

## Verise Campbell

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**From:** Verise Campbell  
**Sent:** Wednesday, September 14, 2016 11:43 AM  
**To:** Hanah Resig; Danielle Kutch; Ben Shepard  
**Cc:** cjmanthe@housing.nv.gov; Michael Holliday; Timothy Whitright; Veronica Lewis; Tony Cammiso; AJ Gavilanes  
**Subject:** Fwd: [External]RE: Term Sheet Change - Reaffirmation Removal  
**Attachments:** Final Term Sheets 17th Amend v2.pdf; ATT00001.htm; Memo - NAHAC HFA Amendment Request - v2.pdf; ATT00002.htm

Dear Danielle, Hannah and Ben - Attached please find NAHAC's request for Term Sheet changes to remove the bankruptcy reaffirmation requirement and add the requirement of a notarized affidavit regarding liquid assets.

Thank you for the opportunity to submit this proposal. Please do not hesitate to contact me directly if you have any questions.

**SCHEDULE B**

**SERVICE SCHEDULES**

The Service Schedules attached as Schedule B to the Current HPA are hereby deleted in their entirety and replaced with the attached Service Schedules (numbered sequentially as Service Schedule B-1, Service Schedule B-2, et. Seq.), which collectively comprise Schedule B to the HPA.

**SERVICE SCHEDULE B-1**

**The Nevada Affordable Housing Assistance Corporation**

**PRINCIPAL REDUCTION PROGRAM**

**Summary Guidelines**

<b>1. Program Overview</b>	<p>The Principal Reduction Program (“PRP”) will provide assistance to reduce the principal balance of primary (first priority) mortgages for borrowers with an eligible financial hardship and negative equity by: (a) principal reduction and a permanent modification or reamortization (recast) to achieve a lower monthly payment (“Modification or Reamortization”); or (b) principal reduction of a “non-delinquent” borrowers primary mortgage in a significant negative equity position to an amount as close to and not less than 100% loan-to-value (“LTV”) ratio as the amount of per-household assistance will permit to reduce the risk of potential default by such borrowers (“Negative Equity Reduction”).</p> <p>The assistance will be provided as a one-time payment to lenders/servicers up to a maximum of \$50,000 per household.</p> <p>A borrower’s primary mortgage lender may agree to make a matching reduction to the principal balance of the primary mortgage.</p>
<b>2. Program Goals</b>	<p>The goal of the PRP is to help homeowners avoid foreclosure by reducing the principal balance of their primary mortgage to either (a) facilitate a permanent loan modification or reamortization that achieves an affordable monthly mortgage payment of their primary mortgage or (b) reduce a borrower’s negative equity position on their primary mortgage to an amount as close to and not less than 100% LTV ratio as the amount of per-household assistance will permit.</p>
<b>3. Target Population / Areas</b>	<p>All qualified Nevada residents with negative equity who could achieve an affordable primary mortgage payment and appropriate level of debt with a principal reduction.</p>
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	<p>\$105,762,843</p>
<b>5. Borrower Eligibility Criteria</b>	<p><u>General Eligibility:</u></p> <ul style="list-style-type: none"><li>• Legal U.S. resident or lawful permanent U.S. resident and Nevada resident.</li></ul>

