

# HOMEOWNERSHIP PROGRAM LENDER MANUAL



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**SECTION 1**  
**CONTACT DIRECTORIES**

- NIFA
- U.S. Bank, N.A., dba U.S. Bank Home Mortgage—J HC Division
- Cr r tqxgf "Mortgage Insurance Companies



## Homeownership Team Contacts

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Lender Online (LOL):	<a href="https://lol.nifa.org">https://lol.nifa.org</a>
Website:	<a href="http://nifa.org">http://nifa.org</a>
Social Media:	Follow us @NIFAHousing on Facebook, LinkedIn and Twitter

# U.S. Bank Home Mortgage

## Third Party Lending Operations

### Key Contacts for HFA Division

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<b>Leadership</b>	➤ <b>HFA Operations Group Manager</b>	
	○ Stacey Buzay – Vice President	952.876.9506

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<b>HFA Customer Care</b>	Contact for post-closing/pre-funding status requests, questions on deficiencies, and post-closing/pre-funding policies and procedures	
	➤ Customer Care Team	800.562.5165 Option 1
	<a href="mailto:HFACustomercare@usbank.com">HFACustomercare@usbank.com</a>	

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<b>MN Operations</b>	➤ <b>HFA MN Operations</b>	
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	○ Nedward Tavale – Deficiency Manager	952.876.9512
	○ LaSonna Holiday – Review Manager	952.895.2235
	○ Joshua Bies – Funding Manager	952.876.9563

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<b>TRID-Compliance</b>	Contact for questions pertaining to Dodd-Frank compliance and TILA-RESPA Integrated Disclosure compliance	
	➤ USBHM Lender Support Shared Mailbox	
	○ <a href="mailto:USBHMLenderSupport@usbank.com">USBHMLenderSupport@usbank.com</a>	

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<b>Post Funding</b>	Contact for inquiries regarding final and recorded documents	
	➤ HFA Final Docs Shared Mailbox	
	○ <a href="mailto:Documentcontrol@usbank.com">Documentcontrol@usbank.com</a>	
	Contact for inquiries after the loan is purchased	
	➤ HFA post Funding Shared mailbox	
	○ <a href="mailto:HFA.postfunding@usbank.com">HFA.postfunding@usbank.com</a>	



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# U.S. Bank Home Mortgage

## Third Party Lending Operations

### Key Contacts for HFA Division

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Sales	➤ <b>HFA Managing Director</b>	
	○ Jim Coreno – Senior Vice President	480.538.5590
Account Executives	➤ <b>HFA Senior Account Executives</b>	
	○ Sheryl Krocek – Vice President	216.475.7719
	○ Scott Schmitt – Vice President	630.395.9170
Program Administration	➤ <b>HFA Program Administration Manager</b>	
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	○ Amy Brown – Vice President	216.475.7164
	○ Lou Caresani – Vice President	216.475.8275
	○ Jason Hubbard – Vice President	216.475.8620
	○ Sally Mazzola – Vice President	216.475.8379
	➤ <b>HFA Client Support</b>	
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Pooling	➤ <b>HFA Servicing Support</b>	
	○ Lindsey Timms – Servicing Liaison	216.475.7093
	➤ <b>HFA Pooling Department Manager</b>	
	○ Regina Hunter – Asst. Vice President	216.475.7760
Help Desk	Contact for general program questions	
	➤ Help Desk – 800.562.5165 Option 2	
	○ <a href="mailto:HFA.Programs@usbank.com">HFA.Programs@usbank.com</a>	



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## **HFA PREFERRED LOAN PRODUCT APPROVED MI COMPANY PROVIDERS**

### **Arch MI**

Account Manager: Mark McGregor  
Email Address: [mmcgregor@archmi.com](mailto:mmcgregor@archmi.com)  
Phone Number: 402-659-1768  
Website Address: [www.archmi.com](http://www.archmi.com)  
Underwriting Number: 888-746-6264 (Non-Delegated) or  
800-897-4264 (Delegated)  
Homebuyer Education Class: There is no charge for the online class when Arch  
provides MI coverage.  
<https://mi.archcapgroup.com/Training/Homebuyer-Education>

### **Essent Guaranty**

Account Managers: Ken Kuta & Valerie Reason  
Email Address: [ken.kuta@essent.us](mailto:ken.kuta@essent.us) & [valerie.reason@essent.us](mailto:valerie.reason@essent.us)  
Phone Number: 515-250-6201 & 515-418-0386  
Website Address: [www.essent.us](http://www.essent.us)  
Underwriting Number: 877-330-3535  
Homebuyer Education Class: There is no charge for the phone counseling class  
when Essent provides MI coverage.  
<http://financialpaths.org/home-ownership/homeownership-phone-counseling-and-certificate>

### **Genworth Financial**

Account Manager: Michael Walsh  
Email Address: [michael.walsh@genworth.com](mailto:michael.walsh@genworth.com)  
Phone Number: 515-661-9813  
Website Address: <http://mortgageinsurance.genworth.com>  
Underwriting Number: 800-677-6754  
Homebuyer Education Class: There is no charge for the counseling class.  
<https://mortgageinsurance.genworth.com/LenderServices/HomebuyerEducation.aspx>



**HFA PREFERRED LOAN PRODUCT  
APPROVED MI COMPANY PROVIDERS**

**MGIC**

Account Manager: Danielle Swerczek  
Email Address: [danielle\\_swerczek@mgic.com](mailto:danielle_swerczek@mgic.com)  
Phone Number: 402-699-2505  
Website Address: [www.mgic.com](http://www.mgic.com)  
Underwriting Number: 800-255-4122  
Homebuyer Education Class: There is no charge for the online class.  
<https://mgic.com/training/homebuyer-education-options>

**National MI**

Account Manager: Brian Lampe  
Email Address: [brian.lampe@nationalmi.com](mailto:brian.lampe@nationalmi.com)  
Phone Number: 510-858-0580  
Website Address: [www.nationalmi.com](http://www.nationalmi.com)  
Underwriting Number: 855-317-4664, option 2  
Homebuyer Education Class: There is a charge for the online class.  
<https://www.hometrek.org/nationalmi>

**Radian Guaranty**

Account Manager: Jim Scott  
Email Address: [jim.scott@radian.biz](mailto:jim.scott@radian.biz)  
Phone Number: 816-804-7185  
Website Address: [www.radian.biz](http://www.radian.biz)  
Underwriting Number: 877-723-4261  
Homebuyer Education Class: There is no charge for the online class.  
<https://www.hometrek.org/Radian-Registration>

## **SECTION 2**

### **PROGRAM OVERVIEW**

This Single Family MRB Program Lender Manual (this “Lender Manual”) is a reference guide for the origination of mortgage loans pursuant to NIFA’s Single Family Mortgage Program. This Lender Manual is designed to provide guidance for compliance with §143 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (the “Code”) and, generally, to help answer questions regarding the procedures, rules and regulations that govern the Program.

NIFA’s Single Family Mortgage Program provides funding for mortgages made to homebuyers throughout the state who qualify as first-time homebuyers (with certain exceptions) and meet established income limits and who purchase a home with a purchase price that does not exceed established limits. NIFA participates with a network of mortgage lenders to carry out the Program.

The NIFA Single Family Mortgage Program offers participating lenders access to a 24/7 internet-based system for processing NIFA loan reservations. This system features on-line program documents and forms, manuals and lender management reports. NIFA continues to pursue new initiatives to make the Single Family Mortgage Program process an efficient one for NIFA’s participating lenders.

The NIFA first mortgage loan has a fixed-rate with a 30-year term. There is no prepayment penalty. NIFA’s Program interest rates are adjusted from time to time as announced by NIFA. NIFA offers several different mortgage programs and products, including a “zero point” loan. NIFA will announce the types of programs it intends to offer, including origination/discount points that may be charged, from time to time.

NIFA currently offers the following types of programs:

- First Home Plus (0% origination fee)
- First Home Focused (Targeted Areas) (0% origination fee)
- Homebuyer Assistance (HBA) (0% origination fee)
- Military Home (0% origination fee)

Qualifying NIFA mortgage loans must be insured by one of the following:

- Federal Housing Administration (FHA)
- Department of Veterans Affairs (VA)

- Rural Development acting through the US Department of Agriculture (USDA/RD)
- Private mortgage insurance provided by Ctej "O K'Guugpv'I wctcpv\."Genworth Financial, O I K. "P cvkqpcn'O Kcpf "Tcf kcp" I uaranty (for conventional loans)

Funds are not available for refinancing, other than refinancing a construction period loan or similar temporary initial financing of 24 months or less.

NIFA Borrowers must be first-time homebuyers unless (a) they are purchasing a home in a NIFA Targeted Area, (b) they are “veterans” within the meaning of 38 U.S.C. Section 101 (see Attachment 3 to Form B) or (c) they qualify for one of the exceptions described in the Borrower Eligibility Requirements set forth in Section 4D herein. In order to evidence that the NIFA Borrower has not been previously owned a home, applicants must provide signed copies of their federal income tax returns for the three years prior to closing.

The total gross annual income from all sources of all persons 18 years or older expected to live in the home must be less than the Program income limits. (Certain of the federal insurance or guarantee programs used by NIFA may prescribe even lower income limits.)

To qualify for a NIFA loan, the purchase price of the home must not exceed the purchase price limits established by NIFA from time to time.

The Program is available for the purchase of single-family homes, qualified condominium units, townhomes and two-to-four family dwellings where one unit is occupied by the mortgagor. If the residence to be purchased has two or more units, such residence must have been constructed and initially occupied as a residence at least five years before the mortgage is executed.



## **SECTION 3**

### **REQUIREMENTS FOR PARTICIPATING LENDERS**

Lenders throughout the state are NIFA's key partners in many of the NIFA financing programs, including homeownership. A lender must be "NIFA-approved" to participate in the Single Family Mortgage Program. ( See Section 18—Glossary of Terms-definition of "Participant.") This Program, with the support of NIFA's participating lenders, has provided the citizens of Nebraska a variety of zero or low down payment loan products. There are many benefits to being a NIFA participating lender, one of which is a maximum net profit margin of 2.00% per loan closed under the Program. In addition, the origination of NIFA loans may assist banks in meeting CRA lending requirements, as well as providing financing to assist communities in stabilizing neighborhoods by increasing homeownership opportunities.

The Single Family Mortgage Program offers participating lenders access to a 24/7 internet-based system for processing NIFA loan reservations. This system features on-line program documents and forms, manuals and lender management reports. NIFA continues to pursue new initiatives to make the Program's origination process an efficient one for NIFA's participating lenders.

To participate in the Program and be eligible to request loan reservations, a lender must execute certain documents (the Offer to Originate and Sell Single-Family Mortgage Loans ("Offer") and the Origination Agreement ("Origination Agreement")).

Pursuant to the Offer, each participating lender is eligible to request loan reservations (a "Reservation") from NIFA, from time to time, and on a loan-by-loan basis. Once granted a Reservation, the participating lender proceeds to originate a Mortgage Loan in accordance with the terms of the Offer, the Origination Agreement and this Lender Manual, including the reservation procedures (the "Reservation Procedures") described herein.

A participating lender must be a home mortgage lending institution or entity that meets the following requirements:

- (i) be a duly organized, validly existing bank, trust company, savings bank, industrial bank, national banking association, savings and loan association, building and loan association, mortgage banker or other financial institution, or governmental agency which customarily provides service or otherwise aids in the financing of mortgages on single-family residential housing located in the State or any holding company for any of the foregoing;
- (ii) be authorized to do business in the State;
- (iii) meet all the requirements set forth by NIFA's Master Servicer.

NIFA and its Master Servicer reserves the right to modify the requirements to qualify as a Participant from time to time.

**Nebraska Investment Finance Authority  
Single Family Mortgage Revenue Bond Program  
Participating Lender Compensation Schedule  
Effective Date: Loans Purchased On And After February 1, 2016**

<b># Days from Closing to Funding by Master Servicer</b>	<b>Minimum Compensation</b>		<b>Maximum Compensation</b>
1-45 days	\$1,000	OR	2.00%
46-60 days	\$800	OR	1.75%
61-90 days	\$0		1.00%
91-120 days	\$0		0.50%
120+ days	\$0		0.00%

**\*\*Conditions:**

- 1) Regular loan reservations are valid for 60 days.
- 2) Closed loan file must be delivered to Master Servicer in purchasable form within 10 days of closing.
- 3) NIFA has the right to refuse the purchase of a loan not delivered and purchased by the Master Servicer within 120 days of closing.

## SECTION 4

### GENERAL PROGRAM PARAMETERS

**A. PURCHASE PRICE LIMITS.** See Single Family Bond Programs—Rates and Limits in Section 7 of this Program Manual.

The Purchase Price of a Residence is the cost of acquiring the Residence from the seller as a completed residential unit. See Section 18—Glossary of Terms—definition of “Purchase Price.” Participating lenders are also referred to Affidavit #2—Acquisition Cost and Forms B and C with respect to documenting the Purchase Price.

**Non-Arm’s Length Transactions.** If there is a less than arm’s length transaction (related parties), the greater of the purchase price or appraised value is used to determine whether the purchase price limitations are met.

**2-4 Unit Single Family Dwellings.** If the Residence contains two or more dwelling units, Participant must determine that the Residence has been completed and occupied as a Residence at least five years before the Mortgage therefor was executed. Ordinarily, the Mortgagor’s representations, confirmed by Participant’s general knowledge of the community and neighborhood, should be sufficient to verify the eligibility of the property. However, where a question exists as to location of the property, the number of dwelling units involved or the age of the property, further investigation is appropriate, including inquiries to taxing authorities or a physical inspection of the property.

Maximum purchase prices for **existing** multi-unit housing financed in the First Home Plus/First Home Focused/Homebuyer Assistance (HBA) Programs are as follows:

	<b>Non-Targeted</b>	<b>Targeted</b>
2-Unit Residence	\$320,000	\$345,000
3-Unit Residence	390,000	475,000
4-Unit Residence	480,000	590,000
(New construction is <i>not</i> eligible.)		

### **B. LOAN TYPES AND PRODUCTS**

- (a) 30-year term;
- (b) FHA Fixed Insured Program:
  - (i) FHA 203(b), Homes Unsubsidized (i.e., 203, 503, 703 cases)
  - (ii) FHA 221(d)(2), Low and Moderate Income (i.e., 221, 521, 721)
  - (iii) FHA 203(l), Home Mortgage for Outlying Areas Properties
  - (iv) FHA 203(k) (Streamline), Rehabilitation;

- (v) FHA Section 184, Indian Housing Loan Guarantee Program
- (c) VA Guaranteed Loans (must have a guarantee in accordance with GNMA Guidelines)
- (d) USDA Rural Development Guaranteed Loans
- (e) Conventional Fixed:
  - (i) HFA Preferred 97 LTV (Fannie Mae)

C. PERMITTED CLOSING COSTS/FEEES  
GOVERNMENT & CONVENTIONAL LOANS

Name of Fee	Maximum Charged to Buyer		Maximum Charged to Seller
Origination Fee	Not Allowed		Not Allowed
Tax Service Fee Collected by Master Servicer at time of purchase	\$80000	OR	\$80.00
Master Servicer Funding Fee Collected by Master Servicer at time of purchase	\$600.00	OR	\$600.00
Lender Processing Fee /Underwriting Fee Retained by originating lender	Reasonable & Customary Not to exceed \$600.00	OR	Reasonable & Customary Not to exceed \$600.00
Lender Closing Fee* Retained by originating lender for closing loan	Reasonable & Customary Not to exceed \$150.00	OR	Reasonable & Customary Not to exceed \$150.00
Third Party Closing Fee* Retained by third party for closing loan on behalf of originating lender	Reasonable & Customary Not to exceed \$247.00	OR	Reasonable & Customary No Set Limit
Third Party Escrow Closing Fee Retained by third party	Reasonable & Customary No Set Limit		Reasonable & Customary No Set Limit
Real Estate Buyer Broker Fee Retained by real estate company	Reasonable & Customary Not to exceed \$250.00		Reasonable & Customary No Set Limit

\*In no situation should both the lender and third party charge a closing fee. The lender will receive a maximum 2.00% service release premium as long as the loan is purchased by the Master Servicer within 30 days from closing. Please refer to the Lender Compensation Schedule.

All other reasonable and customary out-of-pocket costs (e.g. appraisal fee, title insurance fee, inspection fee, etc.) permitted by law and agency underwriting guidelines are allowed.

**Prohibited Closing Costs/Fees.** Document preparation fees and any other costs or fees not described above may not be charged.

**Buydowns.** Buydowns on NIFA Mortgage Loans are not permitted.

D. BORROWER ELIGIBILITY REQUIREMENTS

**Income Guidelines.** To calculate income for NIFA purposes, all sources of income for all Borrowers and adult individuals (18 years or older) who will live in the Residence must be included as specified in the Borrower's Affidavit and Certification. Refer to Section 5 of this Lender Manual and Attachment 2 to the Borrower's Affidavit and Certification for instructions on calculating family income. Verification of Employment (VOE) and current pay stubs are required.

**First-Time Homebuyer.** Unless (1) the Residence is located in a Targeted Area, (2) the Borrower is a "veteran" within the meaning of 38 U.S.C. Section 101 (see Attachment 3 to Form B) or (3) the Borrower qualifies for an exception, each Borrower must be a First-Time Homebuyer. With respect to the veterans' exception described in the previous sentence, the spouse of any veteran does not need to be a First-Time Homebuyer. To be a First-Time Homebuyer, each Borrower must not have had an ownership interest in a principal residence at any time during the three years preceding the mortgage loan date.

Certain exceptions are available to the First-Time Homebuyer rule. You must obtain written pre-approval by NIFA in all cases requesting such an exception. Evidence of approval by NIFA of the exception to the First-Time Homebuyer requirement must be submitted with the loan file. NIFA may finance a minimum amount of Mortgage Loans where the Borrowers are not first-time homebuyers and qualify for an exception. The following are the situations pursuant to which NIFA will consider a request to finance a Loan for a non-first-time homebuyer.

- loss of previous dwelling by court action (i.e., divorce action). In order to qualify for this exception, Borrowers must not have received any proceeds of the sale of the dwelling;
- loss of previous dwelling by disaster (i.e., fire, tornado); or
- involuntary relocation of a Borrower by his or her employer to another location of the same employer because of employment reasons, including the situation where a Borrower's job position is terminated and the Borrower must relocate to secure employment [with the same employer].

**Multiple Borrowers.** In the event that there is more than one Borrower signing the Mortgage Note with respect to a particular Residence and the person will have an ownership interest in the Residence, each of such Borrowers or persons must meet the three-year requirement. A non-purchasing spouse must meet the three-year requirement.

**Co-Signer.** A person who is liable under the Mortgage Note secured by the Mortgage but who does not have a present ownership interest in the Residence subject to the Mortgage need not meet the three-year requirement. (For example, where a parent of a Borrower co-signs the Mortgage Note for a child, but the parent takes no interest in the Residence and will not occupy the property or execute the Mortgage, it is not necessary that the parent meet the three-year requirement).

**Non-Purchasing Occupant.** Additionally, a person intending to occupy the Residence but who will not have an ownership interest in the Residence need not meet the three-year requirement (although he or she must meet the income requirement).

Examples of interests which constitute present ownership interests (and thus would result in a potential home purchaser failing to meet the First-Time Homebuyer requirements) are the following:

- (a) a fee simple interest;
- (b) a joint tenancy, a tenancy in common, or tenancy by the entirety;
- (c) the interest of a tenant-shareholder in a cooperative;
- (d) a life estate;

(e) a land contract (i.e., a contract pursuant to which possession and the benefits and burdens of ownership are transferred although legal title is not transferred until some later time);

(f) an interest held in trust for the Mortgagor (whether or not created by the Mortgagor) that would constitute a present ownership interest if held directly by the Mortgagor; and

(g) a lease with an option to purchase for a nominal sum.

Examples of interests which do not constitute present ownership interests (and thus would not result in a potential home purchaser failing to meet the First-Time Homebuyer requirements) are the following:

(a) a remainder interest;

(b) a lease without an option to purchase or a lease with an option to purchase at fair market value;

(c) a mere expectancy to inherit an interest in a principal Residence;

(d) the interest that a purchaser of a Residence acquires on the execution of a purchase contract; and

(e) an interest in other than a principal Residence during the previous three years.

#### **Tax Returns.**

(a) Participant shall obtain from each Borrower, Co-Borrower or non-purchasing spouse copies of such individual's signed and dated federal income tax returns which were filed with the Internal Revenue Service for the preceding three years. Each tax return shall be examined by Participant to determine whether a deduction was claimed for taxes on real property which was a principal Residence pursuant to Section 164(a)(1) of the Internal Revenue Code or a deduction pursuant to Section 163 of the Internal Revenue Code for interest paid on a mortgage secured by real property which was a principal Residence. If such a deduction was claimed, Participant must make additional investigations.

(b) If Form 1040 was filed, include all schedules.

(c) If the Borrower, Co-Borrower or non-purchasing spouse cannot provide copies of their previous three (3) years' tax returns, such individual must either submit a written request or phone call to the IRS (800-829-1040) requesting either a #1722 statement, computer generated transcript or copies of the actual tax return(s). If Form 1040 was filed, the #1722 statement or transcript must include itemized deductions that were taken if any. The Borrower is not required to sign the Statement #1722 or the

IRS tax transcript. As stated in paragraph (a), the actual tax returns must be signed and dated by the Borrower or both Borrowers if filing jointly.

(d) If itemized deductions include real estate taxes or mortgage interest, those deductions must be explained to determine first-time home buyer status.

(e) If federal tax returns are filed via the telephone (TeleFile), a copy of the TeleFile tax record is acceptable as long as the form is completed in full and includes the IRS Customer Service Number (CSN). The TeleFile return does not have to be signed by the Borrower.

(f) Form 8453 is not acceptable. See (c) above.

(g) If the Borrower had no obligation to file a federal tax return for any of the preceding three years, the Participant must obtain other documentation (e.g., rent receipts, credit report, etc.) providing evidence that the Borrower has resided in a rental home, and evidencing that the Borrower did not have an ownership interest in his or her principal residence during the prior three years. Such documentation must be acceptable to NIFA. [See Form A (Household Verification Affidavit) and Form B (Mortgagor's Affidavit and Certification).]

(h) With respect to properties located in Targeted Areas and Borrowers who either are "veterans" within the meaning of 38 U.S.C. Section 101 (see Attachment 3 to Form B) or qualify for an exception, NIFA requires only the most recently filed tax return from Borrowers who receive income (self-employment, rental/investment income, commissions) that is not reported on an IRS Form W-2 and as otherwise required by NIFA.

**Mobile Homes.** In the event a potential Borrower has had a previous ownership interest during the prior three years in a mobile home (which mobile home was such Borrower's principal Residence), such Borrower will not qualify as a First-Time Homebuyer if such mobile home was "permanently fixed to the real property." The determination of whether the mobile home was "permanently fixed to real property" is to be made on the basis of the facts and circumstances of each particular case.

**Co-Borrower.** Must occupy property and income must be included on the Borrower's Affidavit and Certification. Each person executing the mortgage (not the Mortgage Note) and to whom financing is provided by the Mortgage Note must be a first-time home buyer (or be a "veteran" within the meaning of 38 U.S.C. Section 101 (see Attachment 3 to Form B), the spouse of such a "veteran" or qualify for an exception. **Each such person (other than those described in the preceding sentence) must not have had a present ownership interest in a principal residence at any time during the three (3) year period prior to date on which the mortgage is executed.**

**Co-Signer.** Co-signers are permitted in accordance with FHA/VA/RD/Fannie Mae/Freddie Mac guidelines provided such co-signers will not have a present ownership interest in the residence subject to the mortgage. Co-Signers do not need to meet the three-year



requirement for home ownership if they will not live in the residence and the income of such co-signers does not need to be included on the Borrower's Affidavit and Certification.

**Non-Occupying Spouse.** NIFA requires a non-occupying spouse to meet the three-year first time homebuyer requirement and his or her income must be verified and included on the Borrower's Affidavit and Certification. A non-occupying spouse need not meet these Program requirements if (i) a copy of the divorce decree or legal separation filed with the courts is provided or (ii) a notarized affidavit is provided from both spouses clearly stating whether or not there is an intention to occupy the property. See Affidavits 3-1—Non-Occupying Spouse, and 3-2—Borrower's Affidavit With Respect to Non-Occupying Spouse, with respect to documenting the foregoing.

**Non-Purchasing Spouse.** A non-purchasing spouse is a spouse who is not named on the warranty deed and/or does not execute the mortgage note or deed of trust, but who will occupy the Residence. A non-purchasing spouse must execute the Borrower's Affidavit and Certification. The income of non-purchasing spouse must be included in the calculation of Family Income. The non-purchasing spouse must be a First-Time Homebuyer (or otherwise qualify for an exception).

**Non-Purchasing Occupant.** A non-purchasing occupant is a person who is not named on the warranty deed and does not execute the mortgage note or deed of trust, but who will occupy the Residence. All non-purchasing occupants must execute the Borrower's Affidavit and Certification and be included as a family member for purposes of calculating Family Income. Such nonpurchasing occupant need not be a First-Time Homebuyer (or otherwise qualify for an exception).

**Persons Required to Execute NIFA Forms.** See Section 15—Table of NIFA Forms and Required Signatures for which NIFA forms must be executed by which parties (e.g., Borrower, non-borrowing occupant, etc.).

**Assumptions.** EACH MORTGAGE SHALL HAVE ATTACHED AN ADDENDUM WITH RESPECT TO NONASSUMPTION AND/OR ACCELERATION IN THE RESPECTIVE FORM SET FORTH IN SECTION 16—FORM E-1 TO E-3.

## **E. PROPERTY ELIGIBILITY REQUIREMENTS**

### **Types of Dwellings Eligible for Financing.**

#### **Single Family Dwellings (including townhomes).**

#### **Condominiums.**

(a) Must be eligible for FHA insurance, VA guaranty or PMI insurance, whichever is applicable.

(b) FHA, VA and USDA Rural Development loans must meet GNMA requirements.

(c) Conventional loans must meet FNMA or Freddie Mac requirements.

**2-4 Family Dwellings.**

(a) Owner must occupy at least one unit.

(b) Must have been built and occupied as a residence at least five years preceding the mortgage loan date.

(c) Net rental income from those units not occupied by the Borrower must be included as income of the Borrower. When determining “net rental income,” the Borrower may *not* deduct principal payments on loans, expenses for expansion or outlays for capital improvements. The Borrower *may* deduct business expenses and interest payments on loans (unless the expenses or loans are for business expansion or capital improvement) and depreciation computed on a straight-line basis (not accelerated depreciation).

**Occupancy Requirements.** The Residence must be occupied by Borrower as principal residence within 60 days following the date of the Mortgage Loan.

**Commercial Usage.** Not more than 15% of the total area of the Residence may be used in a trade or business. See Affidavit 1.

**Appurtenant Land.** Appurtenant land to the Residence must reasonably maintain livability of the Residence and may not provide, other than incidentally, a source of income to the Borrower. Contact NIFA for questions about acreages.

**Remaining Life.** A qualified appraisal must show a remaining useful life of the Residence of at least 30 years.



## APPROVED HOMEBUYER EDUCATION CLASSES

NIFA requires homebuyer education for all NIFA loans. These classes provide the highest benefit when taken early in the home buying process (before searching for a home). While NIFA encourages all first-time homebuyers to take a face-to-face education class, unless otherwise stated, online classes are acceptable.

All occupying borrowers who execute the Note must complete an education class and their name must be printed on the completion certificate and submitted to NIFA with the post-closing package. NIFA approved homebuyer education classes include:

### **Face-to-Face Classes:**

- Non-profit organizations (REACH Affiliates) are located across the State of Nebraska and are listed on the Nebraska Housing Developers Association website at [www.housingdevelopers.org](http://www.housingdevelopers.org).

### **Online Classes:**

- eHome America  
[www.ehomeamerica.org](http://www.ehomeamerica.org)
- Framework  
[www.frameworkhomeownership.org](http://www.frameworkhomeownership.org)
- Credit Smart  
[www.freddiemac.com/creditsmart/tutorial.html](http://www.freddiemac.com/creditsmart/tutorial.html)
- Homebuyer Funds  
[www.homebuyerfunds.com](http://www.homebuyerfunds.com)
- Mortgage Guaranty Insurance Corporation  
<http://www.mgic.com/training/homebuyer-education-options>
- Genworth Financial  
<http://mortgageinsurance.genworth.com/LenderServices/HomebuyerEducation.aspx>
- Essent Guaranty  
<http://financialpaths.org/home-ownership/homeownership-phone-counseling-and-certificate>
- Arch MI  
<http://mi.archcapgroup.com/Training/Homebuyer-Education>
- National MI  
<http://www.hometrek.org/nationalmi>
- Radian Guaranty  
<http://www.hometrek.org/Radian-Registration>

Please note there may be some situations where the provider charges a fee for the class. You can contact the NIFA office at 402-434-3900 with any questions.

## SECTION 5

### INCOME CALCULATION

A. Income Calculation Guidelines

B. Income Calculation Worksheet

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## A. INCOME CALCULATION GUIDELINES

Family Income is the total of monthly income, from all sources, multiplied by 12.

### What should be included in family income?

All sources of income from Borrower, Co-Borrower, Non-purchasing Spouse, Non-purchasing Occupant and all adult individuals over the age of 18 years who will occupy the Residence.

Employment (Base, Over-time, Bonus, Commission)

Part-time employment

Alimony

Child Support

Pensions

Unemployment

Liquid Assets in excess of \$5,000.00 (Savings Accounts, Checking Accounts, Investments, 401K, Trusts, Inheritance)

Rental Income

Projected Raises

Social Security (All adult members, payments received by adults for minors, or payments received by minors)

Periodic Payments (Annuities, Disability or Death Benefits, Lottery winnings)

Payments in lieu of earnings (Unemployment, workmen's compensations)

Recurring Contributions or Gifts

How to calculate the number of months. A month is not counted as a full month until the complete month has ended.

Example: January 15th = .5 months, January 25th = .75 months, February 2 = 1 month, February 15th = 1.5 months, March 25th = 2.75 months

### How do you calculate income:

- **Base (Hourly):** Hourly Wage x Hours worked x 52 Weeks divided by 12 Months

**Example:** \$7.50 x 40 x 52 divided by 12 = Monthly Income

- **Bi-Weekly (Salary):** Salary x 26 weeks divided by 12 months = Monthly Income

**Example:** \$900.00 x 26 divided by 12 months = Monthly Income

- **Bi-Weekly (Hourly):** Hourly wage x Hours worked x 26 divided by 12 = Monthly Income

**Example:** \$10.00 x 40 x 26 divided by 12 = Monthly Income

- **Annual:** Salary divided by 12 months

**Example:** \$36,000.00 divided by 12 = Monthly Income

- **Over-time:** Less than 6 months of history - Current + previous 12 Months divided by number of months = Monthly Income  
Example: \$250.00 + \$1,200.00 divided by 13.5 (as of March 17)  
Current would be calculated after July 1st current divided by number of months = Monthly Income  
Example: \$750.00 divided by 6.5 (as of July 15th)
- **Part-time Employment:** Would be calculated the same as Full-time employment
- **Commissions:**  
Less than 6 months of history - Current accumulated amount + previous 12 Month total divided by number of months = Monthly Income  
Example: \$250.00 + \$1,200.00 divided by 13.5  
Current calculated after July 1st: Current accumulated amount divided by number of months = Monthly Income  
Example: \$750.00 divided by 7.5
- **Bonus (non-annual):** Calculated the same as Commissions
- **Annual Bonus:** Previous 24 months pay periods divided by 24 = Monthly Bonus Income
- **Child Support or Alimony:** Monthly amount per decree or judgment. For irregular payments, provide court documents using most current 12-month average.
- **Pension, Social Security:** Monthly amount per documentation
- **Unemployment:** Monthly amount per documentation
- **Net Rental Income:** 2 to 4 family units (The Borrower must occupy one of the Units):  
Monthly gross receipts divided by number of units = Monthly Income  
Example: \$500.00 + \$750.00 + \$600.00 divided by 3 = Monthly Income
- **Projected Raise (Hourly):** Amount of the raise x the number of months the raise would encompass divided by 12 = Monthly Income  
Example: (\$10.00 x 3%) x hours worked x 9 months divided by 12 = Monthly Income  
\$.25 x hours worked x 9 months divided by 12 = Monthly Income
- **Projected Raise (Annual):** Amount of the raise divided by 12 months x number of months the raise would encompass divided by 12 = Monthly Income  
Example: \$1,200.00 divided by 12 x 6 months divided by 12 = Monthly Income
- **Self-Employment:** The most current quarter unaudited Profit and Loss Statement (see Affidavit 4) or a 3<sup>rd</sup> party verified and notarized current quarter Profit and Loss. Schedule C from most current tax returns. Amount of income divided by the number of months = Monthly Income  
Example: \$12,500.00 divided by 3 months = Monthly Income

**Assets (including real property): Use the cash value.**

**Cash Value:** The amount of cash that would be received if the asset was converted to cash less reasonable cost incurred in selling or converting the asset.

**Examples:** Penalties for early withdrawal.  
Broker or legal fees.  
Settlement costs for real estate.

**Jointly owned assets:** Prorated as to percentage owned. If no percentage is designated or provided by state or local law, prorate equally among all owners.

