE & SALE CONTRACT:** You should obtain advice before negotiating a binding contract for the purchase of a home. Contact your NACA Counselor for a Property Specific Letter before signing. The Purchase & Sale Agreement must be contingent upon a satisfactory home inspection and other conditions.
- 6**  **PROPERTY CONDITION:** You need to hire a NACA registered home inspector to evaluate your desired property and address any required 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. Once NACA Credit Access approved, your NACA Counselor will submit your application for a NACA Mortgage to a participating lender.
- 8**  **MORTGAGE PROCESSING & UNDERWRITING:** NACA's process is designed to close loans within 28 days from receipt of the executed Purchase & Sale, excluding major rehab. A NACA Mortgage Specialist will address any lender conditions with your NACA Counselor 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 PROGRAM:** NACA offers post-purchase counseling and financial assistance for as long as you have a NACA Mortgage. Through the MAP Department you receive budget counseling, modifications and plans to prevent foreclosure, financial and other assistance.

NOTES

DIRECTORY OF NACA OFFICES & DEPARTMENTS

MAIN NUMBER: (425) 602-6222

National Office * (617) 250-NACA (6222) 225 Centre Street, Suite 100 Boston, MA 02119	Detroit, MI * (281) 204-6222 12380 Woodward Avenue, Suite 145 Highland Park, MI 48203	Orlando, FL * (847) 704-6222 6861 W. Colonial Drive Orlando, FL 32818
Atlanta, GA * (404) 377-4545 3690 N Peachtree Road Atlanta, GA 30341	Hartford, CT * (203) 562-6220 241 Main Street, 1st Floor Hartford, CT 06106	Philadelphia, PA * (215) 531-5221 1341 N. Delaware Avenue, Suite 106 Philadelphia, PA 19125
Augusta, GA * (706) 855-7464 2652 Tobacco Road Hephzibah, GA 30815	Houston, TX * (713) 706-3400 14425 Torrey Chase Blvd, Suite 200 Houston, TX 77014	Phoenix, AZ * (602) 248-4408 1301 E Washington Street, Suite 200 Phoenix, AZ 85034
Baltimore, MD * (410) 783-0465 11 E. Mt. Royal Avenue, Suite 101 Baltimore, MD 21202	Jackson, MS * (601) 922-4008 6424 Lakeover Road, Suite B Jackson, MS 39213	Raleigh, NC * (919) 855-8484 4112 Pleasant Valley Road, Suite 220 Raleigh, NC 27612
Baton Rouge, LA * (225) 767-9224 10101 Siegen Lane, Bldg. 2, Suite B Baton Rouge, LA 70810	Jacksonville, FL * (904) 306-9272 3986 Boulevard Center Drive, Suite 101 Jacksonville, FL 32207	Richmond, VA * (631) 370-6222 1600 Brook Road, Suite C Richmond, VA 23220
Birmingham, AL * (205) 942-8111 529 Beacon Parkway West, Suite 204 Birmingham, AL 35209	Kansas City, MO * (816) 531-6222 100 East 43rd Street Kansas City, MO 64111	Rochester, NY * (703) 234-6222 550 E. Main Street Rochester NY 14604
Boston, MA * (617) 250-6244 225 Centre Street, Suite 100 Boston, MA 02119	Las Vegas, NV * (702) 362-6199 3030 S. Jones Blvd, Suite 103 Las Vegas, NV 89146	Sacramento, CA * (425) 892-6222 3336 Bradshaw Road, Suite 100 Sacramento, CA 95827
Buffalo, NY * (716) 834-6222 135 Delaware Avenue, Suite 102 Buffalo, NY 14202	Little Rock, AR * (501) 492-0083 1501 North University Avenue, Suite 680, Little Rock, AR 72207	San Antonio, TX * (210) 826-2828 1603 Babcock, Suite 200 San Antonio, TX 78229
Charleston, SC * (843) 556-0497 7301 Rivers Avenue, Suite 140 North Charleston, SC 29406	Los Angeles, CA * (310) 412-2600 11633 S. Hawthorne Blvd, Suite 100 Hawthorne, CA 90250	Selma, AL * (414) 301-3826 1425 Washington Street Selma, AL 36703
Charlotte, NC * (704) 536-7676 5500 Executive Center Drive, Suite 105 Charlotte, NC 28212	Memphis, TN * (901) 348-0115 2400 Poplar Avenue, Suite 500 Memphis, TN 38112	St. Louis, MO * (314) 645-8333 1300 Hampton Avenue, Suite 101 St. Louis, MO 63139
Chicago, IL * (773) 723-6222 4425 West 63rd Street, Suite 200 Chicago, IL 60629	Milwaukee, WI * (414) 442-6222 11707 - 11757 W North Avenue Wauwatosa, WI 53226	Tampa, FL * (813) 287-5051 3824 W. Sligh Avenue Tampa, FL 33614
Cleveland, OH * (216) 619-4110 7000 Euclid Avenue, Suite 201 Cleveland, OH 44103	Minneapolis, MN * (763) 656-6222 6300 Shingle Creek Parkway, Suite 145 Brooklyn Center, Minneapolis, MN 55430	Upland, CA * (402) 970-6222 205 North, 2nd Avenue Upland, CA 91786
Columbia, SC * (803) 255-0223 810 Dutch Square Blvd, Suite 220 Columbia, SC 29210	New Orleans, LA * (504) 241-2090 10555 Lake Forest Blvd, Suite 3J New Orleans, LA 70127	Washington, D.C. * (202) 328-6333 7731 Alaska Avenue NW Washington, DC 20012
Dallas/Ft. Worth, TX * (972) 283-1171 5787 S. Hampton Road, Suite 120 Dallas, TX 75232	Newark, NJ * (973) 679-2601 60 Park Place, Suite 800 Newark, NJ 07102	Worcester, MA * (602) 627-6222 64 Madison Street Worcester, MA 01608