	<ul style="list-style-type: none"> <li>• Borrower must have an eligible financial hardship as determined by program criteria and underwriting guidelines.</li> <li>• Borrower cannot have liquid assets, other than exempt retirement assets, in excess of the amount of assistance being provided.</li> <li>• Borrower’s post-assistance housing expenses must meet the definition of an “Affordable Payment.” For the purposes of PRP, “Affordable Payment” means the borrower’s post-assistance, total monthly primary mortgage payment PITI (principal, interest, taxes and insurance, as applicable) including any escrowed homeowner’s association dues or assessments, plus any taxes, insurance and homeowners association dues and assessments which are not escrowed must be no greater than 38% of the gross household income excluding temporary income (e.g., unemployment or short-term disability benefits).</li> <li>• Borrower agrees to provide all necessary documentation to satisfy program guidelines within the timeframes established by NAHAC, including a financial hardship affidavit.</li> </ul> <p><u>Additional Eligibility Criteria Applicable to Each Structure of Principal Reduction:</u></p> <p>(a) <b>Modification or Reamortization Structure</b> (i.e. principal reduction of a borrower’s primary mortgage accomplished exclusively through either an interest rate reduction and/or term extension to achieve a permanent modification, or a reamortization of the remaining unpaid principal balance to achieve a lower monthly payment):</p> <ul style="list-style-type: none"> <li>• <i>Eligible financial hardship</i>: reduced income due to underemployment, medical condition, divorce or death, as set forth in the program guidelines.</li> <li>• Borrower’s pre-assistance, total monthly primary mortgage payment PITI including any escrowed or non-escrowed homeowner’s association dues or assessments, is greater than 38% of the gross household income excluding temporary income (e.g., unemployment or short-term disability benefits).</li> <li>• Borrower’s post-assistance total monthly primary mortgage payment PITI including any escrowed or non-escrowed homeowner’s association dues or assessments must be greater than 25% of the gross household income excluding temporary income (e.g., unemployment or short-term disability benefits).</li> <li>• Primary mortgage must be delinquent or the borrower does not have liquid assets greater than three (3) months</li> </ul>
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	<p>of PITI and homeowner’s dues and assessments (if applicable).</p> <ul style="list-style-type: none"> <li>• Funds may be applied to cure: delinquent property taxes; Homeowners Association dues, fees and assessments; and property related insurance as set forth in program guidelines (collectively “Property Related Expenses”).</li> <li>• Pre-assistance principal balance of primary mortgage must be greater than 80% LTV based upon valuation obtained by NAHAC or the servicer. (Assistance provided to Borrowers with post assistance LTVs less than 100% will have a 10 year term and different payment requirements as set forth in this term sheet and the program guidelines.)</li> </ul> <p>(b) <b>Negative Equity Reduction</b> (i.e. principal reduction of a “non-delinquent” borrower’s primary mortgage that is in a severe negative equity position to an amount as close to and not less than 100% LTV ratio as the amount of per-household assistance will permit to reduce the risk of potential default by such borrower):</p> <ul style="list-style-type: none"> <li>• <i>Eligible financial hardship</i>: (1) a negative equity position in which the primary mortgage LTV is 115% or more. Borrower must be current on the primary mortgage at the time of PRP application.</li> <li>• Pre-assistance primary mortgage payment meets NAHAC’s definition of an Affordable Payment.</li> </ul>
<p><b>6. Property / Loan Eligibility Criteria</b></p>	<ul style="list-style-type: none"> <li>• The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in Nevada and it must be their primary residence. Mobile homes are eligible if they are permanently affixed to the real property that is secured by the primary mortgage.</li> <li>• For a Modification or Reamortization, the servicer must utilize the PRP monies to bring the primary mortgage current before applying PRP monies to the homeowner’s principal balance.</li> <li>• For a Modification or Reamortization PRP monies may be used to bring delinquent Property Related Expenses current at closing.</li> <li>• Mortgage balance cannot exceed the current GSE loan limit.</li> </ul>
<p><b>7. Program Exclusions</b></p>	<ul style="list-style-type: none"> <li>• Borrowers with liquid assets, other than exempt retirement assets, in excess of the total amount of assistance provided.</li> <li>• Borrowers with an active bankruptcy.</li> <li>• Borrowers in an active Home Affordable Modification Program (HAMP) trial period plan.</li> </ul>

	<ul style="list-style-type: none"> <li>• <del>Borrowers with a bankruptcy discharge who did not reaffirm their current mortgages in the bankruptcy.</del></li> <li>• Borrowers who fail to satisfy underwriting guidelines of the lender/servicer or NAHAC.</li> <li>• Borrowers with a post-assistance LTV ratio greater than 140% or less than 80% based upon valuation obtained by NAHAC or the servicer.</li> <li>• Borrowers with a post-assistance total monthly first-lien mortgage payment PITI including any escrowed or non-escrowed homeowner's association dues or assessments less than 25% of the homeowner's gross monthly household income, excluding temporary income (e.g., unemployment and short-term disability benefits), or greater than NAHAC's definition of an Affordable Payment.</li> <li>• Property is subject to a current foreclosure proceeding (judicial or non-judicial) under any lien encumbering the property, including the lien of a Homeowners Association, unless the lender/servicer or Homeowners Association agrees in writing to suspend their foreclosure proceeding and to record a rescission of their notice of default and/or notice of sale at closing.</li> <li>• Property is abandoned, vacant or condemned.</li> <li>• Property has more than two mortgages.</li> <li>• Property is listed for sale.</li> </ul>
<p><b>8. Structure of Assistance</b></p>	<p>The assistance will be administered as a one-time direct payment to the servicer.</p> <p>For Borrowers with a post-assistance LTV greater than or equal to 100%:</p> <p>The assistance will be structured as a 0% interest forgivable loan with no monthly payment evidenced by a promissory note with a sixty (60) month term. The loan will be secured by a junior lien on the property. If the borrower complies with the terms of the loan, the loan will be considered satisfied at the end of the sixty (60) month period following funding and the lien released.</p> <p>For Borrowers with a post-assistance LTV less than 100%:</p> <p>The assistance will be structured as a 0% interest forgivable loan with no monthly payment evidenced by a promissory note with a one hundred and twenty (120) month term. The loan will be secured by a junior lien on the property. If the borrower complies with the terms of the loan, the loan will be considered satisfied at the end of the one hundred and twenty (120) month period following funding and the lien released.</p> <p>If the borrower defaults under the terms of the loan prior to the</p>

	<p>maturity date of the note evidencing the assistance loan, the loan will be due and payable to NAHAC. If the borrower sells the property or obtains a refinancing where the borrower is eligible to receive cash out of the transaction before the maturity date of the note, all net equity proceeds after payment of borrower's closing costs (with the commission to real estate brokers, if applicable, by the borrower limited to 6 percent) and the payment to the primary mortgage lienholder will be due and payable to NAHAC to satisfy payment of all or a portion of the loan funds.</p> <p>Borrowers will not always receive the maximum assistance amount of \$50,000.</p> <p>All funds returned to NAHAC will be used to assist additional homeowners in accordance with the Agreement.</p>
<b>9. Per Household Assistance</b>	The maximum amount of mortgage principal reduction receivable by a qualified borrower is \$50,000.
<b>10. Duration of Assistance</b>	Program funds will be distributed as a one-time payment to the servicer.
<b>11. Estimated Number of Participating Households</b>	Approximately 2,783 households could be assisted under this program assuming an average assistance amount of \$38,000.
<b>12. Program Inception / Duration</b>	This program began on March 1, 2010 and will continue until all funds are committed or December 31, 2020, whichever occurs first.
<b>13. Program Interactions with Other HFA Programs</b>	<p>It is possible that a homeowner may also receive assistance through the Second Mortgage Reduction Plan and/or other HHF Programs.</p> <p>Borrowers may receive assistance from more than one HHF Program as long as the total combined assistance does not exceed \$100,000.</p>
<b>14. Program Interactions with HAMP</b>	PRP may work in conjunction with aspects of the Making Home Affordable Program to help eligible borrowers achieve desired housing debt-to-income ratios, permanent affordability and establish an appropriate level of mortgage debt.
<b>15. Program Leverage with Other Financial Resources</b>	While NAHAC does not require a contribution from the servicer, it will be encouraged and in addition, servicers will be requested to waive fees.