- **Liquid Assets:** Any asset which can be converted to cash, even if a penalty may be Assessed:  
Combined amount of assets x 2.5% divided by 12 = Monthly Income  
**Example:** (Checking, Savings, 401K, Investments)  
 $\$15,000.00 \times 2.5\% \text{ divided by } 12 = \text{Monthly Income}$

**What can be considered a Liquid asset?**

- **Cash:** Held in a: Savings account, checking account, safety deposit box, or the home.
- **Trusts:** Principal value of any trust available to the household. (Do not use irrevocable trusts)
- **Equity In Rental Property:** Current market value less settlement costs.
- **Stocks:** Current market value less fees
- **Bonds:** Current market value
- **Treasury Bills:** Current market value
- **Certificates of deposits:** Current value less penalties
- **Money market accounts:** Current value less fees
- **Retirement, Keogh Accounts, 401K:** Current value less penalties
- **Pension Fund:** Use only amounts that can be withdrawn without retiring or termination
- **Lumpsum Receipts:** One-time lottery winnings, Insurance settlements or claims, Capital Gains
- **Personal property as Investments:** Gems, Jewelry, Coin collections, Antique cars
- **Health Savings Accounts**

**If Net Family Assets exceed \$5,000.00:** Calculate imputed income from assets

**How to Calculate Liquid Assets:** Total amount of imputed assets less cash to close, and anything paid outside of closing times interest rate specified by HUD. (Current rate is 2.5%) divided by 12 months.

**Example:**  $\$2,500.00 + \$5,000.00 \times 2.5\% \text{ divided by } 12 = \text{Monthly Income}$

**Commissions (after Bonuses).** For a new job on a commission basis, use either a projection of income from the employee or require income information from similar jobs with other employers.

■ **Answers To Recurring Questions**

***Excluded From Income***

- Reimbursement of business expenses (e.g., mileage).

- Amounts directed to a “health care spending account” per pay period. Under certain benefit plans this amount is not gross income to the employee. To the extent an employee has uninsured health care costs he can requisition moneys from these accounts. Participation in these plans is voluntary and to the extent the employee overestimates his need for this benefit, he forfeits the dollars.
- Lump Sum insurance settlements. This is distinguished from ongoing insurance payments if those ongoing payments represent a component for lost wages or income.

### ***Included in Income***

- Generally alimony and child support is included; however, in certain limited cases, if the party has not paid for a period of time and is not expected to pay (supported by court records), such alimony or child support may be disregarded.
- Net income from operation of a business or from property rental (includes renting a basement apartment). Also, see limit (15%) on amount of Residence that may be used in a business.
- The calculation of income requires the mortgagor to include, among other items, net income from the operation of a business or profession or from the rental of real or personal property (without deducting expenditures for business expansion or amortization of capital indebtedness).

When computing net income from a business or rental property, the mortgagor may *not* deduct:

- principal payments on loans,
- expenses for business expansion, or
- outlays for capital improvements.

The mortgagor *may* deduct:

- business expenses and interest payments on loans (unless the expenses or loans are for business expansion or capital improvement); and
- depreciation computed on a straight-line basis (not accelerated depreciation).
- In a situation where the mortgagor has financed a two-to-four unit dwelling with a mortgage loan the income and expenses in connection with the rental units in the dwelling would be treated as described above as net income from the rental of property, prorating the income and expenses over the rental units. Whether the unit will be rented or held vacant in the future depends on the reasonable expectations under the facts and circumstances (e.g., has the unit been vacant for the prior six months or has the unit been rented on a continuous basis during the last 10 years).
- For a self-employed person, use Schedule C of the tax returns and the current year-to-date Profit and Loss Statement. (See Affidavit 4). If a borrower has a two-year history, the most recent 24 months can be averaged with current year-to-date.



■ **Income Calculation Examples**

**B. INCOME CALCULATION WORKSHEET**

See the following page.

### Income Calculation Worksheet

Income Sources	Salary/ Income	Hours Raise Rec'v	Time Worked	Monthly Income	Information maybe changed in columns B, C, D and E. Do not change information in column F.
Hourly	0.00		40.00	0.00	
Weekly	0.00			0.00	
Bi-Weekly	0.00			0.00	
Monthly	0.00			0.00	
Hourly/Part-Time	0.00		10.00	0.00	
Annual	0.00	0.00	12.00	0.00	
Annual to Date	0.00		11.00	0.00	
Hourly with Raise	0.00	0.00	0.00	0.00	
Over Time	0.00		6.82	0.00	
Over Time YTD	0.00		0.00	0.00	
Lump Sum Over Time	0.00		1.00	0.00	
Bonus/Commission/Tips	0.00		11.00	0.00	
Child Support	0.00		1.00	0.00	
Liquid Assets	0.00			0.00	
Dividends, Interest, Royalties, Trusts, Actual or Imputed Income From Family Assets	0.00			0.00	
Net Rental Income					
Pension, Social Security Benefits	0.00			0.00	
VA Compensation	0.00			0.00	
Unemployment	0.00		12.00	0.00	
Public Assistance	0.00			0.00	
Projected Raise	0.00	40.00	12.00	0.00	
Projected Raise (annually)	0.00		11.00	0.00	
Other	0.00		12.00	0.00	
<b>Total Monthly Income</b>				<b>0.00</b>	
<b>CO-BORROWER OR NON-PURCHASING SPOUSE NAME:</b>					
Hourly	0.00		25.00	0.00	
Weekly	0.00			0.00	
Bi-Weekly	0.00			0.00	
Monthly	0.00			0.00	
Hourly/Part-Time	0.00		10.00	0.00	
Annual	0.00			0.00	
Annual to Date	0.00		16.50	0.00	
Hourly with Raise	0.00	0.00	1.00	0.00	
Over Time	0.00		5.00	0.00	
Over Time YTD	0.00		24.00	0.00	
Lump Sum Over Time	0.00		1.00	0.00	
Bonus/Commission/Tips	0.00		16.50	0.00	
Child Support	0.00			0.00	
Liquid Assets	0.00			0.00	
Dividends, Interest, Royalties, Trusts, Actual or Imputed Income From Family Assets	0.00			0.00	
Net Rental Income					

Pension, Social Security Benefits	0.00			0.00	
VA Compensation	0.00			0.00	
Unemployment	0.00			0.00	
Public Assistance	0.00			0.00	
Projected Raise (hourly)	0.00	0.00	11.00	0.00	
Projected Raise (annually)	0.00		11.00	0.00	
Other	0.00		11.00	0.00	
<b>Total Monthly Income</b>				<b>0.00</b>	
<b>NON-PURCHASING OCCUPANT NAME:</b>					
Hourly	0.00		10.00	0.00	
Weekly	0.00			0.00	
Bi-Weekly	0.00			0.00	
Monthly	0.00			0.00	
Hourly/Part-Time	0.00		10.00	0.00	
Annual	0.00			0.00	
Annual to Date	0.00		16.50	0.00	
Hourly with Raise	0.00	0.00	1.00	0.00	
Over Time	0.00		5.00	0.00	
Over Time YTD	0.00		24.00	0.00	
Lump Sum Over Time	0.00		1.00	0.00	
Bonus/Commission/Tips	0.00		12.00	0.00	
Child Support	0.00			0.00	
Liquid Assets	0.00			0.00	
Dividends, Interest, Royalties, Trusts, Actual or Imputed Income From Family Assets	0.00			0.00	
Net Rental Income					
Pension, Social Security Benefits	0.00			0.00	
VA Compensation	0.00			0.00	
Unemployment	0.00			0.00	
Public Assistance	0.00			0.00	
Projected Raise	0.00	0.00	40.00	0.00	
Projected Raise (annually)	0.00		11.00	0.00	
Other	0.00		1.00	0.00	
<b>Total Monthly Income</b>	0.00			0.00	
<b>Annual Income</b>				<b>\$0.00</b>	

## **NIFA Large Deposits Policy**

### **Purpose**

NIFA is required to project all includable income sources received over a 12-month period to determine household income qualification for its program. To calculate household income, NIFA must include all sources of income for all persons 18 years and older who will occupy the property as their primary residence. The sources of income to be included are defined in the Income Calculation Guidelines section of NIFA's Lender Manual. As part of their diligence, participating lenders are responsible for identifying all sources of includable income, whether or not disclosed by the borrower(s) at the time of loan application. Lenders shall comply with this Policy upon identification of a large deposit (defined below) that is not disclosed on the borrower's Income Worksheet.

### **Large Deposits**

Large deposits are defined as a single deposit that exceeds \$500. If the source of a large deposit can be easily identified on the bank account statement (such as direct deposits where the source of the deposit is printed on the statement) and matches the employment information in the file, the lender does not need to obtain further explanation or documentation. However, if the deposit does not identify the source on the statement, the lender must identify and document the source of the funds and determine whether such funds are to be included in household income.

NIFA, in its sole discretion, may require additional documentation if the aggregate of recurring/periodic deposits exceed \$500 over a 30-day time period.

### **Required Documentation**

NIFA requires one month (30 days) of bank account statements for all open accounts existing at the time of loan application. A Verification of Deposit (VOD) is not allowed. Lenders shall require borrower(s) to submit a Borrower Letter of Explanation (Affidavit 5) in the following situations:

- Unidentified one-time deposits or transfers in the amount of \$500 or greater.
- Unidentified transfers between accounts.
- Unidentified automatic deposits.

## SECTION 6

### RECAPTURE TAX GUIDELINES

#### Federal Recapture Tax - General

A Federal Recapture Tax (additional federal tax) may be due to the Internal Revenue Service when a Residence financed with a NIFA Mortgage Loan is sold. The tax liability is based on income, family size, net gain realized on the sale of the Residence and number of years from closing date to sale date. Generally, all of the following events must occur to trigger the Recapture Tax:

1. The Residence is sold within the first nine years of the Mortgage Loan closing date; and
2. The Borrower realizes a gain on the sale of the Residence (as defined by the IRS); and
3. The Borrower's income has increased since the Mortgage Loan closing and exceeds the limits established by the IRS.

Some Borrowers are more likely to pay a Recapture Tax than others:

- Borrowers who are employed in a high-growth income potential position;
- Borrowers who are close to the maximum income limit at the time of the Mortgage Loan closing;
- Borrowers who are in a high inflation environment; or
- Borrowers who are unmarried at Mortgage Loan closing that are married when the Residence is sold.

Special rules may apply in certain circumstances. Recapture Tax is not applicable in the following circumstances.

- The Residence is transferred to a spouse, or former spouse in connection with a divorce, where no gain is included in income;
- The Residence is destroyed by a casualty, and the Borrower repairs it or replaces it on its original site within two years after the end of the tax year when the destruction happened; or
- If the Residence is disposed of as a result of the Borrower's death.

If Recapture Tax is due, the year in which the Residence is sold is used in calculating the amount of the tax. The Recapture Tax is not paid to the IRS at the time of the sale, but rather at the time of filing the federal tax return for the year in which the sale occurred. Recapture Tax is

not due if the Borrower refinances the Residence; however, refinancing does not cancel the Recapture Tax obligation.

Each Borrower must sign a Recapture Tax disclosure form at the time of the initial Mortgage Loan application and again at Mortgage Loan closing. This disclosure includes the information needed to assist the Borrower in determining if and when any Recapture Tax may be due.

### **NIFA Recapture Tax Reimbursement Policy**

For all Mortgage Loans closed on or after June 1, 2004, and financed through the Single Family Mortgage Program, NIFA will reimburse any Borrower who sells his or her home and is required to pay the federal Recapture Tax.

A Borrower seeking reimbursement for Recapture Tax will need to apply to NIFA by July 15 of the calendar year immediately following the calendar year in which the Residence was sold. NIFA will reimburse the Borrower for payment of any Recapture Tax only if the NIFA-financed Mortgage Loan was outstanding at the time of sale (i.e., NIFA will not reimburse the Borrower if the Mortgage Loan has been subsequently refinanced).

The reimbursement from NIFA will be limited to the actual amount of the Recapture Tax. (NIFA will not reimburse for any fees, interest, expenses or penalties incurred.) NIFA will not calculate the amount of the Recapture Tax owed by the Borrower upon sale or disposition of the Residence. NIFA will pay for fees associated with the IRS Form 4506 that is required as part of the Request for Recapture Tax Reimbursement.



# HOMEOWNERSHIP PROGRAM

## *Loan Program Rates - Effective Date: 10/10/18*

Program Name	Government Rate	Conventional Rate	Origination/ Discount	Principal & Interest Factor
Military Home -VA, FHA and RD loans	4.250	NA	0% + 0%	4.250 – 4.919399
First Home Focused (target areas) -FHA, RD and conventional loans	4.250	4.500	0% + 0%	4.250 - 4.919399 4.500 – 5.066853
First Home Plus (non-target areas) -FHA, RD and conventional loans	4.500	4.750	0% + 0%	4.500 – 5.066853 4.750 – 5.216473
Homebuyer Assistance (HBA) -FHA, VA, RD & conventional loans -Maximum 5% second amount -Second term of 120 months	5.000 – 1 <sup>st</sup> rate 1.000 – 2 <sup>nd</sup> rate	5.250 – 1 <sup>st</sup> rate 1.000 – 2 <sup>nd</sup> rate	0% + 0%	5.000 – 5.368216 5.250 – 5.522037 1.000 – 8.760412

**\*\*This is not an advertisement for credit as defined in Regulation Z. Contact a Participating NIFA Lender for Annual Percentage Rate ("APR") information. Interest rates are subject to change without prior notice.\*\***

- 1) Regular rate loan reservations are valid for 60 days. Extended rate loan reservations (new construction only) are valid for 150 days and are subject to a .50% upfront fee that is only refundable when the loan closes within the 150-day reservation period.
- 2) Government loan products: FHA 203b, USDA Rural Development and VA
- 3) Conventional loan products: Fannie Mae HFA Preferred (97% maximum LTV and low mortgage insurance)

## *Household Income Limits - Effective Date: 7/26/18*

County (Non-Target)	1-2 Persons	3 or more Persons	County (Non-Target)	1-2 Persons	3 or more Persons
Adams	74,900	86,135	Nemaha	77,000	88,550
Buffalo	75,200	86,480	Polk	75,600	86,940
Cass	81,600	93,840	Sarpy	81,600	93,840
Cheyenne	75,300	86,595	Saunders	77,000	88,550
Douglas	81,600	93,840	Scotts Bluff	74,900	86,135
Jefferson	74,900	86,135	Seward	77,200	88,780
Lancaster	78,400	90,160	Washington	81,600	93,840
Lincoln	81,600	95,200	Wayne	76,500	87,975
Logan	81,600	95,200	All Other	74,900	86,135
McPherson	81,600	95,200	<b>Household Income Definition</b> NIFA will include all gross income sources for individuals 18 years or older who will live in the home as their primary residence. This includes base pay, overtime, commissions, bonuses, tips, self-employed income, social security, disability, unemployment, child support, alimony, part-time income and interest income from assets in excess of \$5,000.		
County (Target)	1-2 Persons	3 or more Persons			
Adams	89,880	104,860			
Douglas	97,920	114,240			
Jefferson	89,880	104,860			
Lancaster	94,080	109,760			
Scotts Bluff	89,880	104,860			



# HOMEOWNERSHIP PROGRAM

## ***Purchase Price Limits - Effective Date: 11/1/17***

All Programs		
Number of Units	Existing & New Construction Non-Target Counties	Existing & New Construction Target Counties
One Unit	250,000	300,000
Two Units	320,000	345,000
Three Units	390,000	475,000
Four Units	480,000	590,000

\*Borrowers must live in one of the units as their primary residence. NIFA will include net rental income in the total household income calculation for program eligibility. For 2-4 units, new construction is only eligible in target areas. In non-target areas, a 2-4 unit must be at least five years old.

## ***Credit Underwriting Overlays - Effective Date: 7/1/17***

All Government Loans		
Criteria	Minimum Credit Score	Maximum DTI Ratios
Loans approved by DU, LP or GUS	640-659	45% total DTI
Loans approved by DU, LP or GUS	660 & above	50% total DTI
Loans not approved by DU, LP or GUS (manual underwriting)	660 & above	31% housing ratio & 43% total DTI
Non-traditional credit	No credit score	31% housing ratio & 43% total DTI

\*Manufactured housing not allowed.

All Conventional Loans		
Criteria	Minimum Credit Score	Maximum DTI Ratios
Loans approved by DU	640-659	45% total DTI
Loans approved by DU	660 & above	50% total DTI
Loans not approved by DU (manual underwriting)	660 & above	31% housing ratio & 43% total DTI
Non-traditional credit	No credit score	31% housing ratio & 43% total DTI

\*Condominium projects with a 95.01-97% LTV allowed if approved by U.S. Bank Home Mortgage and meets Fannie Mae guidelines. Participating Lenders with delegated project approval authority can approve condominium projects with a 95% LTV or less subject to Fannie Mae guidelines. Manufactured housing not allowed.

Please note this is only a summary of credit underwriting overlays and is not inclusive of all guidelines. In addition to the above, Participating Lenders are responsible for all loans satisfying NIFA program guidelines, U.S. Bank guidelines, agency guidelines, PMI guidelines (if applicable) and secondary market guidelines.

**Homebuyer Education:** All occupying borrowers who execute the Promissory Note must complete a NIFA approved education class prior to closing. NIFA recommends taking the class as soon in the homebuyer process as possible. Online and face-to-face classes are available.



## SECTION 8

### HOME BUYER ASSISTANCE (HBA) PROGRAM

NIFA currently offers Home Buyer Assistance (HBA) in connection with its Single Family Housing Revenue Bond Program. The HBA Assistance is intended to help first time Borrowers with a portion of their down payment and closing costs. The following is a summary of certain terms of the HBA Assistance.

**Eligible Loan Types.** To be eligible for HBA Assistance, the Borrower must meet the requirements of NIFA's Single Family Program Mortgage Loan. FHA, "XC" and conventional mortgage are eligible loan types to be used with the HBA Assistance.

**First Mortgage Interest Rate.** The first Mortgage Loan bears a fixed rate of interest for a term of 30 years. Refer to current NIFA rates for the HBA Assistance as set forth in Section 7.

**HBA Assistance Interest Rate (Second Mortgage).** The second mortgage loan has an interest rate of 1%. The Borrower is required to make monthly principal and interest payments on the second mortgage loan. The term of the second mortgage is 120 months (10 years). The borrower may prepay the loan at any time, without penalty.

**Income and Purchase Price Limitations.** Refer to current NIFA purchase price and income limits set forth in Section 7 of this Program Manual.

**First Mortgage Calculations.** Use traditional loan calculations for FHA and conventional loans.

**HBA Assistance Calculations.** Under the current Program, the HBA Assistance shall not exceed 5% of the purchase price. If the proceeds of the HBA Assistance exceed the mortgage costs to be paid by the Borrower (down payment, prepaids, discounts and closing costs), the Participant must reduce the first Mortgage Loan accordingly. **In no event may the amount of the HBA Assistance exceed the mortgage costs. No Borrower shall receive cash back as a result of the HBA Assistance unless the borrower's initial investment exceeds \$1,000.**

**Minimum Investment.** The Borrower must have a minimum investment of \$1,000 from their own funds or gift funds. In no case should the Borrower receive a refund of moneys at closing except for the out-of-pocket costs advanced by the Borrower in excess of the \$1,000.

The following costs can be applied towards the \$1,000 minimum investment:

- (a) Earnest deposit;
- (b) Application fee; and
- (c) Homeowners insurance premiums, appraisal, inspection and credit report fees that are paid outside closing (POC). Cost should be reflected on the HUD-1 settlement statement.

**Required Disclosures and Documents.**

- (a) Notice to Borrower (Home Buyer Assistance Program) – Form F

\*this document must be executed by the Borrower at the time of loan application.

- (b) Promissory Note (signed by any co-signer as well) – Form G

- (c) Second Deed of Trust – Form J

- (d) All federal disclosures apply to the HBA second mortgage as well (Nqcp Estimate"cpf "Erqulpi "F kuerquwtg)

**Assumability.** The HBA second loan is not assumable.



## **HOMEBUYER ASSISTANCE (“HBA”) PROGRAM Second Mortgage Closing Procedures**

The following closing procedures for HBA second mortgage loans have been revised to comply with the TILA-RESPA Integrated Rule (“TRID”). ***These procedures are effective for all HBA second mortgage loan applications dated on and after October 3, 2015.***

Participating Lenders are not authorized to close either the first mortgage loan or HBA second mortgage loan until the following steps are completed and NIFA has approved the closing documents. All loan documents will be uploaded and submitted using NIFA’s secure website called Lender Online (“LOL”). The website address is <https://lol.nifa.org>.

### **Loan Application Disclosures**

- NIFA will require a separate Loan Application (Form 1003) to be included in the Pre-Closing Package (see checklist) for HBA second mortgage loans.
- The Participating Lender is responsible for providing a HBA Notice to Borrower (Form F) and a Loan Estimate in accordance with TRID requirements at the time of loan application. Either the Participating Lender or NIFA may be named as the creditor on the Loan Estimate for the HBA second mortgage loan.
- The Loan Estimate must comply with TRID requirements and will be reviewed by U.S. Bank Home Mortgage once the closed first and HBA second mortgage loans are delivered for purchase.

### **Pre-Closing Review**

- A complete Pre-Closing Package (see checklist) is required to be submitted in LOL for review and approval at least five business days prior to closing.
- The Participating Lender will be notified of any deficiencies as soon as possible.

### **Closing Disclosure**

- The Participating Lender is responsible for providing a Closing Disclosure in accordance with TRID requirements. Whichever party is named as the creditor on the Loan Estimate should also be named as the creditor on the Closing Disclosure for the HBA second mortgage loan.
- The Closing Disclosure must comply with TRID requirements and will be reviewed by U.S. Bank Home Mortgage once the closed first and HBA second mortgage loans are delivered for purchase.

### **HBA Closing Review**

- A complete HBA Closing Package (see checklist) must be submitted in LOL for review and approval at least one business day prior to closing.
- NIFA will review documents for program compliance only and will verify the final HBA second mortgage loan amount.
- The Participating Lender will be notified of any deficiencies as soon as possible.



## **HOMEBUYER ASSISTANCE (“HBA”) PROGRAM**

### **Second Mortgage Closing Procedures**

#### **HBA Closing Approval**

- Once the HBA Closing Stage is approved, the participating lender is authorized to close the first and HBA second mortgage loans.
- LOL will generate a Legally Enforceable Obligation Letter (“Obligation Letter”) including the final HBA second mortgage loan amount.
- The Obligation Letter must be included in the FHA case binder for insuring purposes and in the loan file that is delivered to U.S. Bank Home Mortgage for purchase.

#### **HBA Closing Documents**

- All occupying borrowers must execute a HBA Promissory Note (Form G), a HBA Deed of Trust (Form H) and a Borrower Acknowledgement Letter (Form J) at closing.
- The HBA second mortgage loan amount included on Form J must be the same as the Obligation Letter and all other closing documents.
- Form J is required by FHA to document the borrower’s minimum cash investment and must be included in the FHA case binder for insuring purposes and in the loan file that is delivered to U.S. Bank Home Mortgage for purchase.

#### **Disbursement of Closing Funds**

- The Participating Lender will fund both the first and HBA second mortgage loans at closing. NIFA is obligated to fund the HBA second mortgage loan and has an equitable interest in the loan and any monthly payments.
- The Participating Lender will collect monthly payments on both loans until such time the loans are purchased by U.S. Bank Home Mortgage.
- The purchase price of the HBA second mortgage loan will be equal to the face amount of the HBA second mortgage loan less the amount of any principal payments collected by the Participating Lender on behalf of NIFA. Any interest payments collected by the Participating Lender, on behalf of NIFA, will be retained as a fee for collecting monthly payments on the HBA second mortgage loan.

#### **Post-Closing Review**

- A complete Post-Closing Package (see checklist) is required to be submitted in LOL for review and approval no later than ten business days after closing.
- The closed first and HBA second mortgage loan files must be delivered to U.S. Bank Home Mortgage no later than ten business days after closing.
- The Participating Lender will be notified by NIFA and U.S. Bank Home Mortgage of any deficiencies. Once all deficiencies are cleared, both loans will be purchased.

***Revised Date: 10/1/15***  
***Effective Date: 10/3/15***



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## HOMEBUYER ASSISTANCE (HBA) PROGRAM

### SINGLE FAMILY MORTGAGE REVENUE BOND (MRB) PROGRAM CLOSING APPROVAL COMPLIANCE CHECKLIST

NIFA Reservation # (required): \_\_\_\_\_ Closing Date & Time: \_\_\_\_\_

Borrower Name(s): \_\_\_\_\_

#### HBA CLOSING DOCUMENTS

Documents should be submitted at least one full business day prior to the scheduled closing date to allow NIFA's team sufficient time to notify lenders of any conditions to clear before closing approval is granted. To complete the upload process in Lender Online, please remember to hit "Submit" so your request is included on our daily review report. Our team will accommodate rush requests on a limited basis.

#### For Loan Applications dated on and after October 3, 2015:

\_\_\_ Copy of initial, subsequent and final Loan Estimates for HBA second mortgage loan

\_\_\_ Copy of final Closing Disclosure for HBA second mortgage loan

\_\_\_ Copy of final Closing Disclosure for first mortgage loan

#### LENDER CERTIFICATION:

I hereby state that the information provided at this time is true and accurate to the best of my knowledge. If it is discovered that any information during the processing of this loan is no longer valid, our institution will notify NIFA immediately.

Date: \_\_\_\_\_ Contact Name: \_\_\_\_\_

Contact Phone #: \_\_\_\_\_ Email Address: \_\_\_\_\_

**Revised Date: 10/2015**

## SECTION 9

### RESERVATION PROCESS

- Quick Reference for NIFA Single Family Reservation Process

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"

Nqcp'Tgugtxcvqp'Gz vgpukqp'Tgs wguv'Hqto  
"

Ecpegm'vqp'Tgs wguv'Hqto

## **Quick Reference for NIFA Single Family Reservation & Closing Process**

All mortgage loans are reserved using NIFA's Lender Online (LOL) reservation system. The web site address for LOL is <https://lol.nifa.org>.

### **Step 1 – Loan Reservation Process**

Users need a password to access LOL. Users will select the New Reservation tab to lock an interest rate and program for borrowers. Once all required data fields are completed, the system will generate a loan number and reservation acceptance form. The reservation is not complete until a loan number is assigned. Loan reservations are valid for 60 days. Extended loan reservations are valid for 150 days (new construction only). Loans should be closed by the Commitment Expiration Date. Closing extensions may be granted at the discretion of NIFA.

### **Step 2 – Pre-Closing Compliance Process**

NIFA strongly encourages lenders to submit loan packages to our office for a pre-closing compliance review. All documents listed on the Pre-Closing Compliance Checklist should be submitted at least 5 business days prior to closing. Lenders will submit packages electronically using the eDocs function in the Loan Status section of LOL. NIFA's normal review time is 24-48 hours. Outstanding conditions will be posted in the Loan Status section of LOL. Please refer to the program compliance procedures and review process for more information.

### **Step 3 – HBA Closing Process**

In connection with a Homebuyer Assistance (HBA) loan, lenders must submit a HBA Closing Package for approval at least one full business day prior to the scheduled closing date. NIFA will review the documents for program compliance only. Once the package has been approved, the system will automatically generate a HBA Obligation Letter.

### **Step 4 – Post-Closing Compliance Process**

After the loan has closed, all documents listed on the Post-Closing Compliance Checklist must be submitted to NIFA within 10 business days of the closing date. If NIFA did not receive a pre-closing compliance package for review, all documents listed on the Pre-Closing Compliance Checklist must also be submitted. Lenders should submit packages electronically using the eDocs function in the Loan Status section of LOL. NIFA's normal review time is 24-48 hours. Outstanding conditions will be posted in the Loan Status section of LOL. Please refer to the program compliance procedures and review process for more information.

### **Step 5 – Delivery of Closed Loan to Master Servicer**

The closed loan file must be delivered to US Bank Home Mortgage for review and purchase within 10 calendar days of closing. All documents listed on US Bank's Loan Delivery Checklist should be included in the loan file. Outstanding conditions will be posted in the Loan Status section of LOL. Lenders will receive the maximum service release premium when loans are purchased within 30 days from closing. US Bank will not purchase the loan until all conditions are cleared.

**NEBRASKA INVESTMENT FINANCE AUTHORITY  
SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM  
CHANGE REQUEST FORM**

Reservation # \_\_\_\_\_

Borrower(s) Name \_\_\_\_\_

**(1) Mortgage Amount Changes:**

New First Mortgage Amount \$ \_\_\_\_\_

New HBA Second Mortgage Amount \$ \_\_\_\_\_

**(2) Loan Program Changes:**

**Current Program:**

Military Home \_\_\_\_\_

First Home Plus \_\_\_\_\_

First Home Focused \_\_\_\_\_

HBA \_\_\_\_\_

Other \_\_\_\_\_

**Change Program To:**

Military Home \_\_\_\_\_

First Home Plus \_\_\_\_\_

First Home Focused \_\_\_\_\_

HBA \_\_\_\_\_

Other \_\_\_\_\_

**(3) Loan Product Changes:**

**Current Loan Product:**

Government

FHA \_\_\_\_\_

RD \_\_\_\_\_

VA \_\_\_\_\_

Conventional

HFA Preferred \_\_\_\_\_

**Change Loan Type To:**

Government

FHA \_\_\_\_\_

RD \_\_\_\_\_

VA \_\_\_\_\_

Conventional

HFA Preferred \_\_\_\_\_

**(4) Address Change**

(Please note that a complete change in property requires cancellation of reserved loan. A new reservation must be made for the new property once all cancellation documents have been approved by NIFA staff.)

**(5) Other Changes**

Date \_\_\_\_\_ Contact Name \_\_\_\_\_

Phone Number \_\_\_\_\_ Email Address \_\_\_\_\_





## LOAN RESERVATION EXTENSION REQUEST FORM

To request an extension for a loan reservation, please upload this form in Lender Online (LOL) under the Pre-Closing Package prior to the reservation/commitment expiration date.

**TO COMPLETE THE UPLOAD PROCESS, PLEASE REMEMBER TO HIT "SUBMIT" SO YOUR REQUEST IS INCLUDED ON OUR DAILY REVIEW REPORT.**

Extension requests will be reviewed on a case by case basis and approved at NIFA's discretion. Some requests may be denied depending on the circumstances.

### **Loan Information:**

NIFA Reservation #: \_\_\_\_\_ Expected Closing Date: \_\_\_\_\_

Borrower Name(s): \_\_\_\_\_

Property Address: \_\_\_\_\_

Reason for Extension Request: \_\_\_\_\_

\_\_\_\_\_

### **Lender Information:**

Originating Lender Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

**NEBRASKA INVESTMENT FINANCE AUTHORITY  
SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM  
CANCELLATION REQUEST FORM**

Lender Name\_\_\_\_\_

Loan Reservation #\_\_\_\_\_ Reservation Amount \$\_\_\_\_\_

Borrower(s) Name\_\_\_\_\_

Reason for Request:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Additional documentation is required for the following reasons:

1. Loan Denial – need Statement of Credit Denial, Termination or Change Form
2. Over Program Income Limits – need lender's completed Family Income Worksheet if NIFA did not complete a full income review
3. Appraisal/Inspections – need list of required repairs or inspection report

**I hereby request the cancellation of the above Reservation:**

Date\_\_\_\_\_ Contact Name\_\_\_\_\_

Phone Number\_\_\_\_\_ Email Address\_\_\_\_\_

**FOR NIFA USE ONLY:**

**CANCELLATION APPROVED**\_\_\_\_\_

\_\_\_\_\_  
Authorized NIFA Representative

\_\_\_\_\_  
Date Processed

**CANCELLATION DENIED** \_\_\_\_\_

\_\_\_\_\_  
Authorized NIFA Representative

\_\_\_\_\_  
Date Processed

## **SECTION 10**

### **PROGRAM COMPLIANCE PROCEDURES AND REVIEW PROCESS**

- A. Purpose of Pre-Closing Compliance Review
- B. Pre-Closing Review Process & Documents
- C. Post-Closing Review Process & Documents
- D. Delivery of Closed Loan to Master Servicer
- E. Document Checklists
  - Pre-Closing Compliance Checklist
  - Post-Closing Compliance Checklist

## **PROGRAM COMPLIANCE PROCEDURES & REVIEW PROCESS**

### **A. PURPOSE OF PRE-CLOSING COMPLIANCE REVIEW**

The main objective of NIFA performing a pre-closing compliance review is to provide approved participating lenders with the opportunity to submit loan documentation to the NIFA office for review giving the lender a level of assurance that the mortgage loan is qualified prior to loan closing.

It is not mandatory for lenders to submit loan documentation to the NIFA office pre-closing, but NIFA encourages lenders to utilize a pre-closing review when time permits that could ultimately result in saving the lender time to clear conditions after the loan has closed.

The pre-closing review process does not automatically guarantee that the loan will be purchased by the Master Servicer. Lenders will be responsible to notify the NIFA office if any changes to the loan occur from the time a pre-closing approval is issued through the closing of the loan. There will be a post-closing review performed by NIFA and the Master Servicer upon delivery of the file for purchase. All bond program requirements and Master Servicer requirements that are included in this Lender Manual and lender program agreements must be met for the mortgage loan to be eligible under the Program.