NACA'S DEPARTMENTS

MEMBER SERVICES	(425) 602-6222	services@naca.com	MORTGAGE	mortgage@naca.com	MAP	MAP@naca.com
HAND	(425) 602-6222 (ext 5)	HAND@naca.com	ADVOCACY	advocacy@naca.com	REAL ESTATE	RED@naca.com

Charlotte Counseling Center: 5855 Executive Center Drive, Suite 400 Charlotte, NC 28212 ; (606) 230-6222

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 is a national leader fighting for economic justice against predatory and discriminatory lending. As a result of many years of struggle, NACA has developed the best homeownership programs for low- and moderate-income individuals and people of color with the Best Mortgage in America. NACA's success and advocacy has been documented with extensive press coverage over the past forty 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 forty 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, just 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 its approach as very confrontational, in an extreme manner, that on balance will yield fewer results than a more tempered approach,” said Richard Dinscott, 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 file 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, telling Richard Dinscott, 64, of the Connecticut Financial Services, a bank spokeswoman, to stop expanding in the case, from expanding.

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 H. Williams
REPORTERS

RENTON: 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 says it 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 attrition.

Yesterday, Mr. Marks clocked lunch with Mr. Murray, and headed for his “bold and innovative” interest-free lending program. The last time Mr. Marks saw Mr. Murray, he was a “fellow” with the word “Warrior” above a picture of his. Murray, said below “Lombard.”

He had come to Washington with some 400 members of the United Workers' Union to testify at a Senate Banking Committee hearing. After the hearing room and singing gospel songs before the hearing began.

Receipts were

This was just one of a string of outrageous stunts Mr. Marks staged to influence Fleet. Always backed by militant union members, he has turned up at many on 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. Murray says. “He was a piggy in a suit. He looked like the wrong M.B.A. as well as the wrong side of the contract bargaining table someone who wanted to get a little taste of actual community service to round out his resume.” Mr. Marks wouldn't go away.

He picked up on union work, pressing Mr. Murray to cancel hearing its contract negotiations. In 1990, the union was a landmark witness with Boston's Union Neighborhood Assistance Corp., a non-profit affiliate that disbursed small, no-interest loans to members to help them make down payments on homes.

Mr. Marks next turned his attention to rallying by banks in Boston's inner-city neighborhoods. He found that while major banks had little presence in those areas,

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' stock drops showed up uninvited at a Boston Business Club breakfast last October when Mr. Murray was speaking. Union members sat every table and loudly stood up to protest every five minutes.

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

JOHN ADAMS

Let's try to design the perfect home purchase. First it would involve a mortgage

The Atlanta Journal

SUNDAY OCTOBER 20, 1996

Terms of New NACA Loan Program Unbelievably Good

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

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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

JOHN ADAMS

Let's try to design the perfect home purchase. First it would involve a mortgage

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's 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

Suzanne D. Lewis (left), Bank of America CEO, describes Bank of America's program Neighborhood Assistance Corp. at America White House Press Room CEO Chaffetz and Bruce Marks (right).

The Palm Beach Post

Rep. Frank drops in at West Palm Beach's mortgage loan 'Save A Thon'

Florida has been in foreclosure crisis mode for some time.

Today, U.S. Rep. Barney Frank (D-Mass.) witnessed first-hand just how severe the crisis is as he toured the Neighborhood Assistance Corporation of America's loan turnaround sessions at a packed Palm Beach County Convention Center.

Frank is good friends with Bruce Marks, NACA's founder and CEO, and wanted to support Marks' Boston-based group.

“I admire his work tremendously,” Frank said in between meeting and greeting several conference participants. “This is a serious nationwide problem and as these mortgage foreclosures cascade, it hurts everybody.”

NACA is offering free help with lowering monthly mortgage payments through federal programs and agreements it has with many of the country's top lenders.

Barney Frank (right) and Bill Moran (left) visited the Palm Beach County Convention Center on Sunday, where the Neighborhood Assistance Corporation of America, or NACA, is holding a loan modification marathon event. All center is Bruce Marks, the founder and CEO of NACA. Photo: Bruce Post.