**SERVICE SCHEDULE B-2**

**The Nevada Affordable Housing Assistance Corporation**

**SECOND MORTGAGE REDUCTION PLAN**

**Summary Guidelines**

<b>1. Program Overview</b>	<p>The Second Mortgage Reduction Plan (SMRP) will provide assistance to borrowers with an eligible financial hardship who have a second mortgage lien and who: (i) could achieve affordable monthly mortgage payments and an appropriate level of debt if their second mortgage (second lien) were eliminated; or (ii) could achieve affordable monthly mortgage payments and an appropriate level of debt with a principal reduction and reamortization (recast) or modification of their second mortgage.</p> <p>The assistance will be provided as a one-time payment to lenders/servicers up to a maximum of \$50,000 per household.</p>
<b>2. Program Goals</b>	<p>The goals of the SMRP are to help homeowners avoid foreclosure by reducing or eliminating the principal balance of their second mortgage or to facilitate a permanent loan modification or recast that achieves an affordable monthly mortgage payment and reduces the likelihood that a borrower will default.</p>
<b>3. Target Population / Areas</b>	<p>All qualified Nevada residents who could achieve affordable mortgage payments and an appropriate level of debt if their second mortgage were eliminated or reduced.</p>
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	<p>\$35,942,324</p>
<b>5. Borrower Eligibility Criteria</b>	<ul style="list-style-type: none"><li>• Legal U.S. resident or lawful permanent U.S. resident and Nevada resident.</li><li>• Borrower must have an eligible financial hardship as determined by program criteria and underwriting guidelines. Eligible financial hardships include (a) borrowers with a reduced income due to underemployment, medical condition, divorce or death, as set forth in the program guidelines, with a negative equity position in which the borrower's combined total loan to value ratio ("CTLV") is 110% or more; or (b) a negative equity position in which the borrower's CLTV is 120% or more.</li><li>• Borrowers qualifying with a hardship as described in (a), in the previous bullet, must also have pre-assistance, total monthly mortgage payments for their primary and second mortgages PITI</li></ul>

	<p>(principal, interest, taxes and insurance, as applicable) including any escrowed or non-escrowed homeowner’s association dues or assessments, is greater than 38% of the gross household income excluding temporary income (e.g., unemployment or short-term disability benefits).</p> <ul style="list-style-type: none"> <li>• Borrower cannot have liquid assets, other than exempt retirement assets, in excess of the amount of assistance being provided.</li> <li>• Borrower’s post-assistance housing expenses must meet the definition of an “Affordable Payment.” For the purposes of SMRP, “Affordable Payment” means the borrower’s post-assistance, total monthly mortgage payments for the primary and second mortgages PITI including any escrowed homeowner’s association dues or assessments, plus any taxes, insurance and homeowner’s association dues or assessments which are not escrowed must be no greater than 38% of the gross household income excluding temporary income (e.g., unemployment or short-term disability benefits).</li> <li>• Borrower agrees to provide all necessary documentation to satisfy program guidelines within the timeframes established by NAHAC, including a financial hardship affidavit.</li> <li>• Second mortgage must be delinquent or the borrower must have a negative equity position in which the CLTV is 120% or more.</li> </ul>
<p><b>6. Property / Loan Eligibility Criteria</b></p>	<ul style="list-style-type: none"> <li>• The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in Nevada and it must be their primary residence. Mobile homes are eligible if they are permanently affixed to the real property that is secured by the first and second mortgages.</li> <li>• The servicer must utilize the SMRP monies to bring the second mortgage current before applying SMRP monies to the homeowner’s principal balance.</li> <li>• SMRP monies may be used to bring delinquent property taxes; Homeowners Association dues, fees and assessments; and property related insurance as set forth in program guidelines (collectively “Property Related Expenses”) current at closing.</li> <li>• If the amount of SMRP monies is not sufficient to extinguish the second mortgage, the servicer/lender must agree to reamortize or modify the second mortgage.</li> <li>• Combined mortgage balances cannot exceed the current GSE loan limit.</li> <li>• Post-assistance combined principal balance of the primary and second mortgages must not be less than 100% CLTV based upon valuation obtained by NAHAC or the servicer.</li> </ul>
<p><b>7. Program Exclusions</b></p>	<ul style="list-style-type: none"> <li>• Borrowers with an active bankruptcy.</li> </ul>