### **B. PRE-CLOSING REVIEW PROCESS & DOCUMENTS**

After the loan reservation has been processed in the Lender on Line (LOL) system, all documents included on the Pre-Closing Compliance Checklist must be submitted to the NIFA office at least 5 business days prior to closing. The Checklist includes NIFA's mailing address, e-mail address and fax and phone numbers. The best method for submission of the loan documents is electronically using the eDocs process in LOL.

NIFA will review loan files within 24-48 hours of submission to our office. If the loan does not meet the bond-related program guidelines and/or documents are missing, NIFA will post conditions in LOL. Loan conditions need to be cleared by the lender in order to receive approval from NIFA for our program guidelines. NIFA may allow certain conditions to be cleared at closing.

### **C. POST-CLOSING REVIEW PROCESS & DOCUMENTS**

After the loan has been closed, all documents included on the Post-Closing Compliance Checklist must be submitted to the NIFA office within 10 business days of the loan closing date. PLEASE NOTE: IF THE LENDER DID NOT OBTAIN A PRE-CLOSING APPROVAL FROM NIFA, ALL OF THE DOCUMENTS INCLUDED ON THE PRE-CLOSING COMPLIANCE CHECKLIST MUST BE SUBMITTED AT THE SAME TIME FOR REVIEW. The Checklist includes NIFA's mailing address, e-mail address and fax and phone numbers. The best method for submission of the loan documents is electronically using the eDocs process in LOL.

NIFA will review loan files within 24-48 hours of submission to our office. If the loan does not meet the bond related program guidelines and/or documents are missing, NIFA will post conditions in LOL. Loan conditions need to be cleared by the lender in order to receive approval from NIFA for our program guidelines. All conditions must be cleared within a reasonable time period.

#### **D. DELIVERY OF CLOSED LOAN TO MASTER SERVICER**

The closed loan file is required for delivery to NIFA's Master Servicer within 10 calendar days of loan closing. The loan documents should follow the stacking order as included on the loan delivery checklist. The checklist used depends upon the applicable loan type (FHA, VA, RD or conventional).

NIFA will monitor the mortgage loan up through the loan purchase stage by the Master Servicer. It is important for lenders to submit loans in a timely manner and to clear any conditions set forth by the Master Servicer so the loan can be purchased within a reasonable time period. Lender compensation is based on the number of days from closing to purchase.



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## SINGLE FAMILY MORTGAGE REVENUE BOND (MRB) PROGRAM PRE-CLOSING COMPLIANCE CHECKLIST

**NIFA Reservation # (required):** \_\_\_\_\_

**Borrower Name:** \_\_\_\_\_ **Closing Date:** \_\_\_\_\_

**Real Estate Selling Agent:** \_\_\_\_\_ **Company Name:** \_\_\_\_\_

### **PRE-CLOSING DOCUMENTS (REQUIRED AT LEAST 5 BUSINESS DAYS PRIOR TO CLOSING)**

#### **Application Documents & Forms:**

- \_\_\_ Signed and dated Pre-Closing Compliance Checklist
- \_\_\_ Copy of signed and dated Household Verification Affidavit (Form A)
- \_\_\_ Copy of signed and dated complete Initial Loan Application (Form 1003; including all addendums) for first mortgage loan
- \_\_\_ Copy of signed and dated complete Initial Loan Application (Form 1003; including all addendums) for HBA second mortgage loan (if applicable)
- \_\_\_ Copy of fully executed Purchase Agreement (including all addendums) **OR** Acquisition Cost of Residence (Affidavit 2)
- \_\_\_ Copy of signed VA/FHA Escape Clause (if applicable)
- \_\_\_ Copy of signed and dated Initial Recapture Tax Notice (Form D)
- \_\_\_ Copy of HBA Notice to Borrower signed by borrower and spouse (Form F; if applicable)
- \_\_\_ Copy of signed and dated Qualified Veterans Worksheet (Form I; if applicable) **AND**
- \_\_\_ Copy of Certificate of Release or Discharge from Active Duty (DD Form 214; if applicable)
- \_\_\_ Copy of VA Certificate of Eligibility (if applicable)

#### **Income Documents:**

- \_\_\_ Family Income Worksheet (Attachment 1 to Form B) completed by lender including all sources of household income
- \_\_\_ Copy of Verification of Employment for all adult individuals 18 years or older residing in property **AND/OR** Leave and Earnings Statement for active military
- \_\_\_ Copy of Current Paycheck Stubs (Leave and Earnings Statement for active military) for all adult individuals 18 years or older residing in property covering consecutive 30 day period **OR** Affidavit explaining why there are no pay stubs



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### **Income Documents (continued):**

- \_\_\_ Child support and/or alimony documentation (if applicable)
- \_\_\_ Copy of all Asset Statements: Two months consecutive Bank Statements and the most current Account Statement for all retirement and investment accounts

### **Self-Employed Borrower Income Documents:**

- \_\_\_ Signed and dated year-to-date Self-Employed Income Statement (Affidavit 4 and Affidavit 1; if applicable) **AND**  
Copy of signed and dated most recent (one year) Federal Income Tax Return including schedules and K-1 form
- AND**
- \_\_\_ Copy of W-2 forms and 1099 forms for most recent year (one year only)

### **First-Time Buyer Documents:**

- \_\_\_ IRS Tax Transcripts **OR** copies of signed and dated Federal Income Tax Returns including all schedules for the past three years for all borrowers and spouse (not required in target areas unless the borrower or non-purchasing occupant is self-employed)
- \_\_\_ Copy of W-2 forms and 1099 forms for most recent year (one year only)

### **Homebuyer Education Certificate (required on all NIFA loans):**

- \_\_\_ Copy of signed NIFA approved Homebuyer Education Certificate for all borrowers (valid within 12 months of closing)

### **Miscellaneous – Exception Documents:**

- \_\_\_ First Time Buyer Exception: 1) Divorce: Copy of fully executed Divorce Decree or Property Settlement Agreement **OR** 2) Forced Job Relocation: Employer's Relocation Letter **OR** 3) Natural Disaster: Copy of Insurance Company Property Loss Claim

**PLEASE NOTE: INCOME DOCUMENTS AND CREDIT DOCUMENTS ARE VALID FOR 120 DAYS ON EXISTING PROPERTIES AND 180 DAYS ON NEW CONSTRUCTION. LENDER WILL BE REQUIRED TO UPDATE ALL OF THE INCOME DOCUMENTS IF THE LOAN IS NOT CLOSED WITHIN THE APPLICABLE TIME PERIOD.**

### **LENDER CERTIFICATION:**

I hereby state that the information provided at this time is true and accurate to the best of my knowledge. If it is discovered that any information during the processing of this loan is no longer valid, our institution will notify NIFA immediately.

Date: \_\_\_\_\_ Contact Name: \_\_\_\_\_

Contact Phone #: \_\_\_\_\_ Email Address: \_\_\_\_\_

**Revised Date: 6/2017**



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## SINGLE FAMILY MORTGAGE REVENUE BOND (MRB) PROGRAM POST-CLOSING COMPLIANCE CHECKLIST

NIFA Reservation # (required): \_\_\_\_\_

Borrower Name(s): \_\_\_\_\_

**PLEASE NOTE: IF A LENDER DECIDES TO WAIT UNTIL POST-CLOSING TO SUBMIT DOCUMENTS TO NIFA FOR BOND COMPLIANCE REVIEW, ALL OF THE DOCUMENTS LISTED ON THE PRE-CLOSING COMPLIANCE CHECKLIST MUST ALSO BE SUBMITTED WITH THE POST-CLOSING DOCUMENTS. THE LOAN WILL NOT BE PURCHASED BY THE MASTER SERVICER UNTIL ALL CONDITIONS HAVE BEEN APPROVED BY NIFA.**

### POST-CLOSING DOCUMENTS (REQUIRED 10 BUSINESS DAYS AFTER CLOSING)

#### Loan Underwriting & Closing Documents:

Borrower Credit Score \_\_\_\_\_

\_\_\_ Signed and dated Post-Closing Compliance Checklist

Co-Borrower Credit Score \_\_\_\_\_

\_\_\_ Outstanding Pre-Closing Compliance Approval Conditions (if applicable)

\_\_\_ Copy of Underwriter Approval Form **(final version)**

1. FHA – Signed and dated Loan Underwriting & Transmittal Summary **AND** DU or LP Findings
2. VA – Signed and dated VA Analysis **AND** DU or LP Findings
3. RD – Signed and dated Conditional Commitment **AND** GUS Findings
4. Conventional Fannie Mae – Signed and dated 1008 **AND** DU Findings
5. Conventional Freddie Mac – Signed and dated 1008 **AND** LP Findings

\_\_\_ Copy of PMI Company Insurance Certificate (if applicable)

\_\_\_ Copy of signed and dated typed final Loan Application (Form 1003) for first mortgage loan

\_\_\_ Copy of signed and dated typed final Loan Application (Form 1003) for HBA second mortgage loan (if applicable)

\_\_\_ Copy of signed and dated final Closing Disclosure provided at closing for first mortgage loan

\_\_\_ Copy of signed and dated final Seller Closing Statement for first mortgage loan

\_\_\_ Copy of signed and dated final Closing Disclosure provided at closing for HBA second mortgage loan (if applicable)

\_\_\_ Copy of signed and dated final Seller Closing Statement for HBA second mortgage loan (if applicable)

\_\_\_ Copy of executed Promissory Note

\_\_\_ Copy of page one of executed first Deed of Trust

\_\_\_ Copy of Same Name Affidavit for all borrowers and non-borrowing spouses





SINGLE FAMILY COMPLIANCE DEPARTMENT  
1230 O Street, 200 Commerce Court  
Lincoln, Nebraska 68508  
Phone: (402) 434-3900  
Fax: (402) 434-0780  
Email: [sfcompliance@nifa.org](mailto:sfcompliance@nifa.org)

### **Program Forms:**

- \_\_\_ Copy of executed Tax-Exempt Financing Rider (Form E-1/FHA loan, Form E-2/VA loan or Form E-3/Conventional & RD loan)
- \_\_\_ Copy of executed HBA Promissory Note (Form G; if applicable)
- \_\_\_ Copy of all pages of executed HBA Deed of Trust (Form H; if applicable)
- \_\_\_ Copy of executed Borrower Acknowledgement Letter (Form J; if applicable)
- \_\_\_ Copy of signed & dated Borrower's Affidavit & Certification including Attachment 1 (Form B)
- \_\_\_ Copy of signed and dated Certificate of Seller (Form C)
- \_\_\_ Copy of Final Recapture Tax Notice signed and dated at closing (Form D)
- \_\_\_ Other Affidavits or documents required for program compliance purposes (if applicable)

### **LENDER CERTIFICATION:**

I hereby state that the information provided at this time is true and accurate to the best of my knowledge. If it is discovered that any information during the processing of this loan is no longer valid, our institution will notify NIFA immediately.

Date:\_\_\_\_\_ Contact Name:\_\_\_\_\_

Contact Phone #:\_\_\_\_\_ Email Address:\_\_\_\_\_

**Revised Date: 6/2017**



## Single Family Program Summary of Credit Underwriting Overlays

### GOVERNMENT LOANS – FHA, USDA RURAL DEVELOPMENT & VA

Criteria	Minimum Credit Score	Maximum DTI Ratios
Loans approved by DU, LP or GUS	640-659	45% total DTI
Loans approved by DU, LP or GUS	660 & above	50% total DTI
Loans not approved by DU, LP or GUS (underwriter downgrade to manual)	660 & above	31% housing ratio & 43% total DTI
Non-traditional credit	No credit score	31% housing ratio & 43% total DTI

\*Manufactured housing not allowed.

### CONVENTIONAL LOANS – MAXIMUM 97% LTV

Criteria	Minimum Credit Score	Maximum DTI Ratios
Loans approved by DU	640-659	45% total DTI
Loans approved by DU	660 & above	50% total DTI
Loans not approved by DU (underwriter downgrade to manual)	660 & above	31% housing ratio & 43% total DTI
Non-traditional credit	No credit score	31% housing ratio & 43% total DTI

\*Condominium projects with a 95.01-97% LTV allowed if approved by U.S. Bank Home Mortgage and meets Fannie Mae guidelines. Participating Lenders with delegated project approval authority can approve condominium projects with a 95% LTV or less subject to Fannie Mae guidelines. Manufactured housing not allowed.

Please note this is only a summary of credit underwriting overlays and is not inclusive of all guidelines. In addition to the above, Participating Lenders are responsible for all loans satisfying NIFA program guidelines, U.S. Bank guidelines, agency guidelines, PMI guidelines (if applicable) and secondary market guidelines.

*Effective Loan Reservation Date – 7/1/17*

## **NEBRASKA INVESTMENT FINANCE AUTHORITY SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM REGISTRATION PROCESS FOR CONVENTIONAL LOANS**

Participating lenders that are an approved Fannie Mae Seller/Servicer may use their own Desktop Underwriter (DU) Automated Underwriting System for submission of the NIFA conventional loans. **Please note that lenders can only use loan products that are eligible for the bond program. At this time, the only eligible product is HFA Preferred.**

NIFA is partnering with Essent Guaranty, Genworth, MGIC and UG to provide mortgage insurance and contract underwriting services. US Bank Home Mortgage has established a Desktop Originator (DO) Institution for correspondent lenders that do not have their own DU system. The following provides instructions on how to register for DO:

- Log on to [www.efanniemae.com](http://www.efanniemae.com)
- Select brokers & correspondents
- Select how to register
- Select begin DO registration
- Complete steps 1-6
- For step 7, select "US Bank As Interim Servicer" as the sponsoring lender. When asked for sponsoring lender Wholesale Account Executive or Lender-Issued ID contact person, put in MRB.
- Complete steps 8 & 9

Participating lenders that have an underwriter on staff have the option to enter loans in DU and validate the findings. It should be noted that the lender is taking all of the underwriting risk in this situation. All other lenders have the ability to enter loans in DO and submit files to Essent, Genworth, MGIC and UG for validation and underwriting.

**Revised 8-14-14**

## **CORRESPONDENT LENDER SERVICES**

U.S. Bank Home Mortgage MRBP Division can provide approved Correspondent lenders with the following services:

- Underwrite FHA, VA, Fannie Mae, Freddie Mac and RD loans
- Table funding
- Wiring of the FHA MIP monies and VA Funding fees
- Prepare your FHA and VA loans for insuring—must be done for FHA and VA loans underwritten by U.S. Bank Home Mortgage MRBP Underwriting Department

In addition, U.S. Bank Home Mortgage can sponsor any lender in our Fannie Mae DO system, so that lenders can run their Fannie Mae loans in DU.

## **SECTION 12**

### **LOAN DELIVERY AND PURCHASE PROCESS**

Please refer to U.S. Bank's website for loan delivery instructions and post-closing purchase process: [https://hfa.usbank.com/HFA\\_Division.html](https://hfa.usbank.com/HFA_Division.html)

## SECTION 13

### FINAL LOAN DOCUMENTS

**1) Final Documents include the following:**

- Recorded Deed of Trust, including Mortgage Addendum and any other applicable riders
- Recorded Assignment\* from Participant to **U.S. Bank National Association**
- Insuring Certificate from either FHA, VA, USDA Rural Development or PMI Company
- Final Title Policy, including any applicable endorsements
- Recorded Intervening Assignments (if applicable)

*\*If loan is a MERS loan executed on MOM documents, assignment will be N/A*

**2) Document Due Date**

- All original final documents are to be received by the Master Servicer within **90 days of loan closing**. Penalties may be assessed if documents are not received within this time frame.
- Participants failing to submit final documents within six months of funding may be excluded from future NIFA issues.

**3) Title Policy**

- The proposed insured on the final Title Policy must read either “**U.S. Bank National Association, its successors and/or assigns**” or “[the original lender’s name], its successors and/or assigns.”

**4) PMI Insurance**

- **U.S. Bank National Association**, as insured.

**5) Address for submitting final documents:**

U.S. Bank Home Mortgage – MRBP Division  
17500 Rockside Road  
Bedford, OH 44146  
Attention: Document Control  
Mail Stop: CN-OH-R2-BL

**FINAL DOCUMENT DELIVERY**

**ATTN: DOCUMENT CONTROL DEPARTMENT**

**17500 Rockside Road, Bedford, OH 44146**

**DEPARTMENT MANAGER: DARLENE KRIEGH (216) 475-7739**

216-475-8045, 216-475-7743, 216-475-8020, 216-475-8016, 216-475-7740

**DEPARTMENT FAX (216) 475-8606**

**DEPARTMENT E-MAIL: documentcontrol@usbank.com**

To complete the captioned mortgage loan file, we submit the following documents, within 90 days of purchase

**Borrower's**

**Name** \_\_\_\_\_ **USBHM#** \_\_\_\_\_

**Property Address:** \_\_\_\_\_ **Loan Type:** \_\_\_\_\_

\*\*\*\*\*

\_\_\_\_\_ Original signed and dated Loan Note Guaranty (LNG), if applicable

\_\_\_\_\_ Loan Guaranty Certificate (LGC) if applicable EDI format or LGX-press acceptable

\_\_\_\_\_ Original Recorded Mortgage to include the legal description (**documents in bold must be recorded with the mortgage**)

\_\_\_\_\_ Tax Exempt Rider/Condo/PUD/1-4 Family or applicable rider(s)

\_\_\_\_\_ Original Recorded Intervening Assignment/Marginal Assignment/MERS

\_\_\_\_\_ 1<sup>st</sup> Prior Assignment

\_\_\_\_\_ Original Title Policy

\_\_\_\_\_ Other: \_\_\_\_\_

**A. Request for pay histories on unendorsed loans may be faxed to Primary (866) 867-4460 or Secondary (216) 475-8606**

**Originating Lender's Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Phone Number:** \_\_\_\_\_ **Fax Number:** \_\_\_\_\_

**Contact Person:** \_\_\_\_\_ **E-Mail Address:** \_\_\_\_\_

***PLEASE NOTE IT IS NO LONGER NECESSARY TO PROVIDE THE MIC***

## NIFA SIGNATURE MATRIX

	All Programs Form A	All Programs Form B	All Programs Form C	All Programs Form D	All Programs Form E	HBA Program Only Form F	HBA Program Only Form G	HBA Program Only Form H	Military Home Program Only Form I	HBA Program Only Form J	All Programs First Mortgage	All Programs First Mortgage
	Household Verification Affidavit	Borrower's Affidavit	Certificate of Seller	Recapture Tax Notice	Tax- Exempt Financing Rider	HBA Notice to Borrower	HBA Second Promissory Note	HBA Second Deed of Trust	Qualified Veteran Worksheet	Borrower Acknowledgement Letter	Note	Deed of Trust
BORROWER	Application	Closing	NA	Application & Closing	Closing	Application	Closing	Closing	Application	Closing	Closing	Closing
CO-BORROWER	Application	Closing	NA	Application & Closing	Closing	Application	Closing	Closing	NA	Closing	Closing	Closing
CO-SIGNOR	NA	NA	NA	NA	Not Allowed	NA	Closing	Not Allowed	NA	NA	Closing	Not Allowed
NON-PURCHASING SPOUSE	Application	Closing	NA	Application & Closing	Closing	Application	NA	Closing	NA	NA	NA	Closing
NON-OCCUPYING SPOUSE	NA	NA	NA	NA	Closing	NA	NA	Closing	NA	NA	NA	Closing
NON-PURCHASING OCCUPANT	Application	NA	NA	NA	Not Allowed*	NA	NA	Not Allowed*	NA	NA	NA	Not Allowed*
SELLER	NA	NA	Closing	NA	NA	NA	NA	NA	NA	NA	NA	NA

### Homebuyer Education:

- 1) All borrowers signing the Note must complete an approved homebuyer education class prior to closing.

### Tax Returns or IRS Tax Transcripts:

- 1) Need most recent 3 years of federal tax returns (signed) or IRS tax transcripts for all borrowers and non-purchasing spouse.
- 2) Federal tax returns are not required if the property is in a target area or if the borrower meets the definition of a Qualified Veteran.

### Household Income Documents:

- 1) Need 30 days of consecutive paystubs for all occupants 18 years or older.
- 2) Need written Verification of Employment (VOE) for all occupants 18 years or older.

### Non-Purchasing Occupants

- 1) Only allowed to take title to the property when 3 years of federal tax returns (signed) or IRS tax transcripts are provided and first time buyer status has been verified.

### Miscellaneous Borrower Affidavits:

- 1) Affidavit 1/Business Usage – only required when property is used for day care or business purposes.
- 2) Affidavit 2/Acquisition Cost of Residence – only required when there is no purchase agreement.
- 3) Affidavit 3-1/Non-Occupying Spouse – only required when spouse will not occupy the property.
- 4) Affidavit 3-2/Borrowers Affidavit on Non-Occupying Spouse – only required when spouse will not occupy the property.
- 5) Affidavit 4/Profit or Loss Statement – only required for self-employed borrowers.
- 6) Affidavit 5/Borrower Letter of Explanation – used to document bank deposits.
- 7) Affidavit 6/HBA Second Mortgage Loan Certification – used to document 2<sup>nd</sup> application date.



## SECTION 15

### NIFA LOAN ORIGINATION FORMS AND AFFIDAVITS

Form A	Household Verification Affidavit
Form B	Borrower's Affidavit and Certification <ul style="list-style-type: none"><li>• Attachment 1—Income Calculations Worksheet</li><li>• Attachment 2—Family Income Instructions</li></ul>
Form C	Certificate of Seller
Form D	Potential Recapture Tax Notice
Form E-1	FHA and HUD Tax-Exempt Financing Rider
Form E-2	VA Tax-Exempt Financing Rider
Form E-3	Conventional and USDA Rural Development Tax-Exempt Financing Rider
Form F	HBA Notice to Borrower
Form G	HBA Promissory Note
Form H	HBA Deed of Trust (2nd)
Form I	Qualified Veteran Worksheet
Form J	Borrower Acknowledgement Letter
Affidavit 1	Business Usage
Affidavit 2	Acquisition Cost of Residence – Borrower as General Contractor
Affidavit 3-1	Non-Occupying Spouse
Affidavit 3-2	Borrower's Affidavit With Respect to Non-Occupying Spouse
Affidavit 4	Profit or Loss Statement-Self-Employed Income

"

Chkf cXk'7''''''Dqttqy gt'Ngwgt"qh'Gzr rncvklp"

**FORM A**

**HOUSEHOLD VERIFICATION AFFIDAVIT**

**Address of Property to be Purchased:** \_\_\_\_\_

The undersigned hereby represent(s) and certify(ies) as follows:

**Section I. Household Size.**

Number of persons in my/our household: \_\_\_\_\_ age 18 or older  
\_\_\_\_\_ under age 18

For purposes of determining household size, the following persons shall be considered:

- (a) the undersigned mortgagor(s);
- (b) all persons residing in the Residence and related by blood marriage or law;
- (c) "dependent children", provided they are claimed as such for federal income tax purposes. Under certain circumstances, household members who are "dependent" students attending school away from home may be considered to reside in the Residence if such Residence is their "principal" Residence. Whether or not a Residence is the "principal" Residence of a student will be determined on a case-by-case basis to the extent evidence is submitted to the NIFA documenting the relevant facts; and
- (d) all other persons intending to permanently reside in the Residence.

**Section II. Employment Status.** Number of persons (age 18 or older) expected to reside in the Residence who are employed and have a source of income (including social security or other sources of income) \_\_\_\_\_.

**Section III. Federal Tax Return Filings.** Paragraphs (a), (b) or (c) should be completed only if Federal Income Tax returns were not required to be filed for any year during the preceding three years for the Borrower, Co-Borrower or Non-Purchasing Spouse who intends to reside permanently in the Residence.

(a) Borrower: I hereby certify I was not required by law to file a federal income tax return for the following year(s) \_\_\_\_\_ for the reason(s) stated below:

- ☐ Unemployed, received no income
- ☐ Received income in an amount less than required to file a federal tax return
- ☐ Received only non-taxable income (e.g. SSI, disability, etc.)
- ☐ Other (provide reason): \_\_\_\_\_

(b) Co-Borrower: I hereby certify that I was not required by law to file a federal income tax return for the following year(s) \_\_\_\_\_ for the reason(s) stated below:

- ☐ Unemployed, received no income
- ☐ Received income in an amount less than required to file a federal tax return
- ☐ Received only non-taxable income (e.g. SSI, disability, etc.)
- ☐ Other (provide reason): \_\_\_\_\_

(c) Non-purchasing Spouse: I hereby certify that I was not required by law to file a federal income tax return for the following year(s) \_\_\_\_\_ for the reason(s) stated below:

- ☐ Unemployed, received no income
- ☐ Received income in an amount less than required to file a federal tax return
- ☐ Received only non-taxable income (e.g. SSI, disability, etc.)
- ☐ Other (provide reason): \_\_\_\_\_

**Section IV. Homebuyer Education Class.** Prior to the closing date, all borrowers executing the Note must complete a homebuyer education class that is acceptable to NIFA. A list of classes are available on NIFA's website at [www.nifa.org](http://www.nifa.org).

I/We fully understand and declare under penalty of perjury that each of the above statements and all information contained in this Affidavit, in so far as they relate to me/us, are true and correct. I/We further certify that my/our lender has been provided with evidence indicating that I have not had an ownership interest in my principal residence at any time during the previous three-year period. I/We agree to provide additional information upon request by NIFA or my/our lender.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower Email Address (must be legible, for NIFA's use only)

\_\_\_\_\_  
Co-Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Non-Purchasing Spouse

\_\_\_\_\_  
Date

\_\_\_\_\_  
Non-Purchasing Occupant

\_\_\_\_\_  
Date

## FORM B

### BORROWER'S AFFIDAVIT AND CERTIFICATION

The undersigned hereby state(s) and represent(s) that:

- (1) **Residence:** I am/We are the purchaser(s) and mortgagor(s) receiving a first mortgage loan (including any related second mortgage loan providing homebuyer assistance, the "Mortgage Loan") for the following Residence having an address of:

---

- (2) **Purchase Price of the Residence:** \$\_\_\_\_\_. I/We understand that the "purchase price" of the Residence is the cost of acquiring the Residence from the seller as a completed residential unit.

"acquisition cost" includes: (a) all amounts paid by me/us (or a related party or for my/our benefit), either in cash or in kind to the seller (or a related party or for my/our benefit) as consideration for the Residence; (b) if the Residence is incomplete, the reasonable cost of completing the Residence whether or not the cost of completing construction is to be financed with proceeds of the Mortgage Loan; and (c) if the Residence is purchased subject to a ground rent, the capitalized value of the ground rent.

"acquisition cost" does not include: (x) the usual and reasonable settlement or financing costs (I/we understand that if I/we pay any portion of the real estate broker commission, other than that portion which is customarily paid by a purchaser, such amount so paid must be included in the acquisition cost for purposes of this Affidavit and has, if applicable, been included in the Purchase Price of the Residence set forth above); (y) the value of services performed by my/our family in completing the Residence (for purposes of the preceding sentence, the family of an individual includes only the individual's brothers and sisters (whether by whole or half blood), spouse, ancestors, and lineal descendants); or (z) the cost of land which has been owned by me/us for at least two years prior to the date on which construction of the Residence begins.

- (3) **Number of Persons in the Household:** \_\_\_\_\_. Such household size is the same as I/we reported on Form A: Household Verification Affidavit.
- (4) **Total Household Income:** \$\_\_\_\_\_. Household Income is the total of my/our income and the income of all individuals 18 years of age or older who are expected to live in the Residence (as determined in accordance with the Household Income Instructions attached hereto). I/We understand that we are responsible for the accuracy and completeness of the total household income reported above, including that of all individuals 18 years of age or older who are expected to live in the Residence. I/We do not expect my/our Total Household Income to increase prior to the time I/we close my/our Mortgage Loan.
- (5) **Primary Residence:** I/We intend to occupy the Residence as my/our primary residence within 60 days hereof. I/WE UNDERSTAND THAT IF I/WE CEASE TO OCCUPY THE RESIDENCE AS MY/OUR PRINCIPAL RESIDENCE FOR A CONTINUOUS PERIOD OF ONE YEAR OR MORE, THE INTEREST ON MY/OUR MORTGAGE LOAN MAY NOT BE DEDUCTIBLE FOR FEDERAL INCOME TAX PURPOSES.
- (6) **No Refinancing or Existing Mortgage:** No part of the Mortgage Loan will be used to refinance an existing mortgage loan. I/we did not have a mortgage (whether or not paid off) on the Residence at any time prior to the execution of the Mortgage Loan (except

that I/we may have a construction period loan or temporary initial financing, in each case of 24 months or less, with respect to the Residence and may use the proceeds of the Mortgage Loan to repay such financing).

- (7) **First-Time Homebuyer Requirement and Exceptions:** Unless (a) the Residence is located in a Targeted Area or (b) I/we are “veterans” as defined in 38 U.S.C. Section 101 (as evidenced by my/our submission of Form I Veteran’s Affidavit in connection with my/our Mortgage Loan application), I/we have not had a present ownership interest in a principal residence at any time during the three-year period prior to the date hereof.

Examples of an “ownership interest” include the following: a fee simple interest; a joint tenancy, a tenancy in common, or tenancy by the entirety; the interest of a tenant-shareholder in a cooperative; a life estate; a land contract (i.e., a contract pursuant to which possession and the benefits and burdens of ownership are transferred although a legal title is not transferred until some later time); a lease with an option to purchase for a nominal sum; or an interest in a mobile home that is permanently affixed to the land.

- (8) **Multiple Units:** The Residence contains no more than four separate family dwelling units. If the Residence contains two or more units, the property was initially completed and occupied as a residence at least five years before the execution of the Mortgage referred to in this Affidavit.
- (9) **Assumption of Mortgage Loan:** I/We will not permit any person to assume my/our obligations under the Mortgage Loan (and related Mortgage Note) unless such person satisfies the requirements in this Affidavit (including the limits on purchase price and income) and so states under oath. I/We understand that the purchase price limitation, which is dictated by federal law, may be a lower number at the time of the assumption than that which was in effect at the time of my/our purchase.
- (10) **Business Usage:** I/We will not use more than 15% of the total area of the Residence in a trade or business. If any portion of the Residence will be used in a trade or business, I/we have completed NIFA Affidavit 1-Business Usage.
- (11) **Forgiveness of Mortgage Loan:** I/We understand that in certain circumstances the outstanding principal amount of my Mortgage Loan may be partially or totally forgiven and canceled, and that in such a case the amount so forgiven may be treated as income to me/us at the time for federal income tax purposes.
- (12) **Related Person.** Neither the undersigned nor any “related person” within the meaning of Section 147(a)(2) of the Code shall, pursuant to any arrangement, formal or informal, purchase bonds the proceeds of which were used to provide financing for my/our Mortgage Loan, in an amount related to the amount of my/our Mortgage Loan.
- (13) **Determination of Eligibility and Underwriting:** I/We understand that the lender will determine my/our eligibility to receive my/our Mortgage Loan and that NIFA is not involved in the credit underwriting process.
- (14) **[Applicable to VA-Guaranteed Mortgage Loans.]** If my/our Mortgage Loan is guaranteed by VA, I/we understand that my/our home purchase is being financed with a Mortgage Loan made available with the assistance of the Nebraska Investment Finance Authority (“NIFA”). The Mortgage Loan is made at an interest rate below what is usually charged. Because of this, I/we understand that I/we cannot sell my/our home to a

person ineligible for assistance from NIFA, unless I/we pay my/our Mortgage Loan in full. If I/we sell my/our home to a party ineligible for NIFA's assistance and allow the buyer to make my/our payments for me/us (assume my/our Mortgage Loan), NIFA may refuse to allow the sale and demand immediate full repayment of the Mortgage Loan. This could result in foreclosure or repossession of the property. If my/our home is taken through a foreclosure of the mortgage because of this, the VA will not be able to help me/us. In addition, the VA may have to pay a claim for any loss incurred on my/our loan. I/we may then be obligated to the VA for any claim paid by the VA.

I/We understand that I/we may avoid such actions by paying my/our Mortgage Loan in full when I/we sell my/our home or by obtaining the written consent of NIFA prior to such sale and loan assumption if the person purchasing my/our home meets the necessary qualifications established by NIFA. In general, those requirements are:

- (a) the purchaser intends to occupy the Residence as a principal Residence within 60 days after the assumption;
- (b) the purchaser had no present ownership interest in a principal Residence at any time during the three-year period prior to the date on which the mortgage is assumed (unless the residence is located in a Targeted Area or the purchaser qualifies as a "veteran" within the meaning of 38 U.S.C. Section 101 (see Attachment 3);
- (c) the purchase price of the Residence paid by the purchaser does not exceed the applicable limits set by NIFA; and
- (d) the purchaser has household income which does not exceed the applicable limits set by NIFA.

**(15) [Applicable to FHA-Insured Mortgage Loans - FHA Notice to Buyers.]** If my/our Mortgage Loan is insured by FHA, I/we acknowledge that the following Notice applies to me/us:

**Notice:** Your home purchase is being financed with a mortgage loan made available with the assistance of the Nebraska Investment Finance Authority ("NIFA"). This mortgage loan is made at an interest rate below what is usually charged. Because of this, your mortgage provides that you cannot sell your home to a person ineligible for assistance from NIFA, unless you pay your loan in full. If you sell your home to a party ineligible for NIFA's assistance, NIFA may demand immediate full repayment of the mortgage loan. This could result in foreclosure of your mortgage and repossession of the property. In addition, if you rent the property or committed fraud or intentionally misrepresented yourself when you applied for the loan, the lender may foreclose your mortgage and repossess the property. If your home is taken through a foreclosure of the mortgage because of these reasons, HUD will not be able to help you.

If the money received from the foreclosure sale is not enough to pay the remaining amount of money you owe on the mortgage loan, NIFA or the mortgage lender may obtain a deficiency judgment against you (a court ruling that you must pay whatever money is still owed on the loan after the foreclosure sale). Such judgment will be taken over by HUD if an insurance claim is filed

against HUD because of the foreclosure. HUD may then bring an action against you to collect the judgment.

**(16) Representations:** I/We understand that NIFA is relying upon the information and certifications herein and in the other documentation and certifications provided by me/us to the lender in connection with the mortgage loan for the Residence. I/We recognize and understand that a material misstatement negligently or falsely made in this affidavit may constitute a default under the Mortgage Loan, and NIFA, the lender or the servicer may exercise any remedy under the Mortgage Loan, including, but not limited to, accelerating the loan, at which time I/we must immediately repay the loan; and that such false statement may constitute fraud punishable in accordance with the laws of the United States and the State of Nebraska. It is a federal offense punishable by a maximum of a \$5,000 fine, two years imprisonment, or both, knowingly to make a false statement in this affidavit (Title 18 United States Code, Section 1014).

I/We fully understand and declare under penalty of perjury, that each of the above statements and information contained in this Borrower's Affidavit and Certification, in so far as they relate to me/us, are true and correct.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Non-Purchasing Spouse

\_\_\_\_\_  
Date

ATTACHMENT 1  
TO BORROWER'S AFFIDAVIT AND CERTIFICATION

**INCOME CALCULATION WORKSHEET**

Income Sources	Salary/ Income	Hours Raise Rec'v	Time Worked	Monthly Income	Information maybe changed in columns B, C, D and E. Do not change information in column F.
<b>BORROWER NAME:</b>					
Hourly	0.00		0.00	0.00	
Weekly	0.00			0.00	
Bi-Weekly	0.00			0.00	
Monthly	0.00			0.00	
Hourly/Part-Time	0.00		0.00	0.00	
Annual	0.00	0.00	0.00	0.00	
Annual to Date	0.00		0.00	0.00	
Hourly with Raise	0.00	0.00	0.00	0.00	
Over Time	0.00		0.00	0.00	
Over Time YTD	0.00		0.00	0.00	
Lump Sum Over Time	0.00		0.00	0.00	
Bonus/Commission/Tips	0.00		0.00	0.00	
Child Support	0.00		0.00	0.00	
Liquid Assets	0.00			0.00	
Dividends, Interest, Royalties, Trusts, Actual or Imputed Income From Household Assets	0.00			0.00	
Net Rental Income					
Pension, Social Security Benefits	0.00			0.00	
VA Compensation	0.00			0.00	
Unemployment	0.00		0.00	0.00	
Public Assistance	0.00			0.00	
Projected Raise	0.00	0.00	0.00	0.00	
Projected Raise (annually)	0.00		0.00	0.00	
Other	0.00		0.00	0.00	
<b>Total Monthly Income</b>				<b>0.00</b>	
<b>CO-BORROWER OR NON-PURCHASING SPOUSE NAME:</b>					
Hourly	0.00		0.00	0.00	
Weekly	0.00			0.00	
Bi-Weekly	0.00			0.00	
Monthly	0.00			0.00	
Hourly/Part-Time	0.00		10.00	0.00	
Annual	0.00			0.00	
Annual to Date	0.00		0.00	0.00	
Hourly with Raise	0.00	0.00	0.00	0.00	
Over Time	0.00		0.00	0.00	
Over Time YTD	0.00		0.00	0.00	
Lump Sum Over Time	0.00		0.00	0.00	
Bonus/Commission/Tips	0.00		0.00	0.00	
Child Support	0.00			0.00	
Liquid Assets	0.00			0.00	
Dividends, Interest,					



Royalties, Trusts, Actual or Imputed Income From Household Assets	0.00			0.00	
Net Rental Income					
Pension, Social Security Benefits	0.00			0.00	
VA Compensation	0.00			0.00	
Unemployment	0.00			0.00	
Public Assistance	0.00			0.00	
Projected Raise (hourly)	0.00	0.00	0.00	0.00	
Projected Raise (annually)	0.00		0.00	0.00	
Other	0.00		0.00	0.00	
<b>Total Monthly Income</b>				<b>0.00</b>	
<b>NON-PURCHASING OCCUPANT NAME:</b>					
Hourly	0.00		0.00	0.00	
Weekly	0.00			0.00	
Bi-Weekly	0.00			0.00	
Monthly	0.00			0.00	
Hourly/Part-Time	0.00		0.00	0.00	
Annual	0.00			0.00	
Annual to Date	0.00		0.00	0.00	
Hourly with Raise	0.00	0.00	0.00	0.00	
Over Time	0.00		0.00	0.00	
Over Time YTD	0.00		0.00	0.00	
Lump Sum Over Time	0.00		0.00	0.00	
Bonus/Commission/Tips	0.00		0.00	0.00	
Child Support	0.00			0.00	
Liquid Assets	0.00			0.00	
Dividends, Interest, Royalties, Trusts, Actual or Imputed Income From Household Assets	0.00			0.00	
Net Rental Income					
Pension, Social Security Benefits	0.00			0.00	
VA Compensation	0.00			0.00	
Unemployment	0.00			0.00	
Public Assistance	0.00			0.00	
Projected Raise	0.00	0.00	0.00	0.00	
Projected Raise (annually)	0.00		0.00	0.00	
Other	0.00		0.00	0.00	
<b>Total Monthly Income</b>	0.00			0.00	
<b>Total Monthly Household Income</b>					
<b>Total Annual Household Income</b>					
<b>Annual Income</b>				<b>\$0.00</b>	

\* Cells highlighted in yellow require data input to complete calculation.

ATTACHMENT 2  
TO BORROWER'S AFFIDAVIT AND CERTIFICATION

**HOUSEHOLD INCOME INSTRUCTIONS**

The information requested below must be provided with respect to all Borrowers and all individuals who are expected to live in the Residence being financed.

The Internal Revenue Code of 1986, as amended (the "Code"), established income limits for recipients of Nebraska Investment Finance Authority ("NIFA") financed Mortgage Loans. The information with respect to your household income must be provided in order to enable NIFA (or its agent) to determine your eligibility under those limits for a NIFA-financed Mortgage Loan.

The information provided with respect to your income will be used solely to determine your eligibility under NIFA program the income limits and will not be used for loan underwriting purposes. You must complete the Income Calculation Worksheet (Attachment 1) in addition to any other loan applications required by your lender because the Code requires that certain sources of income must be included when determining income eligibility which you are not required to include when reporting your income for mortgage loan underwriting purposes.

The following provides guidelines for completing the Income Calculation Worksheet (Attachment 1).

**The calculation of household income INCLUDES, but is not limited to, the following:**

- (i) the full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses and other compensation for personal services;
- (ii) the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness may not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the household;
- (iii) interest and dividends (including actual or imputed income from household assets) and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as described in paragraph (ii). Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the household. Where the household has net household assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net household assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;
- (iv) the full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in those "amounts excluded from income", paragraph (xvi));
- (v) payments in lieu of earnings, such as unemployment and disability compensation, workmen's compensation and severance pay (except as provided in those "amounts excluded from income", paragraph (iii));

- (vi) welfare assistance. Welfare assistance income shall mean welfare or other payments to families or individuals based on need that are made under programs funded, separately or other payments to families or individuals based on need that are made under programs funded, separately or jointly, by federal state or local governments. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by an agency providing welfare assistance in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income shall consist of: (i) the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus (ii) the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the household's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph (vi) shall be the amount resulting from one application of the percentage;
- (vii) periodic and determinable allowances, such as alimony and child support payments and regular contributions or gifts received from organizations or from persons not residing in the dwelling; and
- (viii) all regular pay, special pay and allowances (i.e., flight pay, professional pay, ration allowance, quarters allowance **other than** special pay to a person serving in the Armed Services who is exposed to hostile fire) of a member of the Armed Forces.

**The calculation of household income EXCLUDES the following:**

- (i) income from the employment of children (including foster children) under the age of 18 years;
- (ii) payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the family, who are unable to live alone);
- (iii) lump sum additions to household assets, such as inheritances, insurance payments (including payments under health and accident insurance and workmen's compensation), capital gains and settlement for personal or property losses (except as provided in those "amounts included in income", paragraph (v));
- (iv) amounts received by the household that are specifically for, or in reimbursement of, the cost of medical expenses for any household member;
- (v) income of a live-in aide;
- (vi) the full amount of student financial assistance paid directly to the student or the educational institution;
- (vii) the special pay to a household member serving in the Armed Forces who is exposed to hostile fire;
- (viii) amount received under training programs funded by HUD;
- (ix) amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self Sufficiency;
- (x) amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special

equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

- (xi) incremental earnings and benefits resulting to any household member from participation in qualifying State or local employment training programs;
- (xii) temporary, nonrecurring or sporadic income (including gifts);
- (xiii) reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who are persecuted during the Nazi era;
- (xiv) earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
- (xv) adoption assistance payments in excess of \$480 per adopted child;
- (xvi) deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts;
- (xvii) amounts received by the household in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;
- (xviii) amounts paid by a State agency to a household with a member who has a development disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled household member at home; and
- (xix) amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any similar program specifically designated by the federal government.

## FORM C

### CERTIFICATE OF SELLER

Address: \_\_\_\_\_

Residence Selling Price: \$\_\_\_\_\_ *(The amount inserted as the Residence Selling Price must be identical to the amounts inserted in the purchase contract and in Form B Borrower's Affidavit and Certification.)*

The undersigned hereby states under oath that:

- (1) I am the seller of the Residence located at the address stated above
- (2) The selling price of the Residence is as set forth above and has been established in an arm's-length transaction between unrelated parties (or, in the case of a related buyer and seller, reflects at least the appraised value of the Residence).

I understand that for the purposes of the foregoing, the selling price of the Residence is the purchaser's cost of acquiring the Residence from me as a completed residential unit. Pursuant to Section 6a.103A-2(b)(8) of the Regulations promulgated pursuant to Section 143 of the Internal Revenue Code of 1986, as amended, "acquisition cost" includes:

- (a) All amounts paid, either in cash or in kind, by the purchaser (or a related party or for the benefit of the purchaser) to me as seller (or a related party or for the benefit of me as seller) as consideration for the Residence.
- (b) If the Residence is incomplete, the reasonable cost of completing the Residence whether or not the cost of completing construction is to be financed with proceeds of the purchaser's mortgage loan.
- (c) Where the Residence is purchased subject to a ground rent, the capitalized value of the ground rent, using a discount rate as provided by the Nebraska Investment Finance Authority.

Pursuant to such Regulations, "acquisition cost" does not include:

- (x) The usual and reasonable settlement or financing costs. (I understand that if the purchaser pays any portion of the real estate broker commission, other than that portion which is customarily paid by a purchaser, such amount so paid must be included in the acquisition cost for purposes of this Certificate and has, if applicable, been included in the selling price of the Residence set forth above.)
- (y) The value of services performed by any purchaser's family in completing the Residence. For purposes of the preceding sentence, the family of an individual includes only the individual's brothers and sisters (whether by whole or half blood), spouse, ancestors, and lineal descendants.
- (z) The cost of land which has been owned by any purchaser for at least two years prior to the date on which construction of the Residence begins.

\_\_\_\_\_  
Seller (only one seller signature required)

\_\_\_\_\_  
Date

## FORM D

### NEBRASKA INVESTMENT FINANCE AUTHORITY SINGLE FAMILY HOUSING REVENUE BOND PROGRAM

NOTE: Applicant must check one  
of the following as applicable:

☐ INITIAL NOTICE

☐ FINAL NOTICE

### **NOTICE TO MORTGAGE LOAN APPLICANT OF POTENTIAL RECAPTURE TAX AND NIFA REIMBURSEMENT OF RECAPTURE TAX**

#### Instructions to Applicant:

Complete Part I and Part III, Section B (Targeted Area or Non-Targeted Area, as appropriate) of the Initial Notice at Mortgage Loan application using estimated information. Complete the same sections of the Final Notice at Mortgage Loan closing using final information.

#### **I.**

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Name(s) of Applicant(s): \_\_\_\_\_

First Mortgage Loan Amount: \$ \_\_\_\_\_

HBA Second Mortgage Loan Amount (if applicable): \$ \_\_\_\_\_

Total Mortgage Loan Amount: \$ \_\_\_\_\_

Federally Subsidized Amount (6.25% of the Total Mortgage Loan Amount): \$ \_\_\_\_\_

Residence Located in a Targeted or Non-Targeted Area: \_\_\_\_\_

Address of Residence: \_\_\_\_\_

County of Residence: \_\_\_\_\_

#### **II.**

---

Because you are receiving a first mortgage loan in connection with your acquisition of the above-described Residence and, if applicable, a second mortgage loan to finance down payment and closing costs relating to such acquisition (collectively, the "Mortgage Loan"), from the proceeds of NIFA's tax-exempt bonds, you are receiving the benefit of a lower interest rate than is customarily charged on other mortgage loans. If you sell or otherwise dispose of your Residence during the next nine (9) years, this benefit may be "recaptured" Internal Revenue Service (the "IRS").

The IRS recaptures this benefit by increasing your federal income tax for the year in which you sell your Residence by the amount calculated pursuant to provisions of this Notice (the "Recapture Tax"). However, you must pay the Recapture Tax only if you sell your Residence at a gain and if your income increases above the levels specified in this Notice.

You may wish to consult a tax advisor or the local office of the IRS at the time you sell your Residence to determine the amount, if any, of the Recapture Tax. In this Notice you are being given additional information that will be needed to calculate the Recapture Tax.

**NIFA MRB/Form D  
(07/2018)**

AS DISCUSSED IN PART IV BELOW, IF YOU ARE REQUIRED TO PAY ANY RECAPTURE TAX UPON THE SALE OR DISPOSITION OF YOUR RESIDENCE, NIFA WILL REIMBURSE YOU FOR THE ACTUAL AMOUNT OF ANY RECAPTURE TAX YOU PAY TO THE IRS.

### III.

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#### NOTICE TO APPLICANT OF MAXIMUM RECAPTURE TAX AND OF METHOD TO COMPUTE RECAPTURE TAX ON SALE OF RESIDENCE.

##### A. Introduction

1. **General.** When you sell your Residence, you may have to pay a Recapture Tax as calculated below. Any references in this Notice to the “sale” of your Residence also includes other ways of disposing of your Residence. For instance, you may owe the Recapture Tax if you give your Residence to a relative.
2. **Exceptions.** In each the following situations, no Recapture Tax is due, and you do not need to calculate any potential Recapture Tax:
  - (a) You dispose of your Residence later that nine (9) years after you close your Mortgage Loan;
  - (b) Your Residence is disposed of as a result of your death;
  - (c) You transfer your Residence either to your spouse or to your former spouse incident to divorce, and you have no gain or loss included in your income under Section 1041 of the Internal Revenue Code of 1986, as amended (the “Code”); or
  - (d) You dispose of your Residence with no gain.

**B. Maximum Recapture Tax.** The “Maximum Recapture Tax” that you may be required to pay as additional federal income tax is \$\_\_\_\_\_. This amount is six and one-quarter percent (6.25%) of the highest principal amount of your Mortgage Loan (including both the first mortgage loan and any related second mortgage loan, if applicable) and is your “Federally Subsidized Amount” with respect to your Mortgage Loan.

##### C. Actual Recapture Tax

1. The actual Recapture Tax, if any, can be determined only at the time you sell your Residence, and will be the lesser of (a) 50% of your gain from the sale of your Residence, regardless of whether you have to include that gain in your income for federal income tax purposes, or (b) the amount determined by multiplying the following three numbers:
  - (i) \$\_\_\_\_\_ The Maximum Recapture Tax, as described in paragraph B above,
  - (ii) The holding period percentage, as listed in Column 1 in the Table, and
  - (iii) The income percentage, as described in paragraph D below, for your geographic area in the State.

**D. Income Percentage.** You calculate the income percentage as follows:

1. Subtract the applicable adjusted qualifying income in the taxable year in which you sell your Residence, as listed in Column 2 in the Table for your geographic area in the State, from your modified adjusted gross income in the taxable year in which you sell your

NIFA MRB/Form D  
(07/2018)

Residence. Use the adjusted qualifying income for a targeted Area or Non-Targeted Area depending on where your residence is located. (See Section I above.)

Your modified adjusted gross income means your adjusted gross income shown on your federal income tax return for the taxable year in which you sell your Residence, with the following two adjustments: (a) your adjusted gross income must be increased by the amount of any interest that you receive or accrue in the taxable year from tax-exempt bonds that is excluded from your gross income (under section 103 of the Code); and (b) your adjusted gross income must be decreased by the amount of any gain included in your gross income by reason of the sale of your Residence.

2. If the amount calculated in (i) above is zero or less, you owe no Recapture Tax and do not need to make any more calculations. If it is \$5,000 or more, your income percentage is 100%. If it is greater than zero but less than \$5,000, it must be divided by \$5,000. This fraction, expressed as a percentage, represents your income percentage. For example, if the fraction is \$1,000/\$5,000, your income percentage is 20%.

#### **E. Limitations and Special Rules on Recapture Tax**

1. If you give away your Residence (other than to your spouse or ex-spouse incident to divorce), you must determine your actual Recapture Tax as if you had sold your Residence for its fair market value.
2. If your Residence is destroyed by fire, storm, flood, or other casualty, there generally is no Recapture Tax if, within two (2) years of such casualty, you purchase additional property for use as your principal residence on the site of the Residence financed with your original subsidized Mortgage Loan.
3. In general, if two (2) or more persons own a Residence and are jointly liable for the subsidized Mortgage Loan, the actual Recapture Tax is determined separately for them based on their interests in the Residence.
4. If you repay your loan in full during the (9) year recapture period, and you sell your Residence during this period, your holding period percentage may be reduced under the special rule in Section 143(m)(4)(C)(ii) of the Code.
5. Other special rules may apply in particular circumstances. For example, special rules may apply to the calculation of “gain” on the sale of your Residence and special rules apply if you transfer your Residence to your spouse or ex-spouse incident to divorce. You may wish to consult with a tax advisor or the local office of the Internal Revenue Service when you sell or otherwise dispose of your Residence to determine the amount, if any, of your actual Recapture Tax. See Section 143(m) of the Code generally.

#### **F. Income Tables by Geographic Area (see following pages)**



**Adams County**

Home Sold During Year*	Holding Period %	NON-TARGETED AREA		TARGETED AREA	
		Number of Family Members Living in Your Home at the Time of Sale		Number of Family Members Living in Your Home at the Time of Sale	
		<u>2 or less</u>	<u>3 or more</u>	<u>2 or less</u>	<u>3 or more</u>
1	20%	74,900	86,135	89,880	104,860
2	40%	78,645	90,441	94,374	110,103
3	60%	82,577	94,963	99,092	115,608
4	80%	86,706	99,712	104,047	121,388
5	100%	91,041	104,697	109,249	127,457
6	80%	95,593	109,932	114,712	133,830
7	60%	100,373	115,429	120,447	140,522
8	40%	105,391	121,200	126,470	147,548
9	20%	110,661	127,260	132,793	154,925

**Douglas County**

Home Sold During Year*	Holding Period %	NON-TARGETED AREA		TARGETED AREA	
		Number of Family Members Living in Your Home at the Time of Sale		Number of Family Members Living in Your Home at the Time of Sale	
		<u>2 or less</u>	<u>3 or more</u>	<u>2 or less</u>	<u>3 or more</u>
1	20%	81,600	93,840	97,920	114,240
2	40%	85,680	98,532	102,816	119,952
3	60%	89,964	103,458	107,956	125,949
4	80%	94,462	108,631	113,354	132,247
5	100%	99,185	114,063	119,022	138,859
6	80%	104,144	119,766	124,973	145,802
7	60%	109,351	125,754	131,222	153,092
8	40%	114,819	132,042	137,783	160,747
9	20%	120,560	138,644	144,672	168,784

**Buffalo County**

Home Sold During Year*	Holding Period %	NON-TARGETED AREA		TARGETED AREA	
		Number of Family Members Living in Your Home at the Time of Sale		Number of Family Members Living in Your Home at the Time of Sale	
		<u>2 or less</u>	<u>3 or more</u>	<u>2 or less</u>	<u>3 or more</u>
1	20%	75,200	86,480	NA	NA
2	40%	78,960	90,804	NA	NA
3	60%	82,908	95,344	NA	NA
4	80%	87,053	100,111	NA	NA
5	100%	91,406	105,116	NA	NA
6	80%	95,976	110,372	NA	NA
7	60%	100,775	115,891	NA	NA
8	40%	105,813	121,686	NA	NA
9	20%	111,104	127,770	NA	NA

**Jefferson County**

Home Sold During Year*	Holding Period %	NON-TARGETED AREA		TARGETED AREA	
		Number of Family Members Living in Your Home at the Time of Sale		Number of Family Members Living in Your Home at the Time of Sale	
		<u>2 or less</u>	<u>3 or more</u>	<u>2 or less</u>	<u>3 or more</u>
1	20%	74,900	86,135	89,880	104,860
2	40%	78,645	90,441	94,374	110,103
3	60%	82,577	94,963	99,092	115,608
4	80%	86,706	99,712	104,047	121,388
5	100%	91,041	104,697	109,249	127,457
6	80%	95,593	109,932	114,712	133,830
7	60%	100,373	115,429	120,447	140,522
8	40%	105,391	121,200	126,470	147,548
9	20%	110,661	127,260	132,793	154,925

**Cass County**

Home Sold During Year*	Holding Period %	NON-TARGETED AREA		TARGETED AREA	
		Number of Family Members Living in Your Home at the Time of Sale		Number of Family Members Living in Your Home at the Time of Sale	
		<u>2 or less</u>	<u>3 or more</u>	<u>2 or less</u>	<u>3 or more</u>
1	20%	81,600	93,840	NA	NA
2	40%	85,680	98,532	NA	NA
3	60%	89,964	103,458	NA	NA
4	80%	94,462	108,631	NA	NA
5	100%	99,185	114,063	NA	NA
6	80%	104,144	119,766	NA	NA
7	60%	109,351	125,754	NA	NA
8	40%	114,819	132,042	NA	NA
9	20%	120,560	138,644	NA	NA

**Lancaster County**

Home Sold During Year*	Holding Period %	NON-TARGETED AREA		TARGETED AREA	
		Number of Family Members Living in Your Home at the Time of Sale		Number of Family Members Living in Your Home at the Time of Sale	
		<u>2 or less</u>	<u>3 or more</u>	<u>2 or less</u>	<u>3 or more</u>
1	20%	78,400	90,160	94,080	109,760
2	40%	82,320	94,668	98,784	115,248
3	60%	86,436	99,401	103,723	121,010
4	80%	90,757	104,371	108,909	127,060
5	100%	95,295	109,590	114,354	133,413
6	80%	100,060	115,069	120,072	140,084
7	60%	105,063	120,823	126,076	147,088
8	40%	110,316	126,864	132,380	154,443
9	20%	115,832	133,207	138,999	162,165

**Cheyenne County**

Home Sold During Year*	Holding Period %	NON-TARGETED AREA		TARGETED AREA	
		Number of Family Members Living in Your Home at the Time of Sale		Number of Family Members Living in Your Home at the Time of Sale	
		<u>2 or less</u>	<u>3 or more</u>	<u>2 or less</u>	<u>3 or more</u>
1	20%	75,300	86,595	NA	NA
2	40%	79,065	90,924	NA	NA
3	60%	83,018	95,470	NA	NA
4	80%	87,169	100,244	NA	NA
5	100%	91,527	105,256	NA	NA
6	80%	96,104	110,519	NA	NA
7	60%	100,909	116,045	NA	NA
8	40%	105,954	121,847	NA	NA
9	20%	111,252	127,940	NA	NA

**Lincoln County**

Home Sold During Year*	Holding Period %	NON-TARGETED AREA		TARGETED AREA	
		Number of Family Members Living in Your Home at the Time of Sale		Number of Family Members Living in Your Home at the Time of Sale	
		<u>2 or less</u>	<u>3 or more</u>	<u>2 or less</u>	<u>3 or more</u>
1	20%	81,600	95,200	NA	NA
2	40%	85,680	99,960	NA	NA
3	60%	89,964	104,958	NA	NA
4	80%	94,462	110,205	NA	NA
5	100%	99,185	115,716	NA	NA
6	80%	104,144	121,502	NA	NA
7	60%	109,351	127,577	NA	NA
8	40%	114,819	133,955	NA	NA
9	20%	120,560	140,653	NA	NA

\*Prior to the anniversary of the Closing Date. For instance, a home sold during Year 4 means on or after the third anniversary of the Closing date but before the fourth anniversary of the Closing Date.

**Logan County**

Home Sold During Year*	Holding Period %	NON-TARGETED AREA		TARGETED AREA	
		Number of Family Members Living in Your Home at the Time of Sale		Number of Family Members Living in Your Home at the Time of Sale	
		<u>2 or less</u>	<u>3 or more</u>	<u>2 or less</u>	<u>3 or more</u>
1	20%	81,600	95,200	NA	NA
2	40%	85,680	99,960	NA	NA
3	60%	89,964	104,958	NA	NA
4	80%	94,462	110,205	NA	NA
5	100%	99,185	115,716	NA	NA
6	80%	104,144	121,502	NA	NA
7	60%	109,351	127,577	NA	NA
8	40%	114,819	133,955	NA	NA
9	20%	120,560	140,653	NA	NA

**Sarpy County**

Home Sold During Year*	Holding Period %	NON-TARGETED AREA		TARGETED AREA	
		Number of Family Members Living in Your Home at the Time of Sale		Number of Family Members Living in Your Home at the Time of Sale	
		<u>2 or less</u>	<u>3 or more</u>	<u>2 or less</u>	<u>3 or more</u>
1	20%	81,600	93,840	NA	NA
2	40%	85,680	98,532	NA	NA
3	60%	89,964	103,458	NA	NA
4	80%	94,462	108,631	NA	NA
5	100%	99,185	114,063	NA	NA
6	80%	104,144	119,766	NA	NA
7	60%	109,351	125,754	NA	NA
8	40%	114,819	132,042	NA	NA
9	20%	120,560	138,644	NA	NA

**McPherson County**

Home Sold During Year*	Holding Period %	NON-TARGETED AREA		TARGETED AREA	
		Number of Family Members Living in Your Home at the Time of Sale		Number of Family Members Living in Your Home at the Time of Sale	
		<u>2 or less</u>	<u>3 or more</u>	<u>2 or less</u>	<u>3 or more</u>
1	20%	81,600	95,200	NA	NA
2	40%	85,680	99,960	NA	NA
3	60%	89,964	104,958	NA	NA
4	80%	94,462	110,205	NA	NA
5	100%	99,185	115,716	NA	NA
6	80%	104,144	121,502	NA	NA
7	60%	109,351	127,577	NA	NA
8	40%	114,819	133,955	NA	NA
9	20%	120,560	140,653	NA	NA

**Saunders County**

Home Sold During Year*	Holding Period %	NON-TARGETED AREA		TARGETED AREA	
		Number of Family Members Living in Your Home at the Time of Sale		Number of Family Members Living in Your Home at the Time of Sale	
		<u>2 or less</u>	<u>3 or more</u>	<u>2 or less</u>	<u>3 or more</u>
1	20%	77,000	88,550	NA	NA
2	40%	80,850	92,977	NA	NA
3	60%	84,892	97,626	NA	NA
4	80%	89,137	102,507	NA	NA
5	100%	93,593	107,633	NA	NA
6	80%	98,273	113,014	NA	NA
7	60%	103,187	118,665	NA	NA
8	40%	108,346	124,598	NA	NA
9	20%	113,764	130,828	NA	NA

**Nemaha County**

Home Sold During Year*	Holding Period %	NON-TARGETED AREA		TARGETED AREA	
		Number of Family Members Living in Your Home at the Time of Sale		Number of Family Members Living in Your Home at the Time of Sale	
		<u>2 or less</u>	<u>3 or more</u>	<u>2 or less</u>	<u>3 or more</u>
1	20%	77,000	88,550	NA	NA
2	40%	80,850	92,977	NA	NA
3	60%	84,892	97,626	NA	NA
4	80%	89,137	102,507	NA	NA
5	100%	93,593	107,633	NA	NA
6	80%	98,273	113,014	NA	NA
7	60%	103,187	118,665	NA	NA
8	40%	108,346	124,598	NA	NA
9	20%	113,764	130,828	NA	NA

**Scotts Bluff County**

Home Sold During Year*	Holding Period %	NON-TARGETED AREA		TARGETED AREA	
		Number of Family Members Living in Your Home at the Time of Sale		Number of Family Members Living in Your Home at the Time of Sale	
		<u>2 or less</u>	<u>3 or more</u>	<u>2 or less</u>	<u>3 or more</u>
1	20%	74,900	86,135	89,880	104,860
2	40%	78,645	90,441	94,374	110,103
3	60%	82,577	94,963	99,092	115,608
4	80%	86,706	99,712	104,047	121,388
5	100%	91,041	104,697	109,249	127,457
6	80%	95,593	109,932	114,712	133,830
7	60%	100,373	115,429	120,447	140,522
8	40%	105,391	121,200	126,470	147,548
9	20%	110,661	127,260	132,793	154,925

**Polk County**

Home Sold During Year*	Holding Period %	NON-TARGETED AREA		TARGETED AREA	
		Number of Family Members Living in Your Home at the Time of Sale		Number of Family Members Living in Your Home at the Time of Sale	
		<u>2 or less</u>	<u>3 or more</u>	<u>2 or less</u>	<u>3 or more</u>
1	20%	75,600	86,940	NA	NA
2	40%	79,380	91,287	NA	NA
3	60%	83,349	95,851	NA	NA
4	80%	87,516	100,643	NA	NA
5	100%	91,892	105,676	NA	NA
6	80%	96,486	110,959	NA	NA
7	60%	101,311	116,507	NA	NA
8	40%	106,376	122,333	NA	NA
9	20%	111,695	128,449	NA	NA

**Seward County**

Home Sold During Year*	Holding Period %	NON-TARGETED AREA		TARGETED AREA	
		Number of Family Members Living in Your Home at the Time of Sale		Number of Family Members Living in Your Home at the Time of Sale	
		<u>2 or less</u>	<u>3 or more</u>	<u>2 or less</u>	<u>3 or more</u>
1	20%	77,200	88,780	NA	NA
2	40%	81,060	93,219	NA	NA
3	60%	85,113	97,879	NA	NA
4	80%	89,368	102,773	NA	NA
5	100%	93,837	107,912	NA	NA
6	80%	98,528	113,308	NA	NA
7	60%	103,455	118,973	NA	NA
8	40%	108,628	124,922	NA	NA
9	20%	114,059	131,168	NA	NA

\*Prior to the anniversary of the Closing Date. For instance, a home sold during Year 4 means on or after the third anniversary of the Closing date but before the fourth anniversary of the Closing Date.

**Washington County**

Home Sold During Year*	Holding Period %	NON-TARGETED AREA		TARGETED AREA	
		Number of Family Members Living in Your Home at the Time of Sale		Number of Family Members Living in Your Home at the Time of Sale	
		<u>2 or less</u>	<u>3 or more</u>	<u>2 or less</u>	<u>3 or more</u>
1	20%	81,600	93,840	NA	NA
2	40%	85,680	98,532	NA	NA
3	60%	89,964	103,458	NA	NA
4	80%	94,462	108,631	NA	NA
5	100%	99,185	114,063	NA	NA
6	80%	104,144	119,766	NA	NA
7	60%	109,351	125,754	NA	NA
8	40%	114,819	132,042	NA	NA
9	20%	120,560	138,644	NA	NA

**All Other Counties**

Home Sold During Year*	Holding Period %	NON-TARGETED AREA		TARGETED AREA	
		Number of Family Members Living in Your Home at the Time of Sale		Number of Family Members Living in Your Home at the Time of Sale	
		<u>2 or less</u>	<u>3 or more</u>	<u>2 or less</u>	<u>3 or more</u>
1	20%	74,900	86,135	NA	NA
2	40%	78,645	90,441	NA	NA
3	60%	82,577	94,963	NA	NA
4	80%	86,706	99,712	NA	NA
5	100%	91,041	104,697	NA	NA
6	80%	95,593	109,932	NA	NA
7	60%	100,373	115,429	NA	NA
8	40%	105,391	121,200	NA	NA
9	20%	110,661	127,260	NA	NA

**Wayne County**

Home Sold During Year*	Holding Period %	NON-TARGETED AREA		TARGETED AREA	
		Number of Family Members Living in Your Home at the Time of Sale		Number of Family Members Living in Your Home at the Time of Sale	
		<u>2 or less</u>	<u>3 or more</u>	<u>2 or less</u>	<u>3 or more</u>
1	20%	76,500	87,975	NA	NA
2	40%	80,325	92,373	NA	NA
3	60%	84,341	96,992	NA	NA
4	80%	88,558	101,842	NA	NA
5	100%	92,986	106,934	NA	NA
6	80%	97,635	112,280	NA	NA
7	60%	102,517	117,894	NA	NA
8	40%	107,643	123,789	NA	NA
9	20%	113,025	129,979	NA	NA

\*Prior to the anniversary of the Closing Date. For instance, a home sold during Year 4 means on or after the third anniversary of the Closing date but before the fourth anniversary of the Closing Date.