	<ul style="list-style-type: none"> <li>• Borrowers in an active Home Affordable Modification Program (HAMP) or a Second Lien Modification Program (“2MP”) trial period plan.</li> <li>• <del>Borrowers with a bankruptcy discharge who did not reaffirm their current mortgages in the bankruptcy.</del></li> <li>• Property is listed for sale.</li> <li>• Property is currently subject to a current foreclosure proceeding (judicial or non-judicial) under any lien encumbering the property, including the lien of a Homeowners Association, unless the lender/servicer or Homeowners Association agrees in writing to suspend their foreclosure proceeding and to record a rescission of their notice of default and/or notice of sale at closing.</li> <li>• Borrowers with liquid assets, other than exempt retirement assets, in excess of the total amount of assistance provided.</li> <li>• Property is abandoned, vacant or condemned.</li> <li>• Property has more than two mortgages.</li> <li>• Property is subject to a first priority lien securing a Home Equity Line of Credit.</li> </ul>
<p><b>8. Structure of Assistance</b></p>	<p>The assistance will be administered as a one-time direct payment to the servicer. The assistance will be structured as a 0% interest forgivable loan with no monthly payment evidenced by a promissory note with a sixty (60) month term. The loan will be secured by a junior lien on the property. If the borrower complies with the terms of the loan, the loan will be considered satisfied at the end of the sixty (60) month period following funding and the lien released.</p> <p>Borrowers will not always receive the maximum assistance amount of \$50,000.</p> <p>If the borrower defaults under the terms of the loan prior to the maturity date of the note evidencing the assistance loan, the loan will be due and payable to NAHAC. If the borrower sells the property or obtains a refinancing where the borrower is eligible to receive cash out of the transaction before the maturity date of the note, all net equity proceeds after payment of borrower’s closing costs (with the commission to real estate brokers, if applicable, by the borrower limited to 6 percent) and the payment to the holders of the senior deeds of trust, will be due and payable to NAHAC to satisfy payment of all or a portion of the loan funds.</p> <p>All funds returned to NAHAC will be used to assist additional homeowners in accordance with the Agreement.</p>
<p><b>9. Per Household Assistance</b></p>	<p>The maximum amount of second mortgage principal reduction receivable by a qualified borrower is \$50,000.</p>
<p><b>10. Duration of Assistance</b></p>	<p>Program funds will be disbursed as a onetime payment to the</p>

	servicer.
<b>11. Estimated Number of Participating Households</b>	Approximately 1,300 households could be assisted under this program assuming an average assistance amount of \$27,500.
<b>12. Program Inception / Duration</b>	This program began on March 1, 2010 and will continue until all funds are committed or December 31, 2020, whichever occurs first.
<b>13. Program Interactions with Other HFA Programs</b>	This program could interact with the Principal Reduction Program and other HHF Programs pre- and post-assistance. Borrowers may receive assistance from more than one HHF Program as long as the total combined assistance does not exceed \$100,000.
<b>14. Program Interactions with HAMP</b>	Borrowers not eligible for 2MP may be considered for the SMRP.
<b>15. Program Leverage with Other Financial Resources</b>	While NAHAC does not require a contribution from the servicer, it will be encouraged and in addition, servicers will be requested to waive fees.

**SERVICE SCHEDULE B-3**

**The Nevada Affordable Housing Assistance Corporation**

**SHORT-SALE ACCELERATION PROGRAM**

**Summary Guidelines**

<b>1. Program Overview</b>	The Short-Sale Acceleration Program is aimed at assisting borrowers who are beginning or need to initiate the short-sale process, deed in lieu of foreclosure or a similar foreclosure mitigation measure to relieve themselves of the mortgage burdens that they cannot sustain—even with a material loan principal reduction.
<b>2. Program Goals</b>	It is expected that at a \$5,000 level of average funding per family approximately 100 families facing imminent foreclosure threat will have the burden of their home mortgage eliminated.
<b>3. Target Population / Areas</b>	Those Nevadans that are facing imminent threat of foreclosure.
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	\$289,179
<b>5. Borrower Eligibility Criteria</b>	<ul style="list-style-type: none"><li>• Legal U.S. resident or lawful permanent U.S. resident.</li><li>• Borrower must have short-sale approval in place with lender if pursuing a short-sale.</li><li>• Borrower must provide verification of short-sale approval or deed in lieu of foreclosure agreement.</li><li>• Borrower will be required to sign a financial hardship affidavit attesting to their inability to make mortgage payments.</li><li>• Borrower must be in default or facing imminent default.</li><li>• Borrower must be experiencing financial hardship due to circumstances beyond the homeowner’s control (no contrived defaults allowed).</li><li>• Borrowers who chose to leave the state of Nevada will not receive the rental assistance component of benefits under this program, but will be entitled to all others.</li></ul>
<b>6. Property / Loan Eligibility Criteria</b>	Home is currently owner-occupied and serves as the borrower’s primary residence. If vacant, homeowner must be able to prove that they moved due to extenuating circumstances and that the home was most recently used as a primary residence – not an investment property.  Borrowers with a second lien will also be considered for the Second