**THIS NOTICE GIVES CERTAIN BASIC INFORMATION ABOUT THE RECAPTURE TAX, BUT IS NOT INTENDED TO BE A COMPLETE GUIDE TO THE RECAPTURE PROVISIONS OF THE CODE. YOU SHOULD CONSULT YOUR TAX ADVISOR AT THE TIME YOU SELL YOUR RESIDENCE TO DETERMINE THE AMOUNT, IF ANY, OF SUCH RECAPTURE TAX.**

#### **IV.**

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#### **NOTICE TO APPLICANT THAT NIFA WILL REIMBURSE FOR ANY FEDERAL RECAPTURE TAX ACTUALLY PAID BY APPLICANT**

**A. General.** NIFA agrees that if you are required to pay to the IRS a Recapture Tax calculated according to the provisions of Part III above, NIFA will reimburse you for the actual amount of the Recapture Tax paid by you to the IRS.

**B. Reimbursement Procedures and Conditions.**

1. In order to be reimbursed for your Recapture Tax payment, you must send your written request to NIFA no later than July 15 of the calendar year immediately following the calendar year in which you sold or otherwise disposed of your Residence. For example, if you sell your Residence on December 31, 2012, NIFA must receive your written request for reimbursement no later than July 15, 2013.

Your written request for reimbursement must include the following:

- (a) NIFA's Request for Recapture Tax Reimbursement form (available from NIFA's offices or online at [www.nifa.org](http://www.nifa.org)) completed and signed by each Applicant;
- (b) IRS Form 4506 (or its equivalent) completed and signed by each Applicant, permitting NIFA to obtain a copy of each Applicant's federal tax return, including IRS Form 8828 (or its equivalent); NIFA will pay any fees associated with obtaining your tax returns from the IRS; and
- (c) Any other documentation NIFA may need to approve your reimbursement.

Each of these items must be signed by each Applicant and must have original signatures. NIFA will not accept copies or facsimiles of these items.

2. In addition to receiving the items described above, NIFA's approval of your Recapture Tax reimbursement is subject to the following terms and conditions:
  - (a) Your Mortgage Loan must be outstanding at the time you sell your Residence (i.e. NIFA will not reimburse you for any Recapture Tax if the Mortgage Loan has been refinanced).
  - (b) NIFA will reimburse you for the actual amount of the Recapture Tax you paid to the IRS, not simply the amount you may owe. NIFA will not advance funds for the payment of any Recapture Tax. NIFA will not reimburse for any fees, interest, expenses or penalties incurred, including, but not limited to, fees of any accountant or other tax advisor to calculate the Recapture Tax amount.

- (c) NIFA will not calculate the amount of any Recapture Tax you may owe upon the sale or disposition of your Residence; if you need assistance, you should consult a personal accountant or tax advisor or the IRS.
  - (d) You may submit only one request for reimbursement; NIFA will not reimburse you for any additional Recapture Tax you may owe under an amended tax return.
3. NIFA's reimbursement of your Recapture Tax may constitute income to you for federal and/or state income tax purposes. You may owe taxes on this additional income. NIFA will not provide you with additional moneys to pay such taxes. If you have questions regarding the treatment of the reimbursement of the Recapture Tax for tax purposes, you should consult with your personal accountant or tax advisor or the IRS.

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This Notice is provided by the Nebraska Investment Finance Authority pursuant to Section 143(m)(7) of the Code. Please acknowledge that you have received and have read this Notice by signing in the space(s) provided below.

**NEBRASKA INVESTMENT FINANCE AUTHORITY**

ACKNOWLEDGED:

\_\_\_\_\_  
(Applicant/Borrower)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Applicant/Borrower)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Non-Purchasing Spouse)

\_\_\_\_\_  
(Date)

## FORM E-1

### FHA AND HUD TAX-EXEMPT FINANCING RIDER

The following addenda to the Mortgage shall be incorporated into, and recorded with, the Mortgage. The term "Mortgage" shall be deemed to include "Deed of Trust," if applicable.

THIS TAX-EXEMPT FINANCING RIDER is made the date set forth below and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed ("Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Note ("Note") to

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("Lender") of the same date and covering the property described in the Security Instrument and located at the property and address described as follows:

**Address:**

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree to amend Paragraph 9 of the Model Mortgage Form, entitled "Grounds for Acceleration of Debt," by adding additional grounds for acceleration as follows:

Lender, or such of its successors or assigns as may by separate instrument assume responsibility for assuring compliance by the Borrower with the provisions of this Tax-Exempt Financing Rider, may require immediate payment in full of all sums secured by this Security Instrument if:

- (a) All or part of the Property is sold or otherwise transferred by Borrower to a purchaser or other transferee:
  - (i) Who cannot reasonably be expected to occupy the property as a principal Residence within a reasonable time after the sale or transfer, all as provided in Section 143(c) and (i)(2) of the Internal Revenue Code; or
  - (ii) Who has had a present ownership interest in a principal Residence during any part of the three-year period ending on the date of the sale or transfer, all as provided in Section 143(d) and (i)(2) of the Internal Revenue Code (except that "100 percent" shall be substituted for "95 percent or more" where the latter appears in Section 143(d)(1)); or
  - (iii) At an acquisition cost which is greater than 90 percent of the average area purchase price (greater than 110 percent for Residences in targeted areas), all as provided in Section 143(e) and (i)(2) of the Internal Revenue Code; or
  - (iv) Who has gross family income in excess of the applicable percentage of applicable median family income as provided in Section 143(f) and (i) (2) of the Internal Revenue Code; or
- (b) Borrower fails to occupy the property described in the Security Instrument without prior written consent of Lender or its successors or assigns described at the beginning of this Tax-Exempt Financing Rider; or
- (c) Borrower omits or misrepresents a fact that is material with respect to the provisions of Section 143 of the Internal Revenue Code in an application for the loan secured by this Security Instrument.

References are to the Internal Revenue Code as amended and in effect on the date of issuance of bonds, the proceeds of which will be used to finance the Security Instrument and are deemed to include the implementing regulations. If the Security Instrument is not financed in whole or in part with proceeds of bonds issued by the Nebraska Investment Finance Authority, this Tax-Exempt Financing Rider shall be null and void and of no force and effect.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions in this Tax-Exempt Financing Rider.

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Borrower

---

Date

---

Borrower

---

Date

---

Non-Purchasing Spouse

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Date

NIFA MRB/FORM E-1  
(07/2012)

## FORM E-2

### VA TAX-EXEMPT FINANCING RIDER

The following addenda to the Mortgage shall be incorporated into, and recorded with, the Mortgage. The term "Mortgage" shall be deemed to include "Deed of Trust," if applicable.

THIS TAX-EXEMPT FINANCING RIDER is made the date set forth below and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed ("Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Note ("Note") to

---

("Lender") of the same date and covering the property described in the Security Instrument and located at the property and address described as follows:

**Address:**

If, so long as the Mortgage is outstanding, all or part of the property is sold or transferred by Borrower without Lender's prior written consent, other than a transfer by devise, descent or by operation of law, the Lender may, at Lender's option, declare all the sums secured by the Mortgage to be immediately due and payable. If the Security Instrument is not financed in whole or in part with proceeds of bonds issued by the Nebraska Investment Finance Authority, this Tax-Exempt Financing Rider shall be null and void and of no force and effect.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions in this Tax-Exempt Financing Rider.

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Borrower

---

Date

---

Borrower

---

Date

---

Non-Purchasing Spouse

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Date

**FORM E-3**

**CONVENTIONAL AND USDA RURAL DEVELOPMENT  
TAX-EXEMPT FINANCING RIDER**

The following addenda to the Mortgage shall be incorporated into, and recorded with, the Mortgage. The term "Mortgage" shall be deemed to include "Deed of Trust," if applicable.

THIS TAX-EXEMPT FINANCING RIDER is made the date set forth below and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed ("Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Note ("Note") to

("Lender") of the same date and covering the property described in the Security Instrument and located at the property and address described as follows:

**Address:**

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree to amend Paragraph 18 of the Uniform Mortgage Form, entitled "Transfer of the Property as a Beneficial Interest in Borrower," by adding additional grounds for acceleration as follows:

Lender, or such of its successors or assigns as may by separate instrument assume responsibility for assuring compliance by the Borrower with the provisions of this Tax-Exempt Financing Rider, may require immediate payment in full of all sums secured by this Security Instrument if:

- (a) All or part of the Property is sold or otherwise transferred by Borrower to a purchaser or other transferee:
  - (i) Who cannot reasonably be expected to occupy the property as a principal residence within a reasonable time after the sale or transfer, all as provided in Section 143(c) and (i)(2) of the Internal Revenue Code; or
  - (ii) Who has had a present ownership interest in a principal residence during any part of the three-year period ending on the date of the sale or transfer, all as provided in Section 143(d) and (i)(2) of the Internal Revenue Code (except that "100 percent" shall be substituted for "95 percent or more" where the latter appears in Section 143(d)(1); or
  - (iii) At an acquisition cost which is greater than 90 percent of the average area purchase price (greater than 110 percent for Residences in targeted areas), all as provided in Section 143(e) and (i)(2) of the Internal Revenue Code; or
  - (iv) Who has gross family income in excess of the applicable percentage of applicable median family income as provided in Section 143(f) and (i)(2) of the Internal Revenue Code; or
- (b) Borrower fails to occupy the property described in the Security Instrument without prior written consent of Lender or its successors or assigns described at the beginning of this Tax-Exempt Financing Rider, or
- (c) Borrower omits or misrepresents a fact that is material with respect to the provisions of Section 143 of the Internal Revenue Code in an application for the loan secured by this Security Instrument.

References are to the Internal Revenue Code as amended and in effect on the date of issuance of bonds, the proceeds of which will be used to finance the Security Instrument and are deemed to include the implementing regulations. If the Security Instrument is not financed in whole or in part with proceeds of bonds issued by the Nebraska Investment Finance Authority, this Tax-Exempt Financing Rider shall be null and void and of no force and effect.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions in this Tax-Exempt Financing Rider.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Non-Purchasing Spouse

\_\_\_\_\_  
Date

**NIFA MRB/Form E-3  
(07/2012)**



**FORM F**

**NEBRASKA INVESTMENT FINANCE AUTHORITY  
HOME BUYER ASSISTANCE (HBA) PROGRAM**

**NOTICE TO BORROWER**

**Name(s) of Borrower(s):** \_\_\_\_\_

**Address of Residence Being Purchased:** \_\_\_\_\_

**HBA Second Loan Amount (5% of Purchase Price Maximum):** \$ \_\_\_\_\_

**Interest Rate on HBA Loan:** 1.0%

**Term of HBA Loan:** 120 Months

You have applied to the Nebraska Investment Finance Authority (“NIFA”) for a Home Buyer Assistance Program Second Mortgage Loan (the “**HBA Loan**”) in the amount listed above. The HBA Loan relates to a first mortgage loan (the “**First Mortgage Loan**”) which you are obtaining in connection with your purchase of the residence located at the address listed above (the “**Residence**”). The proceeds of your HBA Loan are to be used solely to pay a portion of the down payment and/or closing costs relating to your purchase of the Residence.

The amount of the HBA Loan may not exceed 5% of the purchase price of the Residence (“**Maximum HBA Loan**”). If your down payment and/or closing costs are less than the Maximum HBA Loan amount, the amount of your HBA Loan will be reduced accordingly.

Your HBA Loan will bear interest at the interest rate listed above. Interest will be charged to you from the “**Closing Date**”, which is the date you purchase the Residence and the proceeds of the HBA Loan are disbursed to you. You will make monthly payments of principal and interest with respect to the HBA Loan on the first day of each month, beginning with the first day of the second month following the Closing Date (or such other date as set forth in the promissory note relating to your HBA Loan) in 120, equal payments over a term of 10 years or until the loan is paid in full. Your HBA Loan will be serviced by a loan servicer, who will send you a monthly loan statement and to whom you will send your monthly payments. This monthly statement will be separate from the monthly statement relating to the First Mortgage Loan.

**You may prepay all or a portion of the unpaid principal amount of your HBA Loan at any time without penalty.**

You must immediately pay in full the unpaid principal amount of your HBA Loan and all interest then due and owing if you prepay (in full) or refinance all or any portion of your First Mortgage Loan, or if you sell, transfer or otherwise dispose of the Residence, including through foreclosure or transfer pursuant to any power of sale. Your HBA Loan will be secured by a Second Deed of Trust on your Residence. **NIFA will NOT agree to subordinate the Second Deed of Trust for any reason.**

If you do not pay your monthly loan payment when due, a late payment charge may be assessed in an amount equal to a percentage of the overdue amount. The percentage will be the same as that used to calculate a late payment charge with respect to the First Mortgage Loan.

The HBA Loan is not assumable. NIFA may permit a transfer of your Residence to someone else in connection with the assumption of the First Mortgage Loan, but such transfer and assumption will cause your HBA Loan to be immediately due and payable.

Having a HBA Loan associated with your First Mortgage Loan may result in the interest rate for your First Mortgage Loan being greater than interest rates NIFA is currently charging for other first mortgage loan programs without an associated HBA Loan.

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This Notice is provided by NIFA. Please acknowledge that you have received and have read this Notice by signing in the space(s) provided below.

I/We understand and agree to the terms of the HBA Loan.

I/We acknowledge and understand that the above statement and information contained within this notice is material to obtaining a HBA Loan, and I/we disclose under penalty of perjury, which is a felony offense, that the above statement, insofar as it relates to me/us, is true and correct.

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(Borrower) (Date)

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(Borrower) (Date)

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(Non-Purchasing Spouse) (Date)

**FORM G**

**NEBRASKA INVESTMENT FINANCE AUTHORITY  
HOME BUYER ASSISTANCE (HBA) PROGRAM  
SECOND PROMISSORY NOTE**

Principal Amount: \$ \_\_\_\_\_

First Payment Date: \_\_\_\_\_

Monthly Payment Amount: \$ \_\_\_\_\_

Maturity Date: \_\_\_\_\_

\_\_\_\_\_  
Date

FOR VALUE RECEIVED, the undersigned (the "Borrowers") jointly and severally promise to pay to the Nebraska Investment Finance Authority, 200 Commerce Court, 1230 "O" Street, Lincoln, Nebraska 68508-1402 (with its successors and assigns, the "Holder"), or order, the Principal Amount of \_\_\_\_\_ dollars (\$ \_\_\_\_\_), plus interest thereon as set forth in this Second Promissory Note (this "Note"). The Principal Amount referred to in this Note is being advanced to the Borrowers for the purpose of paying a portion of the down payment and/or closing costs related to the purchase of that certain property (the "Property"), which is described in and encumbered by that certain Second Deed of Trust related thereto, dated as of the date hereof, between Borrowers and the Holder (the "Second Deed of Trust").

Interest is being charged on unpaid principal, from the date of disbursement of the principal sum of this Note or the most recent payment date, whichever is later, at the rate of 1.0% per year until the full Principal Amount and all accrued interest and late payment fees have been repaid.

The Borrowers will make payments of principal of and interest on this Note to the Holder (or its designee) on the 1st day of each month beginning on the First Payment Date set forth above. Each monthly payment of principal and interest will be in the Monthly Payment Amount set forth above. Any principal and interest remaining on the Maturity Date set forth above will be due on that date.

The Borrowers may prepay this Note in full or in part at any time with no prepayment penalty or fee.

Principal of and accrued interest on this Note shall be immediately due and payable to the Holder upon the occurrence of any of the following events:

- (a) The Borrowers prepay or refinance the First Mortgage Loan; or
- (b) The Borrowers sell, transfer, or otherwise dispose of the Property, including through foreclosure or transfer pursuant to any power of sale or through assumption in accordance with the First Deed of Trust.

This Note is made by the Borrowers in connection with the Holder's Home Buyer Assistance Program (HBA) and evidences the Borrowers' obligation to repay to the Holder the Principal Amount advanced to the Borrowers by the Holder. The Borrowers' obligation to pay the Principal Amount of this Note and accrued but unpaid interest, if any, is unconditional.

Upon payment in full of the Principal Amount of this Note, and any accrued but unpaid interest or late payment fees thereon, this Note and the Second Deed of Trust shall be cancelled.

If payment under this Note is not made when due, or if there is a default in the performance of any of the conditions or covenants of the Second Deed of Trust or any other agreements, whether now or hereafter executed, further securing or relating to this Note (the "Related Documents") and such default is not cured by a date specified by written notice to Borrowers, then, in any of such events, time being of the essence hereof, the Holder may declare the unpaid portion of this Note due and payable at once. The Holder's failure to exercise such option upon any default shall not be construed as a waiver to exercise such option upon any later failure or default. The option of the Holder expressed in this paragraph shall continue until all such defaults have been cured.

The Holder may impose and collect a late payment fee for each month a payment is not made when due in an amount equal to the overdue amount multiplied by the percentage applicable to late payments set forth in the note for the First Mortgage Loan.

The Holder's recourse for default under this Note shall include, but not be limited to, exercise of the Holder's rights under the Second Deed of Trust or any Related Documents. If this Note is referred to an attorney for collection or to defend or enforce any of the Holder's rights hereunder, the Holder shall be entitled to its reasonable attorneys' fees allowable by law and all court costs and other expenses incurred in connection with such collection, defense or enforcement.

No delay or omission on the part of the Holder in exercising any remedy, right or option under this Note, the Second Deed of Trust or any Related Documents shall operate as a waiver of such remedy, right or option. A waiver on any one occasion shall not be construed as a waiver or bar to any such remedy, right or option on a future occasion.

The undersigned hereby waives presentment, notice of dishonor, notice of protest and protest notice of demand and all other notices or demands.

The laws of the State of Nebraska shall govern, control and bind in all matters arising under the loan transaction of which this Note is a party and all agreements entered into hereunder. All payments hereunder shall be payable in lawful money of the United States of America which shall be legal tender for public and private debts at the time of payment.

\_\_\_\_\_  
\_\_\_\_\_, Borrower

\_\_\_\_\_  
\_\_\_\_\_, Borrower

\_\_\_\_\_  
\_\_\_\_\_, Co-Signor (if applicable)

\_\_\_\_\_  
Loan Originator Name

\_\_\_\_\_  
Loan Originator NMLSR ID

\_\_\_\_\_  
Loan Originator Organization & NMLSR ID

**FORM H**

**NEBRASKA INVESTMENT FINANCE AUTHORITY  
HOME BUYER ASSISTANCE (HBA) PROGRAM**

**NEBRASKA  
SECOND DEED OF TRUST**

This Second Deed of Trust (this "Second Deed of Trust"), is made as of \_\_\_\_\_, \_\_\_\_\_, by \_\_\_\_\_ and among \_\_\_\_\_ ("Borrower", hereinafter referred to as "Trustor"), whose mailing address is \_\_\_\_\_; U.S. Bank Trust, National Association, ("Trustee"), whose mailing address is 111 S.W. Fifth Avenue, Portland, Oregon 97204, and Nebraska Investment Finance Authority ("Beneficiary"), whose mailing address is 200 Commerce Court, 1230 O Street, Lincoln, Nebraska 68508-1402.

FOR VALUABLE CONSIDERATION, Trustor irrevocably transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions of this Second Deed of Trust, the real property, legally described as follows (the "Property"):

TOGETHER WITH, all rents, profits, royalties, income and other benefits derived from the Property (collectively, the "rents"), all leases or subleases covering the Property or any portion thereof now or hereafter existing or entered into, and all right, title and interest of Trustor thereunder, all right, title and interest of Trustor in and to any greater estate in the Property owned or hereafter acquired, all interests, estate or other claims, both in law and in equity, which Trustor now has or may hereafter acquire in the Property, all easements, rights-of-way, tenements, hereditaments and appurtenances thereof and thereto, all water rights, all right, title and interest of Trustor, now owned or hereafter acquired, in and to any land, lying within the right-of-way of any street or highway adjoining the Property, and any and all alleys and strips and gores of land adjacent to or used in connection with the Property, and any and all buildings, fixtures and improvements now or hereafter erected thereon (the "Improvements"), and all the estate, interest, right, title or any claim or demand which Trustor now has or may hereafter acquire in the Property, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Trust Estate, including without limitation any awards resulting from a change of grade of streets and awards for severance damages.

The Property and the entire estate and interest conveyed to the Trustee are referred to collectively as the "Trust Estate".  
**For the Purpose of Securing:**

A. Payment of indebtedness evidenced by the Second Promissory Note of Trustor in the amount of \$\_\_\_\_\_ in favor of Beneficiary (the "Promissory Note"); and

B. Payment of all sums advanced by Beneficiary to protect the Trust Estate.

The indebtedness described in paragraphs A and B above is referred to as the "Indebtedness."

This Second Deed of Trust, the Promissory Note of Trustor in favor of Beneficiary and any other instrument given to evidence or further secure the payment and performance of any obligation secured hereby are referred to collectively as the "Loan Instruments".

Trustor covenants that (i) Trustor holds title to the Trust Estate and has lawful authority to encumber the Trust Estate, (ii) the Trust Estate is free and clear of all liens and encumbrances except for easements, restrictions and covenants of record and the Deed of Trust from Trustor encumbering the Property dated on or about the date hereof (the "First Deed of Trust"), and (iii) Trustor will defend the Trust Estate against the lawful claims of any person.

**To Protect the Security of this Second Deed of Trust:**

1. **Payment of Indebtedness.** Trustor shall pay when due the principal of, and the interest on, the Indebtedness and all other sums as provided in the Loan Instruments.

2. **Taxes.** Trustor shall pay each installment of all taxes and special assessments of every kind, now or hereafter levied against the Trust Estate or any part thereof, before delinquency, without notice or demand.

3. **Insurance and Repairs.** Trustor shall maintain fire and extended coverage insurance insuring the Improvements constituting part of the Trust Estate for such amounts and on such terms reasonably satisfactory to Beneficiary. So long as the Property is secured by a first deed of trust or mortgage, compliance with the insurance requirements of the First Deed of Trust or mortgage shall be sufficient to satisfy the requirements of this paragraph 3 relating to insurance.

Trustor shall promptly repair and replace the Trust Estate or any part thereof so that, except for ordinary wear and tear, the Trust Estate shall not deteriorate. In no event shall the Trustor commit waste on or to the Trust Estate, or commit, suffer or permit any act to be done in or upon the Trust Estate in violation of any law, ordinance or regulation. Trustor shall pay and promptly discharge at Trustor's cost and expense all liens, encumbrances and charges levied, imposed or assessed against the Trust Estate or any part thereof.

4. **Actions Affecting Trust Estate.** Trustor shall appear in and contest any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and shall pay all costs and expenses, including cost of evidence of title and attorneys' fees, in any such action or proceeding in which Beneficiary or Trustee may appear. If Trustor fails to make any payment or to do any act as and in the manner provided in any of the Loan Instruments, Beneficiary and/or Trustee, each in their own discretion, without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. Trustor shall, immediately upon demand therefor by Beneficiary, pay all costs and expenses incurred by Beneficiary in connection with the exercise by Beneficiary of the foregoing rights, including without limitation costs of evidence of title, court costs, appraisals, surveys and attorneys' fees.

5. **Eminent Domain.** If the Trust Estate, or any part thereof or interest therein, be taken or damaged by reason of any public improvement or condemnation proceeding, or in any other manner including deed in lieu thereof ("Condemnation"), or if Trustor receives any notice or other information regarding such proceeding, Trustor shall give prompt written notice thereof to Beneficiary. Trustor shall be entitled to all compensation, awards and other payments or relief thereof and shall be entitled at its option to commence, appear in and prosecute in its own name any action or proceedings. Trustor shall also be entitled to make any compromise or settlement in connection with such taking or damage.

6. **Appointment of Successor Trustee.** Beneficiary may, from time to time, by a written instrument executed and acknowledged by Beneficiary, mailed to Trustor and recorded in the County in which the Trust Estate is located and by otherwise complying with the provisions of the applicable law of the State of Nebraska substitute a successor or successors to the Trustee named herein or acting hereunder.

7. **Successors and Assigns.** This Second Deed of Trust applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, personal representatives, successors and assigns. The term "Beneficiary" shall mean the owner and holder of any promissory note given to beneficiary.

8. **Merger, Consolidation, Sales or Transfers.** Trustor covenants that Trustor will not sell, transfer or otherwise dispose of any of the Trust Estate. In the event that Trustor sells, transfers or otherwise disposes of any part of the

Trust Estate, Beneficiary may at its option declare the Indebtedness secured hereby immediately due and payable without any presentment, demand, protest or notice of any kind, whether or not any default exists. Beneficiary shall consent to a transfer of the Trust Estate to a third party to the extent such third party meets the requirements contained in, and assumes the obligations set forth in the First Deed of Trust. The covenants contained herein shall run with the Property and shall remain in full force and effect until the Indebtedness is paid in full.

9. ***Events of Default.*** Any of the following events shall be deemed an event of default hereunder:

- (a) default shall be made in the payment of the Indebtedness or any other sum secured hereby when due; or
- (b) Trustor shall perform any act in bankruptcy; or
- (c) a court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against Trustor seeking any reorganization, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, and such order, judgment or decree shall remain unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive) from the first date of entry thereof; or any trustee, receiver or liquidator or Trustor or of all or any part of the Trust Estate, or of any or all of the royalties, revenues, rents, issues or profits thereof, shall be appointed without the consent or acquiescence of Trustor and such appointment shall remain unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive); or
- (d) a writ of execution or attachment of any similar process shall be entered against Trustor which shall become a lien on the Trust Estate or any portion thereof or interest therein and such execution, attachment or similar process of judgment is not released, bonded, satisfied, vacated or stayed within sixty (60) days after its entry or levy; or
- (e) there has occurred a breach of or default under any term, covenant, agreement, condition, provision, representation or warranty contained in the First Deed of Trust or any prior deed of trust or mortgage affecting the Trust Estate.

10. ***Acceleration upon Default; Additional Remedies.*** If an event of default occurs, Beneficiary may declare the Indebtedness secured hereby to be due and payable and the same shall thereupon become due and payable without any presentment, demand, protest or notice of any kind. Thereafter, Beneficiary may:

- (a) either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Trust Estate, or any part thereof, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Trust Estate, or part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Trust Estate, sue for or otherwise collect the rents, issues and profits thereof, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection including attorneys' fees, upon any indebtedness secured hereby, all in such order as Beneficiary may determine. The entering upon and taking possession of the Trust Estate, the collection of such rents, issues and profits and the application thereof as aforesaid shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Trust Estate or the collection, receipt and application of rents, issues or profits, Trustee or Beneficiary shall be entitled to exercise every right provided for in any of the Loan Instruments or by law upon occurrence of any event of default, including the right to exercise the power of sale;
- (b) commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver or specifically enforce any of the covenants hereof;
- (c) deliver to Trustee a written declaration of default and demand for sale and a written notice of default and election to cause Trustor's interest in the Trust Estate to be sold, which notice Trustee shall cause to be duly filed for record in the appropriate offices of the County in which the Trust Estate is located; or
- (d) exercise such other rights or remedies at law or in equity.

11. ***Foreclosure by Power of Sale.*** If Beneficiary elects to foreclose by exercise of the Power of Sale herein contained, Beneficiary shall notify Trustee and shall deposit with Trustee this Second Deed of Trust and any note evidencing the Indebtedness and such receipts and evidence of expenditures made and secured hereby as Trustee may require.

(a) Upon receipt of such notice from Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such Notice of Default and Notice of Sale as then required by law and by this Second Deed of Trust. Trustee shall, without demand on Trustor, after such time as may then be required by law and after recordation of such Notice of Default and after Notice of Sale having been given as required by law, sell the Trust Estate at the time and place of sale fixed by it in such Notice of Sale, either as a whole, or in separate lots or parcels or items as Trustee shall deem expedient, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including without limitation Trustor, Trustee or Beneficiary, may purchase at such sale.

(b) As may be permitted by law, after deducting all costs, fees and expenses of Trustee and of this Trust, including costs of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of (i) the Indebtedness (ii) all other sums then secured hereby, and (iii) the remainder, if any, to the person or persons legally entitled thereto.

(c) Trustee may in the manner provided by law postpone sale of all or any portion of the Trust Estate.

(d) Any person (including his successor and assigns) receiving title to the Property through foreclosure or deed in lieu of foreclosure shall receive title to such property free and clear of any collateral agreements restricting the use of such property.

(e) If any holder of the First Deed of Trust (the "Senior Lien Holder") shall acquire title to the Property pursuant to a deed in lieu of foreclosure, the lien of this Second Deed of Trust shall automatically terminate upon the Senior Lien Holder's acquisition of title, provided that (i) Beneficiary has been given written notice of a default under the First Deed of Trust and (ii) Beneficiary shall not have cured the default under the First Deed of Trust within 30 days of the notice sent to Beneficiary.

12. **Remedies Not Exclusive.** Trustee and Beneficiary, and each of them, shall be entitled to enforce payment and performance of any indebtedness or obligations secured hereby and to exercise all rights and powers under this Second Deed of Trust or under any Loan Instrument or other agreement or any laws now or hereafter in force; notwithstanding, some or all of the such indebtedness and obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Second Deed of Trust nor its enforcement, whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect Trustee's or Beneficiary's right to realize upon or enforce any other security now or hereafter held by Trustee or Beneficiary, it being agreed that Trustee and Beneficiary, and each of them, shall be entitled to enforce this Second Deed of Trust and any other security now or hereafter held by Beneficiary or Trustee in such order and manner as they or either of them may in their absolute discretion determine. No remedy herein conferred upon or reserved to Trustee or Beneficiary is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by any of the Loan Instruments to Trustee or Beneficiary or to which either of them may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Trustee or Beneficiary and either of them may pursue inconsistent remedies. Nothing herein shall be construed as prohibiting Beneficiary from seeking a deficiency judgment against the Trustor to the extent such action is permitted by law.

13. **Request For Notice.** Trustor and all other parties set forth herein hereby requests a copy of any Notice of Default and a copy of any Notice of Sale hereunder be mailed to them at the address set forth in the first paragraph of this Second Deed of Trust.

14. **Governing Law.** This Second Deed of Trust shall be governed by and construed in accordance with the laws of the State of Nebraska. In the event that any provision or clause of any of the Loan Instruments conflicts with applicable laws, such conflict shall not affect other provisions of such Loan Instruments which can be given effect without the conflicting provision, and to this end the provisions of the Loan Instruments are declared to be severable. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought.

15. **Reconveyance by Trustee.** Upon written request of Beneficiary stating that all sums secured hereby have been paid and upon surrender of this Second Deed of Trust and any note to Trustee for cancellation and retention and upon payment by Trustor of Trustee's fees, Trustee shall reconvey to Trustor, or the person or persons legally entitled thereto, without warranty, any portion of the Trust Estate then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in any reconveyance may be described as "the person or persons legally entitled thereto."



16. **Notices.** Whenever Beneficiary, Trustor or Trustee shall desire to give or serve any notice, demand, request or other communication with respect to this Second Deed of Trust, each such notice, demand, request or other communication shall be in writing and shall be effective only if the same is delivered by personal service or mailed by certified mail, postage prepaid, return receipt requested, addressed to the address set forth at the beginning of this Second Deed of Trust. Any party may at any time change its address for such notices by delivering or mailing to the other parties hereto, as aforesaid, a notice of such change.

17. **Acceptance by Trustee.** Trustee accepts this Trust when this Second Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

IN WITNESS WHEREOF, Trustor has executed this Second Deed of Trust as of the day and year first above written.

\_\_\_\_\_  
Trustor/Borrower

\_\_\_\_\_  
Trustor/Borrower

STATE OF NEBRASKA            )  
  ) ss.  
COUNTY OF                    )

The foregoing instrument was acknowledged before me this        day of                    ,        by

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Trustor/Borrower

STATE OF NEBRASKA            )  
  ) ss.  
COUNTY OF                    )

The foregoing instrument was acknowledged before me this        day of                    ,        by

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Loan Originator Name

\_\_\_\_\_  
Loan Originator NMLSR ID

\_\_\_\_\_  
Loan Originator Organization & NMLSR ID

## FORM I

### NEBRASKA INVESTMENT FINANCE AUTHORITY WORKSHEET EVIDENCING QUALIFICATION AS "VETERAN" WITHIN THE MEANING OF 38 U.S.C. SECTION 101

In order to qualify as a "veteran" within the meaning of 38 U.S.C. Section 101, *both* (1) and (2) below must be satisfied:

- (1) Borrower must have served in the active military, naval or air service in one of the following capacities (must mark (a), (b) or (c)):

☐ (a) **Active duty** in one of the following manners:

- ☐ (i) full-time duty (other than active duty for training) in the Armed Forces (United States Army, Navy, Marine Corps, Air Force, and Coast Guard, including the reserve components);
- ☐ (ii) full-time duty (other than for training purposes) as a commissioned officer of the Regular or Reserve Corps of the Public Health Service (on or after July 29, 1945, or before that date if under circumstances affording entitlement to "full military benefits");
- ☐ (iii) full-time duty as a commissioned officer of the National Oceanic and Atmospheric Administration or its predecessor the Coast and Geodetic Survey (on or after July 29, 1945, or before that date if while on transfer to one of the Armed Forces or if while assigned to duty on a project for one of the Armed Forces in an area determined by Secretary of Defense to be of immediate military hazard during time of war or national emergency declared by President or if in the Philippine Islands on December 7, 1941 and continuously in such islands thereafter; or
- ☐ (iv) service as a cadet in the United States Military, Air Force or Coast Guard Academy, or as a midshipman at the United States Naval Academy; or
- ☐ (v) authorized travel to or from such duty or service listed in (a)(i) through (iv) above.

☐ (b) **Active duty for training** in one of the following manners *if* the member was disabled during such period from a disease or injury incurred or aggravated in the line of duty (specifically excludes any duty performed as a temporary member of the Coast Guard Reserve):

- ☐ (i) full-time duty for training purposes in the Armed Forces Reserves (Army Reserve, Naval Reserve, Marine Corps Reserve, Air Force Reserve, Coast Guard Reserve, Army National Guard of the United States and Air National Guard of the United States);
- ☐ (ii) full-time duty for training purposes as a commissioned officer of the Reserve Corps of the Public Health Service (on or after July 29, 1945, or before that date if under circumstances affording entitlement to "full military benefits";
- ☐ (iii) full-time duty for members of the Army National Guard or Air National Guard of any State under Title 32, Section 316 (detail of members of Army National Guard for rifle instruction of civilians), Section 502 (required drills and field exercises), Section 503 (participation in field exercises), Section 504

(National Guard schools and small arms competitions), or Section 505 (Army and Air Force schools and field exercises);

☐ (iv) duty performed as a member of a Senior Reserve Officers' Training Corps program when ordered to such duty for the purposes of training or a practice cruise under Chapter 103 of Title 10 for a period of not less than 4 weeks and which must be completed by the member before the member is commissioned; or

☐ (v) authorized travel to or from such duty listed in items (b)(i) through (iv) above.

☐ (c) **Inactive duty training** in one of the following manners *if* the member was disabled during such period from an injury incurred or aggravated in the line of duty or from an acute myocardial infarction, a cardiac arrest or a cerebrovascular accident occurring during such training (specifically excludes any work or study performed in connection with correspondence courses, attendance at an educational institution in an inactive status or duty performed as a temporary member of the Coast Guard Reserve):

☐ (i) duty (other than full-time duty) prescribed for Reserves (Army Reserve, Naval Reserve, Marine Corps Reserve, Air Force Reserve, Coast Guard Reserve, Army National Guard of the United States, Air National Guard of the United States and commissioned officers of the Reserve Corps of the Public Health Service) by the Secretary concerned under Section 206 of Title 37 or any other provision of law;

☐ (ii) special additional duties authorized for Reserves (Army Reserve, Naval Reserve, Marine Corps Reserve, Air Force Reserve, Coast Guard Reserve, Army National Guard of the United States, Air National Guard of the United States and commissioned officers of the Reserve Corps of the Public Health Service) by an authority designated by the Secretary concerned and performed by them on a voluntary basis in connection with prescribed training or maintenance activities of the units to which they are assigned; or

☐ (iii) training (other than active duty for training) by a member of, or applicant for membership (as defined in Section 8140(g) of Title 5) in the Senior Reserve Officers' Training Corps prescribed under Chapter 103 of Title 10.

(2) Borrower has been discharged or released from the service referenced in (1) above under conditions other than dishonorable, including retirement or the satisfactory completion of the period of active military, naval or air service required if, due to enlistment or re-enlistment, discharge or release at the time of such completion was not awarded but was earned and would have been awarded under conditions other than dishonorable.

I fully understand and declare under penalty of perjury that each of the above statements and information contained in this worksheet, in so far as they relate to me, are true and correct.

---

Borrower

---

Date



**HOMEBUYER ASSISTANCE (HBA) PROGRAM  
FORM J  
BORROWER ACKNOWLEDGEMENT LETTER\***

In connection with the purchase of your Residence (identified below) with a first mortgage loan, you have applied to the Nebraska Investment Finance Authority ("NIFA") for a Homebuyer Assistance Program Second Mortgage Loan ("HBA Loan"). The proceeds of your HBA Loan are to be used solely to pay a portion of the down payment and/or closing costs relating to your purchase of the Residence set forth below.

You will make monthly payments of principal and interest on your HBA Loan, as set forth in the Promissory Note ("Form G"), in 120 equal payments over a term of 10 years or until the loan is paid in full. Your HBA Loan will be serviced by a loan servicer who will send you a monthly loan statement and to whom you will send your monthly payments.

NIFA Reservation #: \_\_\_\_\_

Borrower Name: \_\_\_\_\_

Co-Borrower Name: \_\_\_\_\_

Property Address: \_\_\_\_\_

Amount of HBA Loan: \$\_\_\_\_\_ Interest Rate of HBA Loan: 1.0%

(Note to lender: this amount must match the amount on the Obligation Letter and all other closing documents)

NIFA's relationship to Borrower(s): \$ 115 authorized lender.

NIFA Authorized Signator:

Jacki Young, Single Family Program Manager

Please acknowledge that you have received and read this Letter by signing in the space provided below.

\_\_\_\_\_  
Borrower's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Borrower's Signature

\_\_\_\_\_  
Date

*NIFA's mailing address:  
1230 "O" Street, 200 Commerce Court  
Lincoln, NE 68508  
(402) 434-3900 or (800) 504-6432*

*\*Letter pursuant to HUD Handbook 4155.1 5.B.5.a*

**AFFIDAVIT 1**  
**BUSINESS USAGE**

**Residence Address:** \_\_\_\_\_

The undersigned hereby represent(s) and certify(ies) with respect to the above-identified Residence as follows:

- (1) I/We do not intend to, or have not entered into an arrangement to rent, sell, assign or transfer any part of the Residence.
- (2) I/We expect to use a portion of the Residence, including the surrounding land and any outbuildings, in a trade or business, but I/We will not use such Residence and the surrounding land and outbuildings **primarily** for purposes of a trade or business, as evidenced by the calculation set forth below. A Residence is used "**primarily for purposes of a trade or business**" if more than **15%** of the total area of which is reasonably expected to be used in a trade or business, including child care services on a regular basis for compensation. Such a Residence **may not** be financed with a NIFA mortgage loan.

General description of trade or business to be conducted at the Residence, including the surrounding land and any outbuildings: \_\_\_\_\_

- (a) Area of Residence (sq. ft.): \_\_\_\_\_
- (b) Area of surrounding land and outbuildings (sq. ft.): \_\_\_\_\_
- (c) Total area of Residence, surrounding land and outbuildings (sq. ft.): \_\_\_\_\_ (c)
- (d) Area of Residence used in a trade or business (sq. ft.): \_\_\_\_\_
- (e) Area of surrounding land and outbuildings used in a trade or business (sq. ft.): \_\_\_\_\_
- (f) Total area of Residence, surrounding land and outbuildings used in a trade or business (sq. ft.): \_\_\_\_\_ (f)
- (g) Percentage of Residence, surrounding land and outbuildings used in a trade or business (line (f) divided by line (c)): \_\_\_\_\_ % (g)

If the portion of the Residence, including the surrounding land and any outbuildings, used in a trade or business will only be used for a set number of hours, an additional allocation may be made to determine the percentage of such property used in a trade or business:

- (h) Average number of hours each week the Residence, surrounding land and outbuildings are used in a trade or business: \_\_\_\_\_ (h)
- (i) Ratio of (1) average number of hours each week the Residence, surrounding land and outbuildings are used in a trade or business to (2) the total number of hours in each week (line (h) divided by 168): \_\_\_\_\_ (i)
- (j) Percentage of Residence, surrounding land and outbuildings used in a trade or business (line (g) multiplied by line (i)): \_\_\_\_\_ %

- (3) I/We will not use the Residence as an investment property or a recreational home.
- I/We fully understand and declare under penalty of perjury, that each of the above statements and information contained in this Affidavit, in so far as they relate to me/us, are true and correct.

Dated:

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Borrower or Non-Purchasing Spouse

\_\_\_\_\_  
Date

\_\_\_\_\_  
Non-Purchasing Occupant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Non-Purchasing Occupant

\_\_\_\_\_  
Date

## AFFIDAVIT 2

### ACQUISITION COST OF RESIDENCE— BORROWER AS GENERAL CONTRACTOR

Residence Address: \_\_\_\_\_

The undersigned is/are the mortgagor(s) of the Residence described above represent and certify that:

- (1) I/We have not purchased the Residence from any seller or other person pursuant to any purchase agreement or other contract for the sale of real estate;
- (2) I/We have constructed or are constructing the Residence have/are acting as the general contractor with respect to such construction;
- (3) I/We are/will be the first residents of the Residence following the completion of its construction;
- (4) The total Acquisition Cost of the Property is as follows:

Cost of land not owned more than 2 years (attach purchase contract)	\$ _____
Cost of construction work orders	\$ _____
Purchase price of fixtures	\$ _____
Personal property purchased over market value	\$ _____
Settlement and financing costs in excess of the usual and reasonable costs	\$ _____
Costs such as hook-up, tap-in, site improvements, architectural and builder fees, permits, subcontracted items, construction loan interest and commissions	\$ _____
Other amounts including any agreements, whether oral or written	\$ _____
 Total Acquisition Cost	 \$ _____

I/We understand that the Acquisition Cost does not include the following items:

- (a) The usual and reasonable settlement financing costs. Settlement costs include titling and transfer costs, sales tax, title insurance, survey fees, or other similar costs. Financing Costs include credit reference fees, legal fees, appraisal expenses, origination fees.
- (b) The value of services performed by any my/our family in completing the Residence. For purposes of the preceding sentence, "family" includes

only the my/our brothers and sisters (whether by whole or half -blood), spouse, ancestors, and lineal descendants.

- (c) The cost of land which has been owned by me/us for at least two years prior to the date on which construction of the Residence begins.
- (5) I/We fully understand and declare under penalty of perjury, that each of the above statements and information contained in this Affidavit, in so far as they relate to me/us, are true and correct.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Borrower or Non-Purchasing Spouse

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Borrower

\_\_\_\_\_  
Date

**AFFIDAVIT 3-1**

**NON-OCCUPYING SPOUSE**

**Address of Property to be Purchased:** \_\_\_\_\_

The undersigned hereby represents and certifies with respect to the above-described Residence as follows:

- (1) I am the spouse of \_\_\_\_\_ (the "Spouse"), who is the purchaser and mortgagor of the above-described Residence;
- (2) I do not have a present intention nor will I occupy the Residence with my Spouse; and
- (3) I fully understand and declare under penalty of perjury, that each of the above statements and information contained in this Affidavit, in so far as they relate to me, are true and correct.

\_\_\_\_\_  
Non-Occupying Spouse

\_\_\_\_\_  
Date



**AFFIDAVIT 3-2**

**BORROWER'S AFFIDAVIT WITH RESPECT TO NON-OCCUPYING SPOUSE**

**Address of Property to be Purchased:** \_\_\_\_\_

The undersigned hereby represents and certifies with respect to the above-described Residence as follows:

- (1) I am the purchaser and mortgagor of the above-described Residence and am the spouse of \_\_\_\_\_ (the "Non-Occupying Spouse"); and
- (2) The Non-Occupying Spouse does not have a present intention to occupy the Residence; and I have no intention of occupying the Residence with the Non-Occupying Spouse; and
- (3) I fully understand and declare under penalty of perjury that each of the above statements and information contained in this Affidavit, in so far as they relate to me, are true and correct.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

**AFFIDAVIT 4  
PROFIT OR LOSS STATEMENT  
SELF-EMPLOYED INCOME**

**Address of Property to be Purchased:** \_\_\_\_\_

Tax Year: \_\_\_\_\_

YTD Time Period: \_\_\_\_\_ to \_\_\_\_\_

Principal Business or Profession: \_\_\_\_\_

**Part 1-Income:**

Gross Receipts or Sales: \$ \_\_\_\_\_

Cost of Goods Sold: \$ \_\_\_\_\_

Other Income: \$ \_\_\_\_\_

Total Gross Income: \$ \_\_\_\_\_

**Part II-Expenses:**

Advertising: \$ \_\_\_\_\_

Car and Truck Expenses: \$ \_\_\_\_\_

Other Expenses: \$ \_\_\_\_\_

Depreciation and Depletion: \$ \_\_\_\_\_

Total Expenses: \$ \_\_\_\_\_

**Net Profit or (Loss):** \$ \_\_\_\_\_

Comments: \_\_\_\_\_

The foregoing represents my/our net profit or (loss) for the YTD Time Period set forth above.

I/We fully understand and declare under penalty of perjury, that the above information is true and correct.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Borrower or Non-Purchasing Spouse

\_\_\_\_\_  
Date

\_\_\_\_\_  
Non-Purchasing Occupant

\_\_\_\_\_  
Date

**AFFIDAVIT 5  
BORROWER LETTER OF EXPLANATION**

NIFA Reservation #: \_\_\_\_\_

Borrower Name: \_\_\_\_\_

Co-Borrower Name: \_\_\_\_\_

Property Address: \_\_\_\_\_

The borrower(s) are preparing and executing this Letter of Explanation in connection with the above NIFA reservation number with respect to the following matter:

I/We fully understand and declare under penalty of perjury, that the above information is true and correct.

\_\_\_\_\_  
Borrower Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Borrower or Non-Borrowing Spouse

\_\_\_\_\_  
Date

Lender Contact Name: \_\_\_\_\_

Email Address: \_\_\_\_\_ Phone #: \_\_\_\_\_

## **SECTION 16**

### **FEDERALLY DESIGNATED TARGET AREAS**

- Eligible Target Area Census Tracts
- Target Area Maps by County



## ELIGIBLE TARGET AREA CENSUS TRACTS

### Adams County Census Tracts

9661

### Jefferson County Census Tracts

9638

### Lincoln Census Tracts (Lancaster County)

4\*, 5, 6, 8\*, 17\*, 19\*, 20.01, 20.02, 21

### Omaha Census Tracts (Douglas County)

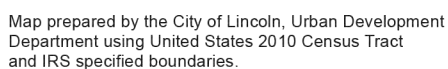
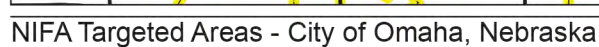
3, 4\*, 5, 6, 7, 8, 11, 12, 19, 21\*, 22\*, 26, 27, 29, 32, 40, 51, 52, 54, 59.01, 59.02, 60, 61.01, 66.03, 74.40

### Scotts Bluff County

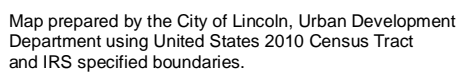
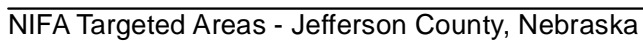
9537

\*Census tract numbers with asterisks are "Areas of Chronic Economic Distress" and qualify as eligible target areas.

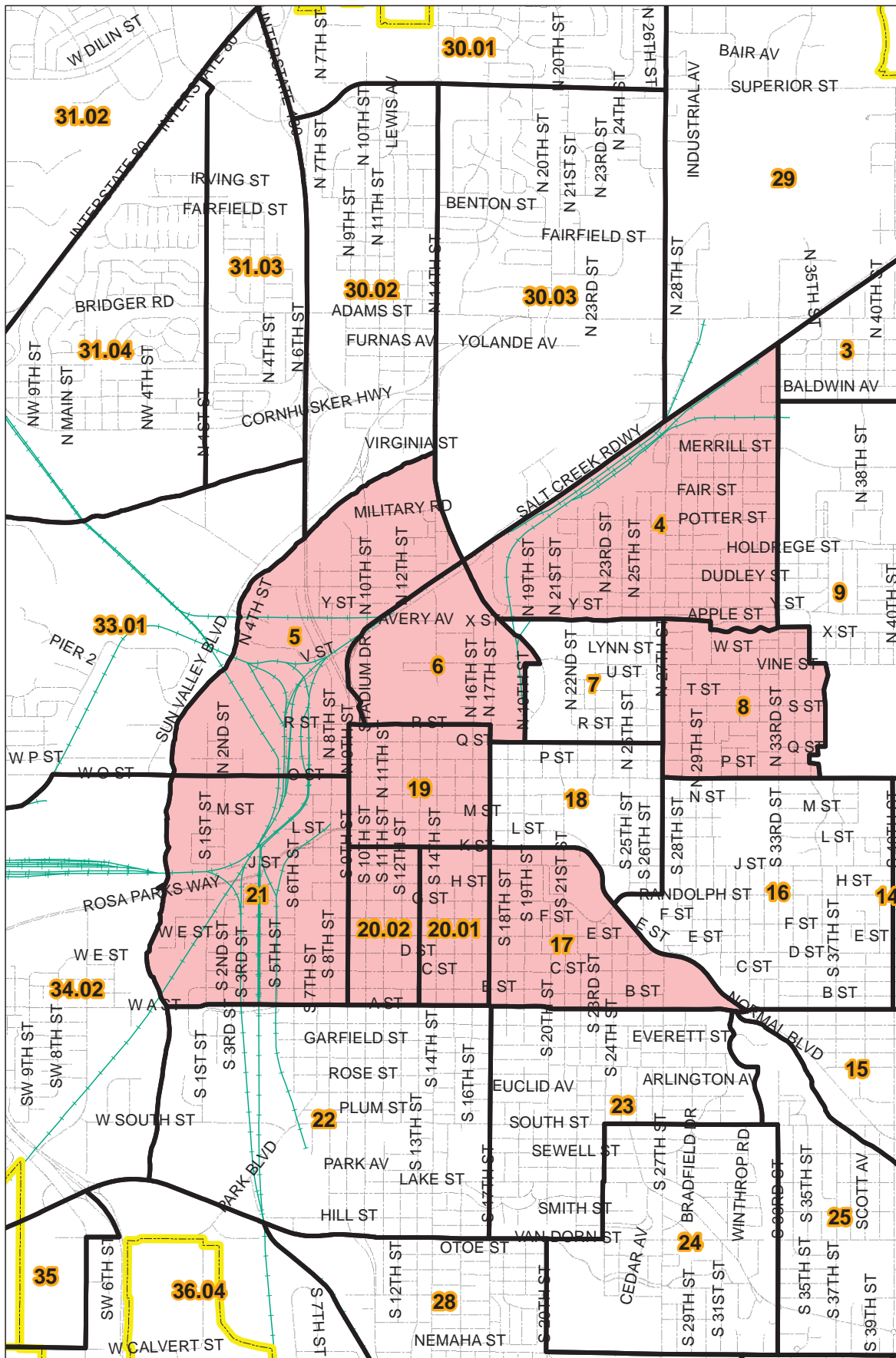










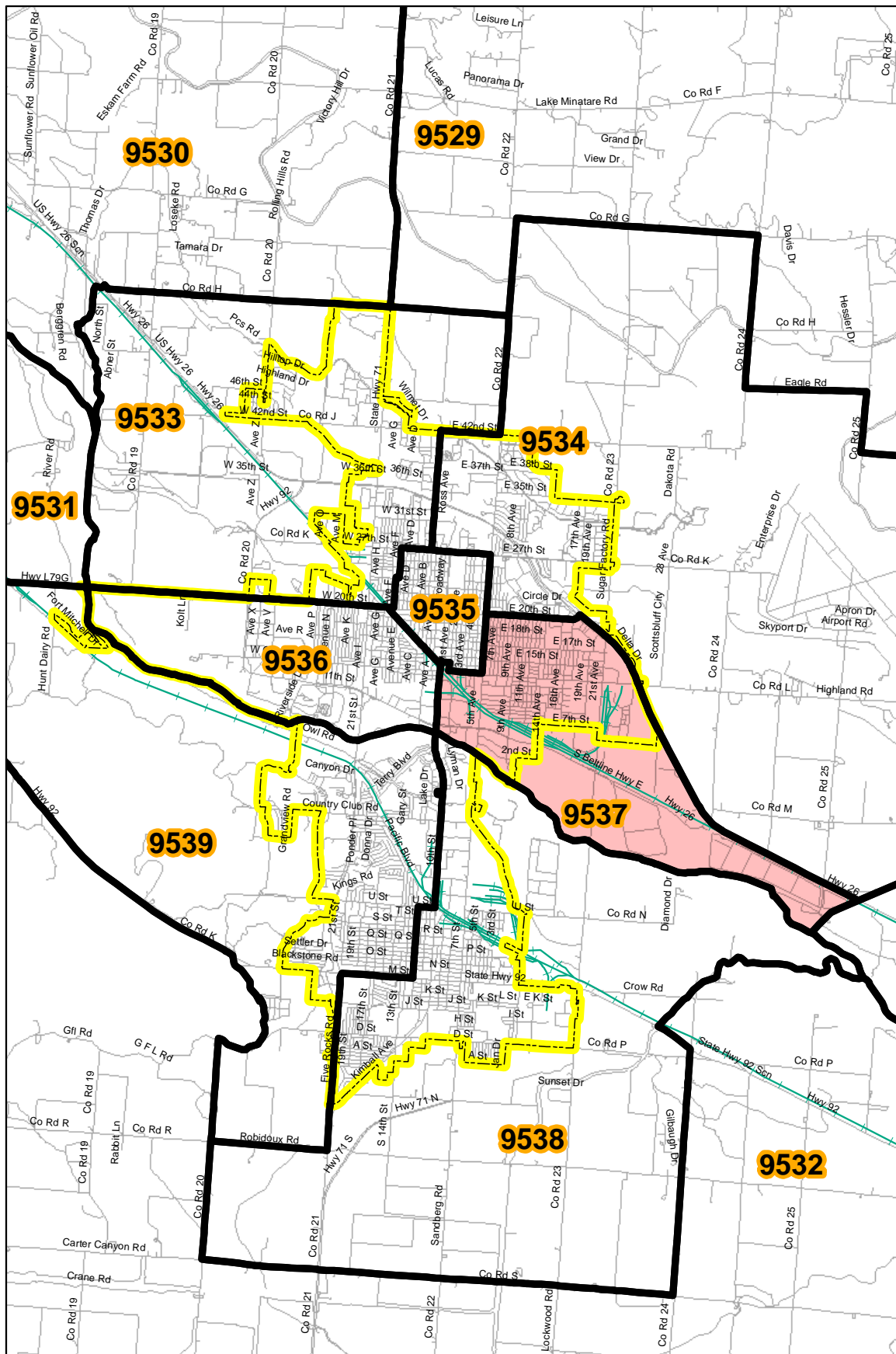


NIFA Targeted Areas - City of Lincoln, Nebraska



Map prepared by the City of Lincoln, Urban Development Department using United States 2010 Census Tract and IRS specified boundaries.





NIFA Targeted Areas - Scotts Bluff County, Nebraska



Map prepared by the City of Lincoln, Urban Development Department using United States 2010 Census Tract and IRS specified boundaries.

January 2014



## **SECTION 17**

### **LENDER CONTRACTUAL AGREEMENTS**

Mortgage Origination Agreement

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**NEBRASKA INVESTMENT FINANCE AUTHORITY**

**MORTGAGE ORIGINATION AGREEMENT**

Single Family Housing  
Mortgage Loan Program

Dated as of April 1, 2012

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## MORTGAGE ORIGINATION AGREEMENT<sup>1</sup>

In consideration of the premises and of the mutual agreements herein contained, the mortgage lending institution executing this Origination Agreement (this "Origination Agreement") between such institution executing this Origination Agreement as a Participating Lender ("Participating Lender") and **THE NEBRASKA INVESTMENT FINANCE AUTHORITY** ("NIFA"), agree all as of April 1, 2012, as follows:

### WITNESSETH:

WHEREAS, NIFA, under the provisions of the Nebraska Investment Finance Authority Act, Neb. Rev. Stat. §§ 58-201 et seq. (Reissue 2008), as amended (the "Act"), is authorized to make reservations and enter into commitments to cause the purchase by the Master Servicer (as hereafter defined) of mortgage loans (hereinafter collectively called "Mortgage Loans") meeting eligibility requirements established pursuant to the Act; and

WHEREAS, the Participating Lender intends, from time to time, to originate Mortgage Loans (and, if applicable, related Second Mortgage Loans) pursuant to this Origination Agreement and to sell such Mortgage Loans to the Master Servicer appointed by NIFA and defined herein; and

WHEREAS, the Participating Lender has entered, or will simultaneously, with the execution of this Origination Agreement, enter into a Participating Lender Agreement (the "Participating Lender Agreement") with the Master Servicer; and

WHEREAS, the Participating Lender expects to apply from time to time to NIFA for reservations (on a loan-by-loan basis) of Program funds (each a "Reservation") to enable the Participating Lender to sell to the Master Servicer Mortgage Loans (and, for funding, related Second Mortgage Loans) meeting the terms and conditions established for the Program by NIFA and as set forth in this Origination Agreement, the Participating Lender Agreement, the Lender Manual and the Lender Guide (as defined herein), as the same may be amended from time to time, the provisions of each of which are hereby incorporated by reference; and

WHEREAS, until the Participant is notified otherwise, NIFA is willing to accept Reservations from the Participating Lender from time to time for the origination of Mortgage Loans (and related Second Mortgage Loans, if any) to be purchased by the Master Servicer in amounts requested by the Participating Lender on a loan-by-loan basis.

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<sup>1</sup> This Origination Agreement shall apply to all Mortgage Loans and Second Mortgage Loans originated by Participating Lenders pursuant to Reservations requested on or after April 4, 2012.

## ARTICLE I

### DEFINITIONS

Unless otherwise defined herein, all words and phrases defined in the Lender Manual and the Lender Guide shall have the same meanings when used in this Origination Agreement.

Additionally, the following words and phrases shall have the following meanings:

“*Assignment of Mortgage*” means an instrument substantially in the form included in the Lender Manual, as such instrument may be amended from time to time, completed and executed by a Participating Lender, in recordable form, and pursuant to which a Participating Lender assigns and delivers the related Mortgage and endorses the Mortgage Note to the Master Servicer.

“*Business Day*” means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in Nebraska are authorized or obligated by law or executive order to be closed for business.

“*Code*” means the Internal Revenue Code of 1986, as amended, and any rules or regulations promulgated thereunder.

“*Eligible Persons and Families*” means a person or persons and families (a) who intend to principally and permanently reside as a household in a Residence, (b) whose Family Income does not exceed 115% (100% for families of one or two persons) (140% (120% for families of one or two persons) in Targeted Areas) of the applicable median family income (as published by NIFA based upon a determination by the Secretary of the United States Treasury after taking into account the regulations prescribed under Section 8 of the United States Housing Act of 1937), and (c) unless the Residence is located within a Targeted Area, who is a First Time Homebuyer. The Total Family Income limits applicable to the Program are set forth in the Lender Manual, which limits may be adjusted from time to time by NIFA.

“*Fannie Mae*” means Fannie Mae, or any successor thereto.

“*FHLMC*” means the Federal Home Loan Mortgage Corporation, or any successor thereto.

“*First Time Homebuyer*” means a Mortgagor (i) who has not had an ownership interest in a principal Residence at any time during the three-year period ending on the date the Mortgage is executed or (ii) who is a “veteran” within the meaning of 38 U.S.C. Section 101, each as more fully described in the Lender Manual.

“*Lender Guide*” means the guide prepared by the Master Servicer for the origination and delivery of Mortgage Loans to be purchased by the Master Servicer pursuant to the terms hereof and the terms of the Participating Lender Agreement and the eligibility, credit and security and underwriting standards applicable thereto.



“*Lender Manual*” means NIFA’s Single Family MRB Program Lender Manual, as amended from time to time.

“*LOL*” means Lender on Line, the on-line system used by NIFA in connection with the administration of the Program.

“*Master Servicer*” means U.S. Bank National Association, as Master Servicer under one or more servicing agreements with NIFA, or any substitute Master Servicer appointed by NIFA.

“*Maximum Purchase Price*” means the maximum limitations set forth in the Lender Manual, as such Maximum Purchase Prices may be amended from time to time by NIFA.

“*Mortgage*” means the written instrument (which shall only be a deed of trust) securing the related Mortgage Loan and encumbering a Residence, which instrument shall be in the form specified from time to time in the Program Agreements, with such modifications as may be required by the terms of the Program Agreements.

“*Mortgage File*” means, with respect to each Mortgage Loan and Second Mortgage Loan, the mortgage documents listed in the Program Agreements, as such list of mortgage documents may be amended from time to time.

“*Mortgage Loan*” means a first mortgage loan to an Eligible Person or Family evidenced by a Mortgage Note secured by a related Mortgage on a Residence located in the State, the terms of which comply with this Origination Agreement and the Participating Lender Agreement.

“*Mortgage Note*” means the written instrument executed to evidence the Mortgagor’s obligation to repay the Mortgage Loan, which shall be in the form specified from time to time in the Program Agreements, with such modifications as may be required by the terms of the Program Agreements.

“*Mortgagor*” means a maker or makers of, or any other party obligated on, a Mortgage Note.

“*Mortgagor’s Affidavit and Certification*” means the form of Mortgagor’s Affidavit and Certification, included in the Lender Manual, as such form may be amended from time to time.

“*NIFA*” means the Nebraska Investment Finance Authority, a body corporate and politic, not a state agency, but an independent instrumentality exercising essential public functions, and any successor thereto.

“*Non-Compliant (Tax) Mortgage Loan*” means and includes any Mortgage Loan (and related Second Mortgage Loan, if any) purchased hereunder with respect to which:

(a) Mortgagors fail to occupy the related Residences as a principal Residence within 60 days of execution of the related Mortgage;

(b) the Purchase Price of the related Residence exceeded the applicable Maximum Purchase Price;

(c) except with respect to Residences located in Targeted Areas (and except as otherwise permitted by NIFA), Mortgagors are not First Time Homebuyers;

(d) the Mortgage Loan is a refinancing of an existing loan other than a construction period loan, bridge loan or similar temporary financing of 24 months or less; or

(e) the Mortgagor has Total Family Income (as defined in the Lender Manual) in excess of the amount permitted by this Origination Agreement and the Lender Manual.

*“Non-Qualifying Mortgage Loan”* means any Mortgage Loan (and related Second Mortgage Loan, if any) which does not conform to this Origination Agreement, the Participating Lender Agreement, the Lender Guide, the Lender Manual, and, as applicable, the GNMA Guide, the GNMA Guaranty, the Fannie Mae Guide, the Fannie Mae Guaranty, the Freddie Mac Guide or the Freddie Mac Guaranty, including, but not limited to, the following:

(a) the Participating Lender fails to deliver to the Master Servicer all documents of the Mortgage File on a timely basis, or the Master Servicer determines that such documentation for the Mortgage Loans does not conform to the requirements of the Program, this Origination Agreement, the Participating Lender Agreement, the Lender Guide, the Lender Manual, and, as applicable, the GNMA Guide, the Freddie Mac Guide or the Fannie Mae Guide;

(b) GNMA, Freddie Mac, Fannie Mae or the Master Servicer determines that the Mortgage Loan is not of acceptable quality or is not eligible for sale under the Program, or, as applicable, the GNMA Guide, the Freddie Mac Guide, the Fannie Mae Guide or the Lender Guide;

(c) the Mortgage Loan does not meet the guidelines of FHA, VA, RD, Freddie Mac, Fannie Mae or GNMA;

(d) there exists a false statement, misstatement or act of omission of material fact contained in the Mortgage Loan documentation resulting from the Participating Lender's negligence or failure to exercise due diligence;

(e) the Participating Lender fails to obtain FHA insurance, VA or RD guaranty or private mortgage insurance, or, if such insurance or guaranty lapses or for any reason becomes unavailable, as a result of any negligent act or omission by the Participating Lender, or the failure by the Participating Lender to obtain such insurance or guaranty;

(f) there exists a representation or warranty made by the Participating Lender under this Origination Agreement or the Participating Lender Agreement with respect to any Mortgage Loan which, in the reasonable opinion of the Master Servicer, is, in whole or in part and with or without knowledge of the Participating Lender, false at the time when made by the Participating Lender or became false upon the occurrence of subsequent events; or

(g) there exists a material fraud, misrepresentation or act of omission with respect to the information submitted on a particular Mortgage Loan. This includes, but is not limited to, Mortgagor or other third-party fraud or misrepresentation, and any misrepresentation of the Mortgagor's income, funds on deposit or employment, or of the occupancy status of the Mortgaged Property.

*"Notice Address"* means:

(a) As to NIFA:

Nebraska Investment Finance Authority  
Commerce Court  
Suite 200  
1230 O Street  
Lincoln, NE 68508-1402  
Attention: Chief Operating Officer  
cc: Single Family Program Manager

(b) As to Participating Lender, the address shown on the execution page hereof.

(c) As to the Master Servicer:

U.S. Bank National Association  
17500 Rockside Road  
Bedford, OH 44146  
Attention: Mortgage Servicing Department

or such other Notice Addresses as shall be provided to Participating Lender.