	Mortgage Reduction Plan program.
<b>7. Program Exclusions</b>	None.
<b>8. Structure of Assistance</b>	This program is direct assistance through direct payment to vendors at closing of the escrow, or immediately post-short-sale closing. The payments will not be structured as a loan.
<b>9. Per Household Assistance</b>	The maximum program benefit per household is \$8,025. Assistance can be used to cover the cost of up to three (3) months of rent (not to exceed \$4,500), fees incurred by a storage facility (not to exceed \$1,000) and/or certain fees which are interfering with the short-sale closing – specifically HOA liens and utility liens.
<b>10. Duration of Assistance</b>	Assistance will be a one-time set of payments.
<b>11. Estimated Number of Participating Households</b>	The Business Plan calls for this program element to assist up to 100 families complete their home abandonment/ownership through a short-sale and matriculate to a rental property somewhere else in Nevada.
<b>12. Program Inception / Duration</b>	The Short-Sale Acceleration Program began on March 1, 2010 and terminated on December 31, 2012.
<b>13. Program Interactions with Other HFA Programs</b>	This program cannot be used when HAFA is also being utilized.
<b>14. Program Interactions with HAMP</b>	None
<b>15. Program Leverage with Other Financial Resources</b>	In the event the short-sale program recipient has incurred a lien as a result of earlier participation in NAHAC's Principal Reduction, Second Mortgage Reduction Plan or Mortgage Assistance Program, then the lien may be extinguished for the purpose of helping to facilitate the short-sale request.

**SERVICE SCHEDULE B-4**

**The Nevada Affordable Housing Assistance Corporation**

**MORTGAGE ASSISTANCE PROGRAM (MAP)**

**Summary Guidelines**

<b>1. Program Overview</b>	<p>The Mortgage Assistance Program (MAP) will provide reinstatement assistance to borrowers in default who either:</p> <p>(a) Were unemployed and are now employed or underemployed. (The current employment may or may not be at the same income level as the borrower’s prior employment)</p> <p>or</p> <p>(b) Are underemployed and their underemployment was caused by a substantial reduction of hours or salary reduction.</p> <p>The assistance will be provided to eligible borrowers to bring their primary (first-lien) mortgage current by curing all past due principal, interest, taxes, homeowner’s association dues and assessments and property related insurance, as applicable (together “Property Related Expenses”) as set forth in the program guidelines.</p> <p>The assistance will be provided as a one-time payment to lender/servicer up to a maximum of \$35,000 per household.</p>
<b>2. Program Goals</b>	<p>The goal of MAP is to help re-employed and underemployed homeowners avoid foreclosure and keep their homes by reinstating their primary mortgages and by curing their delinquent Property Related Expenses.</p>
<b>3. Target Population / Areas</b>	<p>All qualified Nevada residents with an employment-related financial hardship who can demonstrate that they now have the ability to afford their monthly mortgage payments.</p>
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	<p>\$34,056,581</p>
<b>5. Borrower Eligibility Criteria</b>	<p><u>General Requirements:</u></p> <ul style="list-style-type: none"><li>• Legal U.S. resident or lawful permanent U.S. resident and Nevada resident.</li><li>• Borrower cannot have liquid assets, other than exempt retirement assets, in excess of the amount of assistance being provided.</li><li>• Borrower agrees to provide all necessary documentation to satisfy program guidelines within the timeframes established</li></ul>

	<p>by NAHAC, including a financial hardship affidavit.</p> <ul style="list-style-type: none"> <li>• Eligible Financial Hardships: (i) past unemployment with current employment; (ii) past unemployment with current underemployment; or (iii) current underemployment due to a substantial hour or salary reduction. The unemployment or underemployment must have been caused by circumstances outside the control of the borrower.</li> <li>• If the eligible borrower is underemployed, the borrower must provide documentation of an income reduction of at least 15%, based on a highest income tax year comparison of the past five (5) tax years prior to the date of application.</li> <li>• Borrower must demonstrate satisfactory mortgage payment history prior eligible financial hardship.</li> <li>• Borrower’s mortgage payment must meet the definition of an “Affordable Payment.” For the purposes of MAP, “Affordable Payment” means the borrower’s total monthly primary mortgage payment PITI (principal, interest, taxes and insurance, as applicable) including any escrowed or non-escrowed homeowner’s association dues or assessments, must be no greater than 38% of the gross household income excluding temporary income (e.g., unemployment or short-term disability benefits).</li> </ul>
<p><b>6. Property / Loan Eligibility Criteria</b></p>	<ul style="list-style-type: none"> <li>• Primary mortgage must be delinquent or must have been delinquent within the 60 days prior to the date of application and the Borrower has delinquent Property Related Expenses.</li> <li>• The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in Nevada and it must be their primary residence. Mobile homes are eligible if they are permanently affixed to the real property that is secured by the primary mortgage.</li> <li>• Mortgage balance does not exceed the current GSE loan limit.</li> <li>• Properties with second mortgages are only eligible if the borrower qualifies for and receives assistance under the Second Mortgage Reduction Plan.</li> </ul>
<p><b>7. Program Exclusions</b></p>	<ul style="list-style-type: none"> <li>• Property is subject to a current foreclosure proceeding (judicial or non-judicial) under any lien encumbering the property, including the lien of a Homeowners Association, unless the lender/servicer or Homeowners Association agrees in writing to suspend their foreclosure proceeding and to record a rescission of their notice of default and/or notice of sale at closing.</li> <li>• Borrowers in an active Home Affordable Modification Program (“HAMP”) trial period plan.</li> <li>• Borrowers under review for a short sale or a deed in lieu.</li> <li>• Property has more than two mortgages.</li> </ul>