*"Origination Agreement"* means this Mortgage Origination Agreement, as such Origination Agreement may be amended from time to time by NIFA and which incorporates the specific terms and conditions set forth in the Lender Manual.

*"Participating Lender"* means the institution executing this Origination Agreement and meeting the requirements set forth in the Program Agreements and the Participating Lender Agreement.

*"Participating Lender Agreement"* means the agreement between the Participating Lender and the Master Servicer, as amended from time to time, with respect to the purchase by the Master Servicer of Mortgage Loans originated by the Participating Lender pursuant to the terms of this Origination Agreement.

*"Post-Closing Compliance Checklist"* means the Checklist provided for in the Lender Manual.

*“Pre-Closing Compliance Checklist”* means the Checklist provided for in the Lender Manual.

*“Program”* means NIFA’s program of providing financing for Mortgage Loans and related Second Mortgage Loans as contemplated from time to time by this Origination Agreement, as may be amended.

*“Program Agreements”* means, collectively as the same may be amended from time to time, this Origination Agreement, the Participating Lender Agreement, the Lender Guide and the Lender Manual.

*“Purchase”* means any purchase of a Mortgage Loan (and related Second Mortgage Loan) from Participating Lender by the Master Servicer pursuant to Section 3.09 of this Origination Agreement and the provisions of the Participating Lender Agreement.

*“Purchase Date”* means the date on which a Purchase occurs and which shall occur as set forth in the Program Agreements.

*“Purchase Price”* means the cost of acquiring a Residence from the seller as a completed residential unit, as more fully described in the Lender Manual.

*“Qualified Condominium Unit”* means a condominium unit meeting the requirements set forth, from time to time, in the Lender Manual.

*“Qualified Insurer”* means FHA, HUD, VA or RD, as the case may be, or, in the case of a Conventional Mortgage Loan, an insurance company acceptable to Fannie Mae or FHLMC, as applicable, and to NIFA.

*“Reservation”* means the reservation made by a Participating Lender in LOL for a specific Mortgage Loan (and if applicable, related Second Mortgage Loan), at a specified interest rate(s), which Reservation must be accepted by NIFA as evidenced by the generation in LOL of a Reservation Acceptance Form.

*“Reservation Acceptance Form”* means the form generated in LOL upon a Reservation made by a Participating Lender evidencing that a Reservation has been accepted by NIFA.

*“Reservation Fee”* means the fee, if any, due to NIFA from the Participating Lender as set forth in the Lender Manual.

*“Residence”* means a residential unit located in the State, including a condominium unit if such unit is a Qualified Condominium Unit, and land appurtenant to the residential unit, (a) which is designed and intended primarily for residential housing for one to four families (not more than 15% of the total area of which is used in a trade or business), (b) which contains no more than four dwelling units, one of such units of which is occupied by the Mortgagor (if two or more units, the Residence must have been constructed and initially occupied as a Residence at least five years before the Mortgage therefor was executed), (c) which is determined by a qualified appraisal to have an expected useful life of not less than 30 years, (d) which will be occupied by the owner as his or her principal Residence within a reasonable time after which

financing is provided but not more than 60 days, (e) the Purchase Price of which does not exceed the Maximum Purchase Price for the area within which the residential unit is located, (f) which appurtenant land reasonably maintains the basic livability of the Residence and does not provide, other than incidentally, a source of income to the Mortgagor and (g) which satisfies other requirements which NIFA or the Master Servicer may from time to time establish pursuant to this Origination Agreement.

“*Second Mortgage*” means the written instrument (which shall only be a deed of trust) securing the related Second Mortgage Loan and encumbering a Residence, which instrument shall be in the form specified from time to time in the Program Agreements, with such modifications as may be required by the terms of the Program Agreements.

“*Second Mortgage Loan*” means a loan made in connection with a Mortgage Loan, the proceeds of such Second Mortgage Loan to be used for down payment and closing cost assistance.

“*Seller’s Certification*” means the form of Certificate of Seller included in the Lender Manual, as such Certification may be amended from time to time, on which each prospective Seller must certify the Purchase Price of the Residence.

“*State*” means the State of Nebraska.

“*Targeted Area*” means those areas within the State and identified in the Lender Manual, as such list of Targeted Areas shall be amended from time to time.

“*Total Family Income*” means the family income of a Mortgagor as set forth in the Mortgagor’s Affidavit and Certification.

## ARTICLE II

### REPRESENTATIONS

**Section 2.01. Representations, Warranties and Covenants by NIFA.** NIFA, as of the date of this Origination Agreement represents and warrants to, and covenants with, Participating Lender that:

(a) NIFA is a body politic and corporate, not a State Agency, but an independent instrumentality of the State, exercising essential public functions as set forth in the Act.

(b) NIFA has the power to execute, deliver and accept the terms of this Origination Agreement, and this Origination Agreement when executed and delivered by NIFA constitutes the valid, legal and binding obligations of NIFA, enforceable in accordance with their respective terms, except the enforcement thereof may be limited by applicable laws.

(c) The execution and delivery of this Origination Agreement in the manner contemplated herein and the performance and compliance with the terms and conditions

of this Origination Agreement do not conflict with or result in any breach or violation of (i) the Act or (ii) any of the terms, conditions or provisions of any applicable laws, including regulations, or any agreement or instrument to which NIFA is now a party or by which it is bound.

**Section 2.02. Representations, Warranties and Covenants of Participating Lender.**

Participating Lender, as of the date of this Origination Agreement, as of the date of each Reservation and as of the date of each purchase of a Mortgage Loan from the Participating Lender by the Master Servicer, represents and warrants to, and covenants with NIFA and the Master Servicer that:

(a) Participating Lender is a corporation or association duly organized and existing under the laws of the state in which it was chartered or incorporated, or is duly chartered or incorporated under federal law, is duly authorized to transact business in the State, and customarily provides service or otherwise aids in financing mortgages located in the State.

(b) Participating Lender agrees that during the term of this Origination Agreement it will remain subject to supervision and examination by State or federal authorities, as may be applicable, and that it will remain in good standing and qualified to do business under the laws of the United States of America, the state of its organization and of the State, will not dissolve or otherwise dispose of all or substantially all of its assets and will not voluntarily consolidate with or merge into any other entity or permit one or more other entities to consolidate with or merge into it; provided, that Participating Lender may, without violating the agreement contained in this subsection, consolidate with or merge into another entity, or permit one or more entities to consolidate with or merge into it, or sell or otherwise transfer to another such entity all or substantially all of its assets as an entirety and thereafter dissolve; provided the surviving, resulting or transferee entity, as the case may be, shall be subject to the supervision and examination of the State or federal authorities, as may be applicable, and shall assume in writing all of the obligations of Participating Lender under this Origination Agreement (in the case of a sale of all or substantially all of Participating Lender's assets, the Master Servicer shall, upon such assumption in writing and with the prior written consent of NIFA, release Participating Lender in writing, concurrently with and contingent upon such assumption, from all liability hereunder). Notwithstanding the above, unless otherwise waived in writing by NIFA, Participating Lender and any successor to Participating Lender shall at all times during the term of this Origination Agreement maintain an office in the State from which all duties and responsibilities of Participating Lender hereunder shall be conducted.

(c) Participating Lender has the power to execute and deliver this Origination Agreement, to enter in to the transactions contemplated by this Origination Agreement, and the acceptance and performance of this Origination Agreement has been duly authorized by all necessary corporate and other action. This Origination Agreement constitutes a legal, valid and binding obligation of Participating Lender, enforceable in accordance with the terms thereof, except as such enforcement may be limited by judicial discretion, exercise of the sovereign police powers of the State, valid bankruptcy,

moratorium, insolvency, or other laws relating to or affecting the rights of creditors rights generally and principles of equity applicable to the availability of a specific performance.

(d) Neither the execution and delivery of this Origination Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Origination Agreement, conflict with or result in any breach or violation of any of the terms, conditions or provisions of any applicable laws, including regulations, any order or decree applicable to Participating Lender or any agreement or instrument to which Participating Lender is now a party or by which it is bound, or constitute a default under any of the foregoing.

(e) Participating Lender will not knowingly take any action or permit any action which is within its control to be taken which would impair the exemption from federal income taxation of interest on any series of tax-exempt bonds issued by NIFA to finance the Program.

(f) Participating Lender is authorized to make mortgage loans in the State and, unless waived in writing by NIFA and the Master Servicer, has originated mortgage loans for single-family Residences in the State for the one-year period immediately preceding the execution by Participating Lender of this Origination Agreement.

(g) Participating Lender is an FHA-approved mortgagee if any Mortgage Loans originated pursuant to this Origination Agreement shall be FHA Insured, a VA-approved lender if any Mortgage Loans originated pursuant to this Origination Agreement shall be VA-Guaranteed, an RD-approved lender if any Mortgage Loans originated pursuant to this Origination Agreement shall be RD-Guaranteed, a HUD-approved lender if any Mortgage Loans originated pursuant to this Origination Agreement shall be HUD-Guaranteed, a Fannie Mae-approved lender and/or Fannie Mae-approved seller/servicer of Conventional Mortgage Loans if any Mortgage Loans originated pursuant to this Origination Agreement shall be Conventional Mortgage Loans (provided that if not a Fannie Mae-approved lender and/or seller/servicer, or if otherwise directed by NIFA, such Conventional Mortgage Loans shall be submitted by the Participating Lender for underwriting/approval to such entities as identified by NIFA in the Program Agreements) or an FHLMC-approved lender and/or seller/servicer of Conventional Mortgage Loans if any Mortgage Loans originated pursuant to this Origination Agreement shall be Conventional Mortgage Loans (provided that if not an FHLMC-approved lender and/or seller/servicer, or if otherwise directed by NIFA, such Conventional Mortgage Loans shall be submitted by the Participating Lender for underwriting/approval to such entities as identified by NIFA in the Program Agreements), in each case, in good standing.

(h) The total capital, surplus and retained earnings of Participating Lender meets the requirements set forth by the Master Servicer in the Lender Guide.

(i) Unless otherwise waived in writing by NIFA, Participating Lender has an office located in the State, from which office all Mortgage Loans originated hereunder

shall be originated, which is open to the public for at least a total of five hours every banking day between the hours of 9:00 a.m. and 9:00 p.m.

(j) Participating Lender is a “Participating Lender” as specified in the Program Agreements.

(k) Participating Lender will comply (i) with respect to each FHA-Insured, VA-Guaranteed and RD-Guaranteed Mortgage Loan, as determined as of the date of each Purchase hereunder, with all requirements of, and “Representations and Warranties of Lender” set forth in, the GNMA Guide and (i) with respect to each Conventional Mortgage Loan and each HUD-Guaranteed Mortgage Loan, as determined as of the date of each Purchase hereunder, with all the requirements of, and the representations and warranties of Participating Lender required to be made, or set forth in, the Fannie Mae Guide or the FHLMC Guide, as applicable.

(l) Participating Lender shall promptly notify the Master Servicer and NIFA of any suspension or termination of powers to do business as contemplated by this Origination Agreement, or any substantial changes in personnel of Participating Lender’s loan originating staff or administration.

(m) The Participating Lender has been approved by the Master Servicer for participation in the Program.

(n) The Participating Lender hereby certifies that in connection with the transactions contemplated hereby, it has not directly or indirectly contracted or entered into any agreement with any other participating lender or any other person or institution (except NIFA or the Master Servicer) with respect to any aspect of the Participating Lender’s participation in the Program. In particular, the Participating Lender warrants that it has not communicated or agreed with any other participating lender or other institution as to the amount of Mortgage Loans it expects to originate and sell to the Master Servicer.

(o) The Participating Lender hereby agrees that, notwithstanding any other provisions of this Origination Agreement, under no circumstances shall this Origination Agreement or the relationship among NIFA, the Master Servicer and the Participating Lender created thereby be construed as creating a fiduciary relationship between NIFA and the Participating Lender.

(p) The Participating Lender (including a “related person” thereof, within the meaning of Section 144(a)(3) of the Code) shall not, pursuant to any arrangement, formal or informal, purchase any tax-exempt bonds issued by NIFA for the Program in an amount related to the amount of Mortgage Loans to be originated by the Lender pursuant to this Origination Agreement.

(q) The Participating Lender shall keep proper books, records and accounts in which complete and correct copies of all certificates and documents required to be filed with it hereunder shall be maintained and preserved. The Participating Lender shall make



such books and records available for inspection by NIFA and the Master Servicer, during business hours and under reasonable conditions.

(r) Any review or approval by NIFA or the Master Servicer of any Mortgage Loan or Second Mortgage Loan or the credit or tax compliance information in connection therewith shall not relieve such Mortgage Lender of any responsibility or liability for the performance or nonperformance of its obligations under this Origination Agreement.

(s) The Participating Lender shall comply with all federal and State Laws in connection with the origination of Mortgage Loans and Second Mortgage Loans pursuant to this Origination Agreement and represents that it has in place any and all privacy policies as required by State or federal law.

### **ARTICLE III**

#### **COMMITMENTS TO ORIGINATE AND SELL MORTGAGE LOANS**

**Section 3.01. Commitment To Originate and Sell Mortgage Loans and Second Mortgage Loans.** NIFA agrees to cause the Master Servicer to purchase Mortgage Loans and related Second Mortgage Loans (with the servicing released from Participating Lender) for which a Reservation has been granted by NIFA, provided each Mortgage Loan and Second Mortgage Loan meets the terms and conditions of this Origination Agreement and the Program Agreements. The Participating Lender agrees to originate Mortgage Loans (and any related Second Mortgage Loan) for which Reservations have been granted and to deliver such Mortgage Loans to the Master Servicer within 10 calendar days of the closing thereof, in the principal amount equal to each respective Reservation all on the conditions and terms set forth in this Origination Agreement and the Program Agreements. Such Mortgage Loans (and any related Second Mortgage Loans) delivered to the Master Servicer shall be in a form ready for purchase and shall be purchased at the purchase price or prices set forth in the Program Agreements.

The provisions of the Participating Lender Agreement, the Lender Manual and Lender Guide are incorporated herein by reference and are deemed to be a part of this Origination Agreement; provided, however, that, in the event of any conflict or inconsistency between provisions of the Lender Manual and this Origination Agreement, the provisions of this Origination Agreement shall control.

Participating Lender acknowledges that as a condition to acceptance and purchase of the Mortgage Loan by the Master Servicer, the Mortgage Loan shall (i) be current in payments of principal and interest and (ii) be in compliance with the requirements of the GNMA Guide, the Fannie Mae Guide and the FHLMC Guide, as the case may be, this Origination Agreement, the Participating Lender Agreement, the Lender Manual and the Lender Guide.

Participating Lender, if it has an office in a community with a Targeted Area, agrees to use reasonable diligence to originate Mortgage Loans in Targeted Areas. Such reasonable diligence shall include, but is not limited to, periodic advertisements by Participating Lender in newspapers or other media of the availability of mortgage funds pursuant to the Program to persons intending to purchase Residences in Targeted Areas.

Reservations pending at a particular interest rate for a Mortgage Loan may not be cancelled for a subsequent Reservation at a lesser interest rate.

**Section 3.02. Acceptance of Applications and Requesting Reservations.** Applications for Mortgage Loans shall be accepted and processed by the Participating Lender on a first-come, first-served, fair and equal basis. Unless notified by NIFA to the contrary, the Participating Lender may request Reservations, on a first-come, first-served basis, as set forth in the Lender Manual and as applications are made to the Participating Lender. The Participating Lender shall reserve funds for the purchase of Mortgage Loans (and related Second Mortgage Loans) in accordance with the Lender Manual and remit to NIFA, if required, the accompanying Reservation Fee specified in the Lender Manual.

Participating Lender acknowledges that each Reservation will be effective only upon the generation of a Reservation Acceptance Form in LOL, which Reservation shall constitute a binding obligation of NIFA to cause the Master Servicer to purchase, and the Participating Lender to sell, such Mortgage Loan in an amount not to exceed the amount of the Reservation, having the terms specified in, meeting the requirements of and in accordance with the provisions of the Program Agreements.

Reservations shall be governed by the terms and conditions set forth in the Reservation Procedures in the Lender Manual. Any changes from the terms of the Mortgage Loan and other information provided at the time of the Reservation will (unless approved in writing by NIFA) result in a loss of such Reservation.

The Reservation Acceptance Form will specify the interest rate and other terms and conditions applicable to each Reservation in accordance with the Reservation Procedures. Each Mortgage Loan shall bear interest at a rate specified in the approved Reservation and shall have such other terms and conditions as may be specified in the Program Agreements.

All Reservations are based on the assumption, and upon each request for a Reservation the Participating Lender shall be deemed to represent and warrant, that the Participating Lender is in compliance with, and continues to meet all the requirements of the Program Agreements. The representations and warranties contained in this Origination Agreement shall be deemed to be made by the Participating Lender each time a Mortgage Loan (and related Second Mortgage Loan) is delivered and sold to the Master Servicer.

Pursuant to the terms of the Reservation Procedures, NIFA may cancel all or any portion of any Participating Lender's Reservation if, on the date set forth in accordance with the Reservation Procedures, the Participating Lender has failed to close and deliver to the Master Servicer or has failed to satisfy any other term or condition specified by NIFA in accordance with the Reservation Procedures with respect to the corresponding Mortgage Loan. Any such cancellation shall be in the sole discretion of NIFA, and, by participation in this Program, the Participating Lender expressly agrees to such provision for cancellation.

The procedures for obtaining Reservations are set forth in the Reservation Procedures in the Lender Manual.

**Section 3.03. Pre-Closing Tax Compliance Review; Post-Closing Review of Tax Compliance Documents.** In accordance with the provisions of the Lender Manual, Participating Lenders may request a pre-closing review by NIFA of those documents included in the Pre-Closing Compliance Checklist. Participating Lenders that wish a pre-closing review of those documents listed in the Pre-Closing Compliance Checklist shall follow the procedures set forth in the Lender Manual. After a Mortgage Loan (and any related Second Mortgage Loan) has closed, all documents included in the Post-Closing Compliance Checklist (together with any documents listed on the Pre-Closing Compliance Checklist which have not previously been submitted) must be submitted to NIFA in accordance with the procedures set forth in the Lender Manual.

**Section 3.04. Mortgage Loan Terms; Recapture Notice.** Mortgage Loans shall be made only to Eligible Persons and Families, as defined herein, for the purpose of providing financing for the purchase of a Residence, and not for the purpose of refinancing any existing loan, other than a construction period loan, bridge loan or similar temporary initial financing as more fully described in Section 3.05(d) hereof.

Each Mortgage Loan must be secured by a first mortgage lien on the Residence acquired thereby and made in accordance with the then current underwriting policies of (a) FHA, VA or RD, as applicable, and all other requirements established by this Origination Agreement and the then current criteria set forth in the GNMA Guide, (b) Fannie Mae and all other requirements established by this Origination Agreement and the then current criteria set forth in the Fannie Mae Guide or (c) FHLMC and all other requirements established by this Origination Agreement and the then current criteria set forth in the FHLMC Guide. All Mortgage Loans must be FHA-Insured, VA-Guaranteed, RD-Guaranteed, HUD-Guaranteed or a Conventional Mortgage Loan and subject to such additional requirements or limitations as specified in the Program Agreements. Only deeds of trust will be accepted for purchase. Private Mortgage Insurance shall be obtained with respect to Conventional Mortgage Loans to the extent set forth in the Program Agreements.

Each Mortgage Note (a) shall bear interest at the rate or rates set forth in the Reservation Acceptance Form relating to a particular Loan Reservation (including the servicing and guaranty fee, if any, to the Master Servicer and GNMA, Fannie Mae or FHLMC, as applicable), (b) will provide for substantially level monthly payments due the first day of each month (which payments shall include amounts for deposit in an escrow account to provide for timely payment of taxes and insurance), (c) will have an original term as set forth in the Reservation Acceptance Form, (d) will be assumable only under the terms and conditions set forth in the Program Agreements and (e) will comply in all respects to the GNMA Guide and FHA/VA/RD rules and regulations, as applicable (if an FHA/VA/RD Mortgage Loan), and the Fannie Mae Guide or the FHLMC Guide, as applicable (if a Conventional Mortgage Loan or a HUD-Guaranteed Mortgage Loan). EACH MORTGAGE SHALL HAVE ATTACHED A NONASSUMPTION AND/OR ACCELERATION PROVISION IN THE FORM INCLUDED IN THE LENDER MANUAL, AS SUCH FORM MAY BE AMENDED FROM TIME TO TIME.

With respect to all Mortgage Loans (including Mortgage Loans which are assumed), Participating Lender shall provide to each Mortgagor, both upon application for the Mortgage Loan and at the closing of a Mortgage Loan, a copy of the Notice of Recapture Tax to Mortgage

Loan Applicants in the form included in the Lender Manual, as such form may be amended from time to time, which contains the written statement informing the Mortgagor of the potential recapture of interest deducted on the Mortgage Loan. Failure by Participating Lender to so provide such Notices to a Mortgagor will render such Mortgage Loan ineligible for purchase.

**Section 3.05. Independent Verifications by Participating Lender.** Participating Lender must undertake reasonable investigations (and such investigations and requirements will be reviewed by the Master Servicer) to determine with respect to each Mortgage that:

(a) The Mortgagor occupies or will occupy the related Residence within 60 days of the date the Mortgage Note is executed and thereafter intends to maintain the property as his or her principal place of Residence. Participating Lender must require Mortgagor to execute the Mortgagor's Affidavit and Certification (included in the Lender Manual, as such form may be amended from time to time).

(b) Unless the related Residence is in a Targeted Area, each Mortgagor is a First Time Homebuyer. Participating Lender shall obtain from each Mortgagor copies of the Mortgagor's signed federal income tax returns (or other documentation as prescribed in the Lender Manual) which were filed with the Internal Revenue Service for the preceding three years and shall examine each Tax Return to determine whether the Mortgagor has claimed a deduction for taxes on real property which was the Mortgagor's principal Residence or a deduction for interest paid on a mortgage secured by real property which was the Mortgagor's principal Residence. If such a deduction was claimed, Participating Lender must make additional investigations.

If the Mortgagor did not file Tax Returns for any year, the Mortgagor must specify the specific reason(s) Tax Returns were not filed on the Household Verification Affidavit.

(c) The Purchase Price is correct (reasonable investigations include reviewing a copy of the contract of sale and the closing statement). Participating Lender must require an affidavit of the seller regarding the Purchase Price (included in the Lender Manual, as such form may be amended from time to time). The Purchase Price of the Residence may not exceed the applicable Maximum Purchase Price.

(d) No part of the Mortgage Loan proceeds are used to acquire or replace an existing mortgage, and the Mortgage Loan must be to persons who did not have a mortgage (whether or not paid off) on the Residence securing the Mortgage Note at any time prior to the execution of the Mortgage. (However, if NIFA so permits in writing, the Mortgagor could have a construction period loan or similar temporary initial financing of 24 months or less with respect to the Residence securing the Mortgage Note and may use the proceeds of the Mortgage Note to repay such financing.) Reasonable investigations include reviewing the abstract of title or checking with the title insurance company, and reviewing the closing statement (e.g., with respect to cash payments made to persons at the Mortgage closing).

(e) The Residence contains no more than four dwelling units, one of which shall be owned and occupied by the Mortgagor. If the Residence contains two or more

dwelling units, Participating Lender must determine that the Residence meets the additional requirements set forth in the Lender Manual.

(f) The Total Family Income of the Mortgagor is correct for such Mortgagor's family size, determined in accordance with the provisions of the Lender Manual. (Reasonable investigations include reviewing the income tax returns, check stubs or employment records of the Mortgagor.) Participating Lender must require the Mortgagor to complete the Mortgagor's Affidavit and Certification.

**Section 3.06. Origination Fees and Closing Costs.** In connection with each Mortgage Loan, Participating Lender may charge and collect a loan origination/discount fee (if any) and/or an underwriting fee (as applicable) not to exceed the maximum amount for each such fee set forth in the Program Agreements. Such fees may be collected from the Mortgagor to the extent permitted by FHA, VA, RD, HUD, Fannie Mae or FHLMC, as applicable. Any amount of such fees which may not be collected from the Mortgagor may be collected from the seller of the Residence. Such fees shall not in any event exceed the applicable FHA, VA, RD, HUD, Fannie Mae or FHLMC limits, as applicable, or NIFA limits. In addition, Participating Lender may collect from the Mortgagor and/or the seller, all reasonable and customary out-of-pocket costs permitted by law paid or incurred by Participating Lender, including but not limited to notary fees, hazard, mortgage or life insurance premiums, survey, title insurance premiums, appraisal fees, attorneys' fees, documentary and intangible taxes, recording or registration taxes and charges, credit reports, escrow fees, tax service fee (subject to a maximum of the then current standard fee for such tax service, to be paid only by the seller) and similar charges. Such fees and expenses may be collected only once in connection with the origination of the Mortgage Loan and shall not exceed limits established from time to time by federal law or state law and in any event may not exceed like amounts charged in such area in cases where owner financing is not provided through tax-exempt revenue bonds, provided that Participating Lender shall collect from the seller of the Residence that portion of the origination fee that may not be collected from Mortgagor due to federal or State law restrictions. NIFA reserves the right to limit any and all fees charged by the Participating Lender in connection with Program.

Participating Lender shall disburse Mortgage Loan funds on the date the Mortgage Note is executed.

**Section 3.07. Purchase Price of a Residence.** The Purchase Price of a Residence is the cost of acquiring the Residence from the seller as a completed residential unit. Those items included or excluded from the cost of acquiring the Residence are included in the Lender Manual.

**Section 3.08. First Time Homebuyer.** Except with respect to Residences located in a Targeted Area, each person executing the Mortgage (not the Mortgage Note) and to whom financing is provided by the Mortgage Note must be a First Time Homebuyer. Each such person must not have had a present ownership interest in a principal Residence at any time during the three-year period prior to the date on which the Mortgage is executed. For purposes of the preceding sentence, the Mortgagor's interest in the Residence with respect to which the financing is being provided is not taken into account.

In the event that there is more than one Mortgagor signing the Mortgage with respect to a particular Residence, each of such Mortgagors must meet the three-year requirement. A person who is liable under the Mortgage Note secured by the Mortgage but who does not have a present ownership interest in the Residence subject to the Mortgage need not meet the three-year requirement. (For example, where a parent of a home purchaser co-signs the Mortgage Note for a child, but the parent takes no interest in the Residence, it is not necessary that the parent meet the three-year requirement since the parent is not a Mortgagor of the Residence).

Examples of interests which constitute present ownership interests and those which do not constitute a present ownership interest are included in the Lender Manual.

In the event a potential home purchaser has had a previous ownership interest during the prior three years in a mobile home (which mobile home was such purchaser's principal Residence), such home purchaser will not qualify as a First Time Homebuyer if such mobile home was "permanently fixed to the real property." The determination of whether the mobile home was "permanently fixed to real property" is to be made on the basis of the facts and circumstances of each particular case, and as evidenced by the execution of the Mortgagor's Affidavit and Certification.

**Section 3.09. Mortgage Loan Submission; Purchase Documents.** Participating Lender shall submit to the Master Servicer, with respect to each Mortgage Loan (and any related Second Mortgage Loan), a package containing the documents described in the Program Agreements.

With respect to Conventional Mortgage Loans, each Participating Lender must be a Fannie Mae-approved seller/servicer or otherwise be acceptable to each of NIFA, the Master Servicer and the PMI Insurer or such other contract underwriter selected by NIFA. A Participating Lender that is a Fannie Mae-approved seller/servicer has the option to underwrite the Mortgage Loan for Fannie Mae eligibility or may choose to submit the Mortgage Loan to an acceptable contract underwriter for approval. Participating Lenders that are not Fannie Mae-approved seller/servicers must submit conventional Mortgage Loans to an acceptable contract underwriter for approval.

The Master Servicer has no obligation to accept loans unless such loans are eligible for inclusion in a GNMA Pool, a Fannie Mae Pool or, if specifically permitted by NIFA, an FHLMC Pool and meet the additional requirements of this Origination Agreement and the Program Agreements.

After Participating Lender has closed the Mortgage Loan (and, if applicable, a Second Mortgage Loan), Participating Lender shall deliver to the Master Servicer the related Mortgage File in a form eligible for purchase by the Master Servicer within 10 calendar days of such closing. Participating Lender hereby warrants that all permitted copies will be true and accurate copies of the respective original documents and instruments. The Master Servicer will review such documents and instruments and will notify Participating Lender, for appropriate curative action, pursuant to Section 3.13 hereof, of any such document or instrument which is defective in any material respect.

It is acknowledged by Participating Lender that the purchase of any Mortgage Loan (and any related Second Mortgage Loan) is expressly conditioned upon the submission by Participating Lender to the Master Servicer of the documents and instruments described in the Program Agreements.

The delivery of the original executed Mortgage Note, the certified copy of the related Mortgage and Assignment of Mortgage to the Master Servicer shall be made in the manner set forth in the Program Agreements. Participating Lender shall deliver the recorded copy of the Mortgage and the recorded copy of the Assignment of Mortgage and the title insurance policy, together with any other documents referred to in the Program Agreements, to the Master Servicer upon receipt of such documents and FHA/VA/RD Insurance Certificates or documentation that the Mortgage is HUD-Guaranteed or Private Mortgage Insurance certificates with respect to Conventional Mortgage Loans, as applicable, and in no event later than the time set forth in the Program Agreements. Participating Lender shall further perform any other action or deed as the Master Servicer and/or NIFA may direct to cause the proper filing or recording of the Mortgage in such other places and in such other manner, form or condition satisfactory to the Master Servicer and/or NIFA and which may be necessary to perfect any security interest in each Mortgage Note and related Mortgage in accordance with the Program Agreements.

Participating Lender shall pay all costs and expenses incurred in preparing and furnishing to the Master Servicer the original and certified copies of the respective documents and instruments described as part of the Mortgage File in the Program Agreements.

The submission of each Mortgage Loan shall take place no later than 10 calendar days after the closing of a Mortgage Loan at the office of the Master Servicer or at such other place as may be mutually agreeable to the Master Servicer and Participating Lender. Submissions shall be in such numbers or for such principal amounts of Mortgage Loans as are mutually agreed upon by the Master Servicer and Participating Lender.

All Mortgagor payments collected by Participating Lender with respect to a Mortgage Loan prior to the funding of such Mortgage Loan by the Master Servicer shall be applied as specified by the Master Servicer. Mortgage Loans will be funded by the Master Servicer as set forth in the Lender Guide.

At the time of the closing of a Mortgage Loan, Participating Lender must collect from the Mortgagor escrow payments (a) with respect to hazard insurance; (b) with respect to real estate taxes; (c) any insurance premium or guaranty fee due with respect to the mortgage insurance or guaranty.

Upon the submission of the Mortgage File to the Master Servicer, Participating Lender shall submit to the Master Servicer all additional documents required by the GNMA Guide, the Fannie Mae Guide or the FHLMC Guide, as applicable, for purposes of submission to GNMA, Fannie Mae or FHLMC, as the case may be, of the corresponding Pool Documentation Package.

ALL FINAL MORTGAGE LOAN DOCUMENTS REQUIRED TO BE SUBMITTED BY PARTICIPATING LENDER TO THE MASTER SERVICER IN CONNECTION WITH THE PURCHASE BY THE MASTER SERVICER OF A MORTGAGE LOAN SHALL BE

SUBMITTED BY PARTICIPATING LENDER IN ACCORDANCE WITH THE TERMS OF THIS ORIGINATION AGREEMENT. ANY SUCH DOCUMENTS FAILING TO BE SO SUBMITTED BY A PARTICIPATING LENDER SHALL CONSTITUTE CAUSE FOR NIFA TO EXCLUDE SUCH PARTICIPATING LENDER FROM FUTURE NIFA HOUSING PROGRAMS.

If a Mortgage Loan meets the requirements of (a) this Origination Agreement, including the requirements in the Program Agreements, and (b) the GNMA Guide, the Fannie Mae Guide or the FHLMC Guide, as applicable, and all required documentation has been submitted to NIFA and the Master Servicer, the Master Servicer will purchase such Mortgage Loan on a Purchase Date.

### **Section 3.10. Reserved.**

**Section 3.11. Closings.** For each Mortgage Loan (and related Second Mortgage Loan) originated by Participating Lender which is in compliance with all the terms and conditions of this Origination Agreement, including the requirements in the Program Agreements, for which the Mortgage File and other documents have been prepared and presented to NIFA and the Master Servicer in the form required by Section 3.09 hereof and for which all of the other conditions of this Origination Agreement have been fulfilled, the Master Servicer shall pay to Participating Lender, under the terms and conditions specified herein and in the Program Agreements, on the related Purchase Date for each Mortgage Loan (and related Second Mortgage Loan), a purchase price equal to a percentage (as set forth in the Lender Manual) of the principal amount thereof (plus any accrued interest).

**Section 3.12. Maintenance of Mortgage Files.** Once a Mortgage Loan is purchased by the Master Servicer, the related Mortgage File shall be maintained by the Master Servicer.

**Section 3.13. Defective Documents and Non-Qualifying Mortgage Loans and Non-Compliant (Tax) Mortgage Loans; Repurchase of Mortgage Loans and Second Mortgage Loans by Participating Lender.** Mortgage Loans which do not meet the requirements of the Program Agreements will not be purchased by the Master Servicer and the Mortgage File will be returned to the Participating Lender. NIFA shall have no further obligation to cause the Master Servicer to purchase (and the Master Servicer shall have no obligation to purchase) such Mortgage Loan. All references in this Section 3.13 to a "Mortgage Loan" shall include and refer to any related Second Mortgage Loan.