	<ul style="list-style-type: none"> <li>• Borrowers with an active bankruptcy.</li> <li>• <del>Borrowers with a bankruptcy discharge who did not reaffirm their current mortgages in the bankruptcy.</del></li> <li>• Property listed for sale.</li> <li>• Property is abandoned, vacant or condemned.</li> <li>• Borrowers who are not currently working and collecting a fixed income such as that associated with one of the following: <ul style="list-style-type: none"> <li>○ Retirement</li> <li>○ Disability</li> <li>○ Social Security</li> </ul> </li> <li>• Borrowers with liquid assets, other than exempt retirement assets, in excess of the amount of assistance being provided..</li> </ul>
<p><b>8. Structure of Assistance</b></p>	<p>The assistance will be administered as a one-time direct payment to the servicer. The assistance will be structured as a 0% interest forgivable loan with no monthly payment evidenced by a promissory note with a sixty (60) month term. The loan will be secured by a junior lien on the property. If the borrower complies with the terms of the loan, the loan will be considered satisfied at the end of the sixty (60) month period following funding and the lien released.</p> <p>Borrowers will not always receive the maximum assistance amount of \$35,000.</p> <p>If the borrower defaults under the terms of the loan prior to the maturity date of the note evidencing the assistance loan, the loan will be due and payable to NAHAC. If the borrower sells the property or obtains a refinancing where the borrower is eligible to receive cash out of the transaction before the maturity date of the note, all proceeds after payment of borrower's closing costs (with the commission to real estate brokers, if applicable, by the borrower limited to 6 percent) and the payment to the holders of the senior deeds of trust, will be due and payable to NAHAC to satisfy payment of all or a portion of the loan funds.</p> <p>All funds returned to NAHAC will be used to assist additional homeowners in accordance with the Agreement.</p>
<p><b>9. Per Household Assistance</b></p>	<p>The maximum amount of assistance receivable by a qualified borrower is \$35,000.</p>
<p><b>10. Duration of Assistance</b></p>	<p>Program funds will be distributed as a one-time payment to the servicer, Homeowner's Association or County Treasurer as applicable.</p>
<p><b>11. Estimated Number</b></p>	<p>Approximately 3,900 households could be assisted under this</p>

<b>of Participating Households</b>	program assuming an average assistance amount of \$8,700
<b>12. Program Inception / Duration</b>	This program began on March 1, 2010 and will continue until all funds are committed or December 31, 2020, whichever occurs first.
<b>13. Program Interactions with Other HFA Programs</b>	<p>The MAP program could have some form of interactions with other HHF programs both pre- and post-assistance.</p> <p>Borrowers may receive assistance from more than one HHF program as long as the total combined assistance does not exceed \$100,000.</p>
<b>14. Program Interactions with HAMP</b>	MAP funds may be applied prior to HAMP on a case-by-case basis.
<b>15. Program Leverage with Other Financial Resources</b>	NAHAC will request that the loan servicer waive fees (e.g., NSF and late charges).

**SERVICE SCHEDULE B-5**

**The Nevada Affordable Housing Assistance Corporation**

**MORTGAGE ASSISTANCE PROGRAM**

**ALTERNATIVE (MAPA)**

**Summary Guidelines**

<p><b>1. Program Overview</b></p>	<p>The Nevada Mortgage Assistance Program Alternative (MAPA) is designed to help keep first mortgages current for approximately 415 individuals who are not currently working and collecting a fixed income such as that associated with one of the following:</p> <ul style="list-style-type: none"><li>• Retirement</li><li>• Disability</li><li>• Social Security</li></ul> <p>The program will assist those qualified families by paying the lesser of:</p> <p>(a) \$1,000 of the principal, interest, property taxes and property insurance (PITI) (when impounded) toward the monthly first mortgage payment or</p> <p>(b) Total first mortgage payment due for the aforementioned components.</p> <p>Further, the borrower will be responsible for contributing a minimum of \$75 per month toward completing the full payment due. MAPA payments may be extended for qualified families for up to nine (9) months (MAPA Participation Period).</p> <p>MAPA payments are aimed at providing a financial bridge to income restricted, unemployed homeowners that are in pursuit of a homeownership sustainment program.</p> <p>For the purpose of this program, the target population will include individuals which cannot return to the workforce through no fault of their own and are in default or in a situation of imminent threat of going into default due to limited income – subject to satisfaction of all other borrower eligibility criteria.</p> <p>Borrowers will submit their partial payment to NAHAC where it will be combined with the HHF funds and a full remittance made to the loan servicer. Borrowers can apply directly through the NAHAC offices after first completing an appropriate screening tool and being given an appointment with the NAHAC loan underwriter.</p>
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	<p>MAPA payments will invoke a non-recourse lien which will have an earned forgiveness embedded in the Note. Borrowers who are able to sustain their homeownership for thirty-six (36) successive months following closing will have their lien extinguished.</p> <p>If, during or after the MAPA Participation Period, the borrower can demonstrate that he/she can sustain mortgage payments with a debt-to-income ratio (DTI) below 43%, the borrower may become eligible for additional reinstatement assistance (Reinstatement). In order to achieve a DTI below 43%, the borrower may, but is not required to enroll in a homeownership sustainment program. Reinstatement assists qualified borrowers by providing up to \$12,500 to eliminate arrearages and bring the loan current. Reinstatement is only applicable when the entire amount of arrearages can be eliminated.</p>
<b>2. Program Goals</b>	<p>The MAPA goal is to assist fixed-income borrowers in keeping their homes during a period of temporary financial hardship and, thereby, prevent avoidable defaults and foreclosures. MAPA in conjunction with subsequent homeownership sustainment programs and Reinstatement aims to decrease both the number and probability of future foreclosures in Nevada.</p>
<b>3. Target Population / Areas</b>	<p>Funding will be distributed on a first-come, first-served basis with target populations spanning (a) the Clark County/Las Vegas valley area, (b) the Reno-Sparks SMSA area and (c) all of rural Nevada.</p>
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	<p>\$1,613,278</p>
<b>5. Borrower Eligibility Criteria</b>	<p>To ensure both consistencies with previously approved Participation Agreement programs and to lessen the burdens of administering the MAPA program, adherence to the same underwriting qualification standards will be generally utilized.</p> <p>Thus, borrower eligibility criteria will consist of:</p> <ul style="list-style-type: none"> <li>• Legal U.S. resident or lawful permanent U.S. resident.</li> <li>• Borrower must be in default or facing imminent default.</li> <li>• Borrower must be experiencing financial hardship due to circumstances beyond the homeowner’s control (no contrived defaults allowed).</li> <li>• Borrower will be required to sign a financial hardship affidavit attesting to their inability to make mortgage payments. Reinstatement candidates must demonstrate sustainability of</li> </ul>

	<p>current payments. By definition that would mean that their mortgage payment is less than 43% of their household income. The borrower must also demonstrate they still have little or no ability to extinguish past missed payments, penalties or fees. Reinstatement will only be allocated in those instances where the entire past due balance and/or accrued penalties can be eliminated such that the borrower is in good standing post assistance.</p> <p>Basic eligibility criteria will be analyzed either on-line (through the borrower's visit to the website and use of the 'screening tool'), directly at the NAHAC offices or by the designated call center. If borrowers meet screening criteria, application packages will be assembled by the NAHAC underwriters who will do the full verifications/confirmation, enter the borrower's data into the NAHAC database and accounts payable systems and begin the relationship with the borrower's participating banks/lenders/servicers to ensure aid is acceptable to them.</p>
<p><b>6. Property / Loan Eligibility Criteria</b></p>	<ul style="list-style-type: none"> <li>• Home is currently owner occupied and serves as the borrower's primary residence.</li> <li>• Mortgage balance is less than the current GSE loan limit.</li> </ul>
<p><b>7. Program Exclusions</b></p>	<p>Borrowers that have received nine (9) months of assistance through MAP will be ineligible for assistance through MAPA. In the event a borrower has received less than nine (9) months of assistance through MAP or MAPA, the borrower can reapply to receive assistance through either program on a pro-rata basis where any borrower will receive a maximum of nine (9) months of combined assistance.</p>
<p><b>8. Structure of Assistance</b></p>	<p>Borrower must proactively pursue homeownership sustainment program which must be verified with forty-five (45) days of closing on MAPA or borrower will be disenrolled from program.</p> <p>This program is administered through direct payments to the servicer. All MAPA assistance will be structured as a 0% interest, forgivable loan secured by a lien recorded against the subject property. The lien has a term of three (3) years and is forgiven following final funding at a rate of thirty-three percent (33%) per year with full forgiveness at the end of year three (3) provided the borrower complies with the terms of the loan. The loan will be repayable if the borrower defaults under the terms of the loan or if the borrower sells the property before the three (3) year time period expires and there is equity in the property after payment of the 1<sup>st</sup> priority lien holder. All funds returned to NAHAC will be recycled until December 31, 2017; thereafter any remaining funds must be returned to Treasury.</p>

	MAPA recipients who qualify for reinstatement will have up to \$12,500 in reinstatement funds made on a ‘one-time basis’ directly to the mortgage servicer.
<b>9. Per Household Assistance</b>	<p>The maximum MAPA assistance should not exceed \$1,000/month per recipient for up to nine (9) months for a total aggregate mortgage payment assistance of \$9,000.</p> <p>Reinstatement candidates will be eligible to receive a limited, one-time payment of up to \$12,500.</p> <p>The combined maximum amount of MAPA assistance available to a qualified borrower is \$21,500.</p>
<b>10. Duration of Assistance</b>	MAPA will last up to nine (9) months.
<b>11. Estimated Number of Participating Households</b>	<p>Based upon average assistance of \$9,000 per household, it is anticipated that 75% of the program funds be exhausted by monthly mortgage payment expenditures – for a total of approximately 176 households.</p> <p>The average Reinstatement payout is expected to be \$12,500 per eligible borrower with a portion of MAPA eligible borrowers also qualifying and receiving Reinstatement benefits. The remaining 25% of program funds are anticipated to be used for Reinstatement candidates, a total of approximately forty-two (42) households.</p>
<b>12. Program Inception / Duration</b>	This program began February 2012 and terminated on October 1, 2012.
<b>13. Program Interactions with Other HFA Programs</b>	The MAPA program could have some form of interactions with the other HHF programs both pre- and post-assistance. Borrowers may receive assistance from more than one HHF program as long as the total combined assistance does not exceed \$100,000.
<b>14. Program Interactions with HAMP</b>	<p>MAPA recipients that become employed or have an improvement in their economic situation during the period of assistance may also benefit from HAMP.</p> <p>MAPA funds may be applied prior to HAMP since it is most beneficial to both the homeowner and mortgage servicer as payments would be made instead of capitalized and no additional late charges accrued.</p>
<b>15. Program Leverage with Other Financial</b>	NAHAC will work directly with a loan servicer in conjunction with each MAPA borrower to ensure that MAPA funds are strictly used for MAPA-eligible purposes. NAHAC accounting staff will

<b>Resources</b>	communicate with the servicer to ensure that the MAPA payments are credited only toward current amounts of PITI due on the borrower's first mortgage. Funds will not be applied toward past due penalties except in those instances where the borrower qualifies for Reinstatement.
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**SERVICE SCHEDULE B-6**

**The Nevada Affordable Housing Assistance Corporation**

**HOME RETENTION PROGRAM**

**PROGRAM DEFUNDED ON JUNE 25, 2015**



**SERVICE SCHEDULE B-7**

**The Nevada Affordable Housing Assistance Corporation**

**NEVADA RECAST REFINANCE AND MODIFICATION PROGRAM (NRRM)**

**PROGRAM DEFUNDED ON JUNE 25, 2015**

*Nevada Affordable Housing Assistance Corporation (“NAHAC”)*

## **Request for HHF Participation Agreement Amendment**

*Proposed Changes to Existing Program Term Sheets*

*September 14, 2016*

### Introduction

NAHAC requests the U.S. Department of the Treasury (“Treasury”) amend the current HHF Participation Agreement in order to address the following:

- Eliminate a current exclusion for borrowers that have not re-affirmed the mortgage(s) on their property, in order to maintain eligibility for HHF assistance. The ramifications of the extinguished stipulation would be applied uniformly, to all active HHF programs.
- Acknowledge amendment of the procedure to acquire all liquid asset materials in favor of implementing a signed affidavit, which essentially articulates that a borrower(s) does not have non-retirement assets that exceed the total amount of HHF assistance. Applicable to all active HHF programs.

### Bankruptcy Reaffirmation Requirement

NAHAC is proposing expansion of the HHF guidelines to facilitate the casting of a wider segment of eligible borrowers, whom are currently declined or ineligible from candidacy for the programs when it is discovered their mortgage(s) was not reaffirmed in a Chapter 7 Bankruptcy. It must also be noted that the criteria pertaining to exclusions for borrowers in an active bankruptcy (i.e. no discharge or dismissal issued), would remain as it currently appears in NVHHF Term sheets.

#### Background:

NAHAC has had a decrease in eligible applications with this restriction. Most of the borrowers that have had a Chapter 7 Bankruptcy do not reaffirm their mortgage(s). This action is being presented as a measure which is aligned with NAHAC’s goal of stabilizing homes in the immediate Nevada community, but is also oriented towards formally and systematically integrating this homeowner population segment that previously would have been declined immediately, under the umbrella of NAHAC terms and guidelines.

The following table summarizes the application denial and ineligibility rates due to mortgage(s) not reaffirmed in a Chapter 7 Bankruptcy for the period January 1, 2015 through August 31, 2016.

<i>Timeframe</i>	<i>Denied – Mortgage Not Reaffirmed</i>	<i>Ineligible – Mortgage Not Reaffirmed</i>
1/1/2015 – 12/31/2015	48	0*
1/1/2016 – 8/31/2016	42	72

*\*Denotes previously unmeasured tracking of non-reaffirmed bankruptcies in the self-assessment/eligibility phase for given period*

## Liquid Assets Affidavit

While conducting a procedural re-evaluation, NAHAC identified an opportunity to improve and simplify the borrower’s eligibility document collection process, with respect to collection of instruments detailing liquid assets. Specifically, integration of a Liquid Assets, Affidavit would be used in lieu of collection of documents from borrower’s seeking Principal Reduction Program assistance. Essentially, this affidavit is intended to provide a simpler way for borrowers to formally acknowledge and understand that they may not have non-retirement monies equal to or in excess of the HHF assistance they receive And that, this affidavit will be relied upon for purposes of determining eligibility for benefit assistance and the ramifications of not complying or providing misleading information. Notarization of this instrument will be required as a necessary component to be recognized as an acceptable form of documentation.

<p>Notarized Affidavit:</p> <ul style="list-style-type: none"> <li>• Clear defining of liquid assets: <ul style="list-style-type: none"> <li>○ Liquid Assets are financial assets that can be sold or converted into cash, in a short amount of time, without a resulting substantial loss of value. Liquid Assets may include, but are not limited to: Checking Accounts, Certificates of Deposit, Money Market Accounts, Savings Accounts, Stocks, Treasury Bills, and Government Bonds.</li> </ul> </li> <li>• Borrower acknowledges and states that they understand that any false pretense including, but not limited to, any false or misleading statement or representation, or the fraudulent use/manipulation</li> </ul>
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## Summary of Proposal

The following summarizes the proposed changes to all NVHHF Programs

- Bankruptcy Reaffirmation
- Liquid Assets Affidavit

## NAHAC Innovation Fund Program Allocation

NAHAC is *not* proposing changes to the program allocation of HHF Funds

## NAHAC Administrative Expense Budget

NAHAC is *not* proposing changes to the current administrative expense budget.

## NAHAC Term Sheets

See proposed Amended term sheets and the “redline” of the proposed Amendment 18 term sheets to the Treasury-approved Amendment 17 term sheets.