If any document or documents constituting a part of a Mortgage File are defective in any material respect (including, but not limited to, a lapse in or termination of any insurance or guaranty related to a Mortgage Loan), or if it is determined that a Mortgage Loan is a Non-Qualifying Mortgage Loan or a Non-Compliant (Tax) Mortgage Loan, the Participating Lender will be notified by the Master Servicer and/or NIFA (or, if the Participating Lender shall become aware, the Participating Lender shall immediately notify NIFA and the Master Servicer), and the Participating Lender shall cure the defect within a period of 30 days from the time the Participating Lender is notified of or discovers such defect (the "Post-Purchase Cure Period").



The Participating Lender hereby covenants and agrees that, if any defect is not, or cannot be, cured within the Post-Purchase Cure Period, the Participating Lender will repurchase the related Non-Qualifying Mortgage Loan or Non-Compliant (Tax) Mortgage Loan from the Master Servicer or NIFA, as applicable, at a price equal to (i) the principal remaining unpaid on such Mortgage Loan plus the amount of the purchase price in excess of the par amount of the Mortgage Loan paid to the Participating Lender for such Mortgage Loan (as specified in the Lender Manual), plus (ii) interest thereon to the next Mortgage Loan installment due date plus 30 days' interest on such Mortgage Loan at the interest rate(s) applicable to such Mortgage Loan, plus (iii) if such purchase is made necessary by the willful misfeasance or bad faith on the part of the Participating Lender or by reason of the Participating Lender's reckless disregard of its obligations hereunder, an amount equal to 3% of the unpaid principal amount of such Mortgage Loan. The purchase price for the repurchased Mortgage Loan shall be delivered by the Participating Lender to the Master Servicer or NIFA, as applicable, whereupon the Mortgage Loan, together with the Mortgage Note and Mortgage, shall be released and reassigned to the Participating Lender. The Participating Lender acknowledges and agrees that it shall have an obligation to repurchase Non-Qualifying Mortgage Loans and Non-Compliant (Tax) Mortgage Loans pursuant to this Section 3.13 notwithstanding any review of the documents constituting the Mortgage File conducted by NIFA or the Master Servicer.

**Section 3.14. Representations, Warranties and Covenants of Participating Lender Concerning Mortgage Loans.** Participating Lender hereby represents and warrants to, and covenants with, NIFA and the Master Servicer with respect to each Mortgage Loan and Second Mortgage Loan that:

(a) the information set forth in each Loan Delivery Checklist (as provided for in the Program Agreements) will be true and correct at the Purchase Date thereof and each Mortgage Loan and Second Mortgage Loan satisfies all applicable requirements set forth in this Origination Agreement, including the requirements in the Program Agreements and in the GNMA Guide, the Fannie Mae Guide or the FHLMC Guide, as applicable;

(b) each Mortgage Loan (and related Second Mortgage Loan) will be made by Participating Lender at par with origination and processing fees not to exceed those set forth in Section 3.06 hereof and the Lender Manual, will be secured by a Mortgage (Second Mortgage in the case of a Second Mortgage Loan) which shall constitute a first mortgage lien on a Residence occupied by the Mortgagor as such Mortgagor's permanent place of Residence (not more than 15% of the total area of Residence may be used in a trade or business) and will be located within the boundaries of the State, will be made in accordance with the underwriting standards of FHA, VA, RD, HUD, Fannie Mae or FHLMC, as applicable, and the requirements established by this Origination Agreement, including the requirements in the Program Agreements, and the GNMA Guide, the Fannie Mae Guide or the FHLMC Guide, as applicable, will be made for the purpose of purchasing or providing permanent financing for such Residence and not for the purpose of refinancing any existing loan (other than a temporary or construction period loan, bridge loan or similar temporary initial financing of 24 months or less if NIFA so permits in writing), will have substantially level payments due the first day of each month (which payments shall include amounts for deposit in an escrow account to provide for the

timely payment of taxes and insurance), will have an original term as set forth in the related Reservation Acceptance Form, will be made to an Eligible Person or Family, as Mortgagor, will be made for a Residence the Purchase Price of which does not exceed the applicable Maximum Purchase Price established by NIFA and will contain assumption restrictions required by Section 3.04 of this Origination Agreement and the Program Agreements;

(c) the principal amount of a Mortgage Loan will not exceed any applicable loan-to-value limits as established by FHA, VA, RD, GNMA, HUD, Fannie Mae, FHLMC or NIFA, as applicable (as set forth in this Origination Agreement, including the Program Agreements);

(d) each Mortgage Loan will be (i) FHA-Insured, (ii) VA-Guaranteed, (iii) RD-Guaranteed, (iv) HUD-Guaranteed or (v) in the case of Conventional Mortgage Loans, insured by a Qualified Insurer (as described in the Program Agreements), and, in each case, will meet all other requirements of the GNMA Guide, the Fannie Mae Guide or the FHLMC Guide, as applicable, and this Origination Agreement;

(e) as of the Purchase Date, the Mortgage Loan will be secured by the Mortgage as required under the GNMA Guide, the Fannie Mae Guide or the FHLMC Guide, as applicable, and is current as to principal and interest payments due thereunder and there is no default, breach, violation or event of acceleration existing under the Mortgage or Mortgage Note;

(f) as of the Purchase Date, Participating Lender shall have in its possession with respect to the property financed by the Mortgage Loan and secured by the Mortgage a title insurance policy or binder as required under the GNMA Guide, the Fannie Mae Guide or the FHLMC Guide, as applicable;

(g) as of the Purchase Date, the improvements upon the real property subject to the Mortgage Loan will be covered by a valid standard hazard insurance policy, condominium insurance and flood insurance as applicable and as required by FHA, VA, RD, the GNMA Guide, HUD, the Fannie Mae Guide or the FHLMC Guide, as applicable;

(h) the terms, covenants and conditions of the Mortgage Loan (and related Second Mortgage Loan, if any) shall not have been and shall not prior to the Purchase be waived, altered, impaired or modified in any respect which would materially affect the value, validity, enforceability, prompt payment of the Mortgage Loan, or the enforceability of the lien securing the Mortgage Loan (and Second Mortgage Loan), except for such waivers, alterations and the like accomplished by Participating Lender prior to the Purchase Date and acceptable to NIFA and to GNMA pursuant to the GNMA Guide with respect to FHA/VA/RD/HUD Mortgage Loans and acceptable to Fannie Mae pursuant to the Fannie Mae Guides or to FHLMC pursuant to the FHLMC Guide, as applicable, with respect to Conventional Mortgage Loans and HUD-Guaranteed Mortgage Loans;

(i) as of the Purchase Date, there shall be no delinquent tax or delinquent assessment lien against the property financed by the Mortgage Loan unless permitted by the GNMA Guide, the Fannie Mae Guide, the FHLMC Guide or NIFA, as applicable;

(j) as of the Purchase Date, Participating Lender shall not have done and shall not be aware of any act, fact or circumstance to create an offset, defense or counterclaim to the enforceability of the Mortgage Loan (and Second Mortgage Loan, if any), including the obligation of the Mortgagor to pay the unpaid principal of and interest on the Mortgage Loan (and related Second Mortgage Loan, if any);

(k) as of the Purchase Date, each Mortgage shall be filed and recorded in the office of the registrar of deeds and any different or other recording that might hereafter be required by the laws of the State of Nebraska to perfect the lien of real estate mortgages against the adverse or competing claim of third parties as required by the GNMA Guide, the Fannie Mae Guide, the FHLMC Guide or NIFA, as applicable;

(l) as of the Purchase Date, as to each Mortgage, there shall be no construction, mechanics', laborers' or materialmen's liens or claims therefor outstanding for work, labor, or materials affecting the property encumbered by the Mortgage securing the Mortgage Loan that are or might be or become liens prior to, or equal with, the lien of the Mortgage, unless the title insurance specified in Section 3.14(f) insures against such risks;

(m) to the best knowledge of Participating Lender, the physical property financed or improved by the Mortgage Loan shall be free of material damage and shall be in general good repair on the Purchase Date;

(n) each Mortgage Loan (and related Second Mortgage Loan, if any), at the time it shall have been made, shall have conformed to all disclosures required to be made by the Federal Consumer Protection Act, the Real Estate Settlement Procedures Act, the Federal Truth-in-Lending Act and all other applicable State and federal laws and regulations, including, but not limited to, the Mortgage Bankers Registration and Licensing Act, as applicable and as required by GNMA, Fannie Mae or FHLMC;

(o) each Mortgage Loan (and Second Mortgage Loan, if any) at the time it shall have been made shall have complied with applicable State and federal laws, including federal and state usury laws;

(p) to the best knowledge of Participating Lender, the Mortgagor of a Mortgage Loan shall not have conveyed such Mortgagor's right, title to or interest in the property to any party;

(q) as of the Purchase Date, Participating Lender has no knowledge of any facts or circumstances, economic or otherwise, which may have an adverse effect on the credit of any Mortgagor, the prospect of prompt payment of any Mortgage Loan or the value of any security therefor;

(r) Participating Lender has reviewed applicable credit reports and related documents required in connection with any application by the potential Mortgagor to assure itself, prior to approving such application, that such potential Mortgagor has the capacity to repay the Mortgage Loan;

(s) as of the Purchase Date, Participating Lender has no knowledge of any circumstances or condition with respect to the Mortgagor, the Residence, the Mortgage Loan or any related document that could reasonably be expected to cause prudent private investors in the secondary market to regard the Mortgage Loan as an unacceptable investment, or cause the Mortgage Loan to become delinquent or to adversely affect the value or the marketability of the Mortgage Loan and Participating Lender has no knowledge of any circumstances which would cause the invalidation or cancellation of the FHA Insurance, VA Guaranty, RD Guaranty, HUD Guaranty or otherwise cause the Mortgage Loan to not conform to the Fannie Mae Guide or the FHLMC Guide, as applicable;

(t) each Mortgage and Assignment of Mortgage shall have been filed and properly recorded prior to the submission of the related Mortgage Loan to the Master Servicer, and any different or other recording that might hereafter be required by laws of the State to perfect the lien of real estate mortgages against the adverse or competing claims of third parties by giving public notice thereof shall also have been accomplished;

(u) to the best of Participating Lender's knowledge, information and belief, the mortgaged property is in compliance with all applicable laws, rules, zoning ordinances and regulations existing as of the date of closing;

(v) no interest or participation in the Mortgage Loan has been assigned by Participating Lender to any third party, nor the first lien of the Mortgage subordinated by Participating Lender to any third party, nor any portion of the property released from the first lien of the Mortgage, nor has any instrument of release, cancellation or satisfaction been executed by Participating Lender relating to the Mortgage Loan;

(w) each Mortgage Loan originated at an interest rate pursuant to NIFA's Special Set-Aside Program (the "Set-Aside Program") shall meet the criteria set forth in the Lender Manual;

(x) as of the Purchase Date, Participating Lender, being the sole owner and holder of the Mortgage Loan, has full right to sell and assign the Mortgage Loan to the Master Servicer, and such assignment conveys a good and marketable mortgagee's title to the Master Servicer free and clear of all liens, pledges, charges or encumbrances of any nature and subject only to real property taxes and assessments not yet due and encumbrances customarily accepted in accordance with applicable title standards and disclosed to the Master Servicer prior to the Purchase Date; and

(y) each Second Mortgage Loan originated by the Participating Lender in connection with a Mortgage Loan shall meet the requirements of the Lender Manual and each Second Mortgage shall have been filed and properly recorded prior to the

submission of the related Mortgage Loan and Second Mortgage Loan to the Master Servicer for the funding thereof in order to perfect the lien of the Second Mortgage against the adverse or competing claims of third parties.

It is understood and agreed that the representations, warranties and covenants set forth in this Section shall survive the sale of the Mortgage Loans by Participating Lender to the Master Servicer and that the representations, warranties and covenants shall inure to the benefit of the transferees and assigns of the Master Servicer which include NIFA. Upon discovery by Participating Lender or the Master Servicer of a breach of any of the foregoing representations, warranties and covenants which materially and adversely affects the value of any Mortgage Loan or the interest of the Master Servicer, GNMA, Fannie Mae or FHLMC (if applicable) or NIFA in any Mortgage Loan, the party discovering such breach shall give prompt written notice to the other. Within 60 days of its discovery or its receipt of notice of breach, Participating Lender shall cure such breach in all material respects or shall purchase or foreclose the Mortgage Loan in the manner and at the purchase price set forth in Section 3.13 hereof. It is understood and agreed that the obligation of Participating Lender to purchase the Mortgage Loan as to which a breach has occurred and is continuing shall constitute the sole remedy respecting such breach available to NIFA where Participating Lender has acted in good faith.

**Section 3.15. Buydowns.** Buy-Downs of Mortgage Loans are **not** permitted under the Program.

**Section 3.16. Prohibition of Discrimination.** Participating Lender will consider all applications in the order in which they are received on a fair and equal basis, will not arbitrarily reject a Mortgage Loan application because of the location and/or age of the property and will not, in the case of a proposed Mortgagor, arbitrarily vary the terms of a loan or the application procedures therefor or reject a Mortgage Loan applicant because of the race, color, religion, national origin, age, sex, marital status or disability of such applicant; provided, however, that a Participating Lender may refuse to accept applications for Mortgage Loans to refinance construction loans if Participating Lender desires and intends to make no such loans under this Origination Agreement. No Participating Lender shall enter into any agreement or arrangement with any person, firm or corporation to prefer any applicant or group of applicants for Mortgage Loans over any other applicant or group of applicants for such loans without the express approval of NIFA. In accepting, evaluating and acting upon such applications, Participating Lender shall comply, if applicable, with the Federal Equal Credit Opportunity Act and Regulation B promulgated thereunder. In carrying out its activities hereunder, the Participating Lender shall at all times be in compliance with all requirements of the Americans With Disabilities Act.

**Section 3.17. Necessary Action by NIFA and the Master Servicer.** In the event that any action required by Participating Lender for or in connection with the servicing, securing or foreclosure as to any Mortgage Loan shall not be timely done or performed by Participating Lender, and the continuance of any such non-action, in the opinion of NIFA or the Master Servicer, as the case may be, may become inimical to the best interests of NIFA or the Master Servicer, as the case may be, hereunder or of the holders of Bonds, NIFA or the Master Servicer, as the case may be, shall promptly undertake such action as it deems proper or necessary in the circumstances in substitution for, and at the reasonable expense of, Participating Lender, and

Participating Lender shall be liable for and shall promptly pay to NIFA or the Master Servicer, as the case may be, all of its expenses and costs (including those of their counsel) as to such action taken by NIFA or the Master Servicer, as the case may be, in such circumstances, and NIFA or the Master Servicer, as the case may be, shall not be liable to Participating Lender on account of any such action taken by NIFA or the Master Servicer, as the case may be, in good faith and after written notice to Participating Lender to undertake such required action.

**Section 3.18. Assignment of Origination.** Participating Lender may assign its rights and obligations to originate Mortgage Loans pursuant to this Origination Agreement to any other Participating Lender upon obtaining the prior written consent of NIFA and the Master Servicer.

**Section 3.19. Information From Participating Lender.** Upon a request from NIFA, Participating Lender shall submit to NIFA in writing within one business day of such request certain information as specified by NIFA with respect to the status of Participating Lender's Reservations on a loan-by-loan basis.

**Section 3.20. Secondary Financing.** Any secondary financing in connection with a Mortgage Loan must be acceptable to FHA, VA, RD, HUD, Fannie Mae or FHLMC, as applicable, and may not provide for or create any ownership interest of the provider of such secondary financing in the property subject to the Mortgage. (For example, certain types of shared appreciation arrangements in the value of the Residence or repayment terms tied to an appreciation in value of the Residence may create such an ownership interest in the provider of the secondary financing and thus make such type of secondary financing a violation of NIFA Program.

**Section 3.21. Denial of Continued Participation.** NIFA shall have the right, upon written notice to the Participating Lender, to restrict or deny continued participation by the Participating Lender hereunder, except that NIFA will, subject to review and approval by the Master Servicer, cause the Master Servicer to purchase all Mortgage Loans meeting the requirements of the Program Agreements and tendered for purchase in accordance with the deadlines set forth in the Reservation Procedures which have been closed but not yet purchased by the Master Servicer and for which a confirmed Reservation as evidenced by a Reservation Acceptance Form dated prior to the effective date of notice for such restriction or denial exists.

## **ARTICLE IV**

### **SERVICING OF MORTGAGE LOANS**

**Section 4.01. Participating Lender To Transfer Mortgage Loan and Servicing to Master Servicer.** Within 10 calendar days after the closing of a Mortgage Loan, Participating Lender shall, with servicing released, transfer, in a form sufficient for the purchase thereof, the Mortgage Loan (and any related Second Mortgage Loan) to the Master Servicer in accordance with this Origination Agreement and the Program Agreements. Pursuant to the Servicing Agreement, the Master Servicer will perform all servicing functions relating to each Mortgage Loan (and related Second Mortgage Loan, if any) transferred to the Master Servicer.

## ARTICLE V

### PARTICIPATING LENDER

**Section 5.01. Liability of Participating Lender.** Participating Lender shall be liable under this Origination Agreement only to the extent that obligations are explicitly imposed upon and undertaken by Participating Lender.

**Section 5.02. Merger or Consolidation of Participating Lender.** Any entity in to which Participating Lender may be merged or consolidated, or any entity resulting from any merger, conversion or consolidation to which Participating Lender shall be a party, or any entity succeeding to the business of Participating Lender, shall be the successor of Participating Lender hereunder without the execution or filing of any document or instrument, except as provided in Section 2.02(b) of this Origination Agreement or any further act on the part of any of the parties hereto.

**Section 5.03. Limitation on Liability of Directors, Officers, Employees and Agents of Participating Lender.** No director, officer, employee or agent of Participating Lender shall be under any liability to NIFA or the Master Servicer for any action taken or for refraining from the taking of any action in good faith pursuant to this Origination Agreement, or for errors in judgment.

**Section 5.04. Notifications.** Participating Lender shall deliver to the Master Servicer copies of all reports, correspondence, statements, notices or other written communications of Participating Lender delivered to Trustee or NIFA and required pursuant to this Origination Agreement at the time so delivered. The Master Servicer shall be entitled to rely upon such written communications of Participating Lender.

NIFA, Participating Lender and the Master Servicer shall each provide the others with information, records or such assistance reasonably requested by the others and otherwise cooperate with the others as reasonably requested.

## ARTICLE VI

### CAUSES PERMITTING TERMINATION

**Section 6.01. Participating Lender Termination.** Upon the happening of any one or more of the following events, NIFA may terminate this Origination Agreement with respect to any Participating Lender as provided in Section 6.02 hereof and shall have the other remedies specified therein:

(a) Failure by Participating Lender duly to observe or perform in any material respect any covenant, condition or agreement in this Origination Agreement to be observed or performed, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, given to Participating Lender by the Master Servicer, unless the Master Servicer shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Master Servicer will not unreasonably

withhold its consent to an extension of such time if corrective action is instituted by Participating Lender within the applicable period and diligently pursued until the default is corrected.

(b) A decree or order of a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against Participating Lender and such decree or order shall have remained in force undischarged or unstayed for a period of 60 days.

(c) Participating Lender shall consent to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to Participating Lender or of or relating to all or substantially all of its property.

(d) Participating Lender shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors, or voluntarily suspend payment of its obligations.

(e) The Master Servicer or NIFA shall discover or be notified that any representation of or warranty by Participating Lender to NIFA or the Master Servicer is false in any material respect.

**Section 6.02. Remedies.** Whenever any cause referred to in Section 6.01 hereof shall have happened and be continuing, NIFA may take any one or more of the following remedial steps:

(a) By notice in writing pursuant to Section 7.06 hereof to Participating Lender, NIFA may terminate all of Participating Lender's rights and obligations hereunder.

(b) NIFA may take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due under this Origination Agreement or to enforce performance and observance of any obligation, agreement or covenant of Participating Lender under this Origination Agreement.

**Section 6.03. Master Servicer To Act; Appointment of Successor.** At the time Participating Lender receives a notice of termination pursuant to Section 6.02(a), and until such time as NIFA shall designate a successor to Participating Lender with respect to the Mortgage Loans to be originated hereunder, the Master Servicer shall succeed to all rights and obligations of Participating Lender hereunder. NIFA shall take such action, consistent with this Origination Agreement, as shall be necessary to effectuate any such succession.

**Section 6.04. No Remedy Exclusive.** Unless otherwise expressly provided, no remedy herein conferred upon or reserved is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under this



Origination Agreement or existing at law or in equity. No delay or omission to exercise any right or power accruing under this Origination Agreement upon the happening of any event set forth in Section 6.01 hereof shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle NIFA to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article.

**Section 6.05. Agreement To Pay Attorneys' Fees and Expenses.** In the event Participating Lender should fail to perform its obligations under any of the provisions of this Origination Agreement and NIFA should employ attorneys or incur other expenses for the enforcement or performance or observance of any obligation or agreement on the part of Participating Lender herein contained, Participating Lender agrees that to the extent permitted by law it will pay or reimburse NIFA on demand the reasonable fee of attorneys and such other incurred expenses.

## **ARTICLE VII**

### **MISCELLANEOUS PROVISIONS**

**Section 7.01. Access to Certain Documentation and Certain Information Regarding the Mortgage Loans.** Participating Lender shall provide to GNMA, Fannie Mae, FHLMC, NIFA (and its assigns) and the Master Servicer and their respective examiners and supervisory agents access to the documentation (which may be on microfilm) regarding the Mortgage Loans requested by them, such access being afforded without charge but only upon reasonable request and during normal business hours at the offices of Participating Lender designated by it.

**Section 7.02. Amendments, Changes and Modifications.** NIFA reserves the right to supplement and amend the provisions of this Origination Agreement and shall notify Participating Lender of any such supplement or amendment. Such supplements or amendments shall have the same force and effect as if originally contained in this Origination Agreement. Notwithstanding the above, this Origination Agreement may not be amended by the parties hereto without the prior written consent of NIFA.

**Section 7.03. Assignment.** This Origination Agreement shall not be assignable by the Participant without the written consent of NIFA and the Master Servicer.

**Section 7.04. Counterparts.** This Origination Agreement may be executed in one or more counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same agreement.

**Section 7.05. Governing Law.** This Origination Agreement shall be construed in accordance with the laws of the State, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

**Section 7.06. Notices.** All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified or registered mail, postage prepaid, return receipt requested, addressed to the appropriate Notice

Address. NIFA, the Master Servicer or Participating Lender may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

**Section 7.07. Severability.** In the event any provision of this Origination Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 7.08. Further Assurances and Corrective Instruments.** To the extent permitted by law, NIFA and Participating Lender agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention of or facilitating the performance of this Origination Agreement.

**Section 7.09. Term of Origination Agreement.** This Origination Agreement shall be in full force and effect from the date hereof and shall continue in effect so long as any Bonds, Mortgage Loans, GNMA Securities, Fannie Mae Securities or FHLMC Securities are outstanding or until such time as terminated pursuant to Section 6.01 or Section 6.02(a) hereof.

**Section 7.10. No Rights Conferred on Others.** Nothing in this Origination Agreement shall confer any right upon any person other than NIFA, the Master Servicer and Participating Lender. The Master Servicer shall be treated as a third-party beneficiary of this Origination Agreement.

**Section 7.11. Discretion of NIFA.** With respect to any disputes between NIFA and Participating Lender which arise concerning the terms and provisions of this Origination Agreement, the meaning thereof, or decisions to be made thereunder, the judgment of NIFA shall govern.

IN WITNESS WHEREOF, Participating Lender and NIFA have caused their names to be signed hereto by their respective officers thereunto duly authorized, all as of the 1st day of April, 2012.

**NEBRASKA INVESTMENT FINANCE  
AUTHORITY (NIFA)**

By \_\_\_\_\_  
Timothy R. Kenny  
Executive Director

Attest:

\_\_\_\_\_  
As Participating Lender

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

Notice Address of Participating Lender:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_  
Telephone

\_\_\_\_\_  
Facsimile

\_\_\_\_\_  
e-mail address

**APPENDIX A**  
**NEBRASKA INVESTMENT FINANCE AUTHORITY (NIFA)**  
**SINGLE FAMILY HOUSING REVENUE BOND PROGRAM**

**LENDER INFORMATION SHEET**

**Name of Lending Institution:** \_\_\_\_\_

**Mailing Address:** \_\_\_\_\_

\_\_\_\_\_

**City, State, Zip Code:** \_\_\_\_\_

**For program announcements and contract renewals:**

**Primary Contact Person:** \_\_\_\_\_

**Title of Primary Contact:** \_\_\_\_\_

**Email Address:** \_\_\_\_\_

**Telephone Number:** \_\_\_\_\_

**Facsimile Number:** \_\_\_\_\_

**For loan reservations, file submissions, condition reports and closed loan deliveries (loan operations):**

**Primary Contact Person:** \_\_\_\_\_

**Email Address:** \_\_\_\_\_

**Telephone Number:** \_\_\_\_\_

**Facsimile Number:** \_\_\_\_\_

Check the following that applies:

\_\_\_\_\_ Fannie Mae approved seller/servicer

\_\_\_\_\_ Freddie Mac approved seller/servicer

\_\_\_\_\_ FHA approved lender

\_\_\_\_\_ VA approved lender

\_\_\_\_\_ USDA/RD approved lender

**04/2012**

**APPENDIX B**  
**NEBRASKA INVESTMENT FINANCE AUTHORITY (NIFA)**  
**SINGLE FAMILY HOUSING REVENUE BOND PROGRAM**

**LENDER BRANCH LOCATIONS (for Website Use)**

**Name of Lending Institution:**

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Branch Mailing Address:

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City, State, Zip Code:

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Phone Number:

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Loan Officer Name:

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Email Address:

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Website Address:

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Branch Mailing Address:

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City, State, Zip Code:

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Phone Number:

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Loan Officer Name:

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Email Address:

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Website Address:

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Branch Mailing Address:

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City, State, Zip Code:

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Phone Number:

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Loan Officer Name:

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Email Address:

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Website Address:

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Branch Mailing Address:

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City, State, Zip Code:

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Phone Number:

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Loan Officer Name:

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Email Address:

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Website Address:

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## SECTION 18

### GLOSSARY OF TERMS

The following words and phrases used in the Program Manual shall have the following meanings:

“*Bonds*” means the related series of revenue bonds of the NIFA issued to fund the Program.

“*Community Home Buyer’s Program*” means that program offered by FNMA.

“*Conventional Mortgage Loans*” means a Mortgage Loan other than an FHA-Insured Mortgage Loan, an RD-Guaranteed Mortgage Loan, a VA-Guaranteed Mortgage Loan or a HUD-Guaranteed Mortgage Loan, satisfying the requirements of FNMA or the requirements of FHLMC.

“*FDIC*” means the Federal Deposit Insurance Corporation, or any successor to its functions.

“*FHA*” means the Federal Housing Administration of the United States Department of Housing and Urban Development, or other agency or instrumentality created or chartered by the United States to which the powers of the Federal Housing Administration have been transferred.

“*FHA Insurance*” means FHA mortgage insurance issued under one of the following FHA Insurance programs pursuant to the National Housing Act:

- (a) FHA 203(b), Home Unsubsidized (i.e., 203, 503, 703 cases);
- (b) FHA 221(d)(2), Low and Moderate Income (i.e., 221, 521, 721);
- (c) FHA 203(i) Home Mortgage for Outlying Area Properties;
- (d) with the prior written approval of the Master Servicer and the NIFA, FHA 203(k); or
- (e) as specified from time to time by the NIFA, such other insurance or guaranties provided by FHA or any successor thereto.

“*FHA-Insured*” means insured under FHA Insurance.

“*FHA/VA/RD Mortgage Loans*” means Mortgage Loans which are FHA-Insured, VA-Guaranteed and/or RD-Guaranteed.

“*FHLMC*” means the Federal Home Loan Mortgage Corporation, or any successor thereto.

“*FHLMC Guides*” means the FHLMC Single Family Seller/Servicer Guide, as amended from time to time.

“*FNMA*” means the Federal National Mortgage Association, or any successor thereto.

“*FNMA Custodian*” means such custodian identified by the Master Servicer and approved by the NIFA.

“*FNMA Guides*” means the FNMA Selling and Servicing Guides, as amended from time to time, as modified by the Pool Purchase Contract.

“*GNMA*” means the Government National Mortgage Association, a wholly owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development. Its powers are prescribed generally by Title III of the National Housing Act of 1934, as amended (12 U.S.C. §§ 1716 et seq.).

“*GNMA Guide*” means the GNMA I Mortgage-Backed Securities Guide in effect on the date of execution of the GNMA Guaranty Agreement.

“*GNMA Pool*” means a Pool of Mortgage Loans supporting or represented by a GNMA Security.

“*GNMA’s Custodian*” means such custodian identified by the Master Servicer and approved by the NIFA.

“*GNMA Security*” means a custom pool, fully modified mortgage-backed GNMA I Security representing Mortgage Loans, issued by the Master Servicer, registered in the name of the Trustee, guaranteed as to timely payment of principal and interest by GNMA pursuant to Section 306(g) of Title III of the National Housing Act of 1934 and the regulations promulgated thereunder and backed by FHA Insured Mortgage Loans, VA Guaranteed Mortgage Loans or RD Guaranteed Mortgage Loans in the related Pool.

“*HUD*” means the United States Department of Housing and Urban Development, or other agency or instrumentality created or chartered by the United States to which the powers of the United States Department of Housing and Urban Development have been transferred.

“*HUD-Guaranteed*” means guaranteed by HUD under Section 184 of the Housing and Community Development Act of 1992 (HCDA 1992) (Pub. L. 102-550, approved October 28, 1992) (24 CFR 955), as amended, authorizing loan guarantees for Indian housing and subject to any further requirements set forth in this Origination Agreement or the related Invitation to Participate and Offer to Originate and Sell.

“*HUD-Guaranteed Mortgage Loans*” means Mortgage Loans which are HUD Guaranteed (for example, § 184 Indian Loan Guarantee Program).

“*Participant*” means (a) a home mortgage lending institution or entity (i) which is a duly organized, validly existing bank, trust company, savings bank, industrial bank, national banking association, savings and loan association, building and loan association, mortgage banker or other financial institution, or governmental agency which customarily provides service or otherwise aids in the financing of mortgages on single-family residential housing located in the State or any holding company for any of the foregoing, (ii) which has total capital, surplus and

retained earnings in excess of the greater of (A) \$250,000 or (B) 2.0% of its assets or, in the event Participant does not meet (A) or (B) above, Participant shall deliver to the Master Servicer a letter of credit acceptable to the Master Servicer and the NIFA, (iii) which is authorized to do business in the State, (iv) which has a maximum delinquency rate (two or more monthly payments) of 4% on single-family first mortgage loans serviced over the past 12 months, (v) which has a maximum foreclosure rate of 2% on single-family first mortgage loans serviced over the past 12 months, (vi) which can make the representations, warranties and covenants set forth in the Origination Agreement and (vii) which has agreed to originate Mortgage Loans pursuant to the Origination Agreement and the related Offer to Originate and Sell or (b) with respect to a Participant which will originate and sell only RD-Guaranteed Mortgage Loans, a home mortgage lending institution or entity which is acceptable to the NIFA and the Master Servicer and which meets the criteria set forth in (a)(i), (iii), (vi) and (vii) above. The foregoing conditions may be modified from time to time by the Master Servicer and the NIFA.

“*PMI Insurer*” means any private mortgage insurance company approved by FNMA or FHLMC, as the case may be, and providing Private Mortgage Insurance on Conventional Mortgage Loans [as identified in the Invitation to Participate].

“*Pool*” means an FNMA Pool, an FHLMC Pool or a GNMA Pool, respectively.

“*Pool Documentation Package*” means those documents as required by the GNMA Guide, in connection with a GNMA Security, those documents as required by the FNMA Guides, in connection with an FNMA Security, and those documents as required by the FHLMC Guide, in connection with an FHLMC Security.

“*Private Mortgage Insurance*” means a private mortgage insurance policy issued by a PMI Insurer in accordance with the terms hereof in a form and providing coverage in an amount as shall be approved by FNMA in accordance with the FNMA Guides or FHLMC in accordance with the FHLMC Guide, as the case may be.

“*Purchase Date*” means the date on which a Purchase occurs and shall occur within two full Business Days, as measured from the hour and day of receipt by the Master Servicer of all documents listed on the Loan Document Checklist, together with the form of Mortgage Record Change as such forms may be amended from time to time.

(a) “*Purchase Price*” means the cost of acquiring the Residence from the seller as a completed unit. The cost of acquiring a Residence includes the following:

(i) All amounts paid, either in cash or in kind, by the purchaser (or a related party or for the benefit of the purchaser) to the seller (or a related party or for the benefit of the seller) as consideration for the Residence. A Residence includes property that is a fixture under local law, such as light fixtures or wall-to-wall carpeting. If the purchaser purports to separately purchase such items, the cost of those items must be included in the cost of acquisition. On the other hand, property which is not considered a fixture under local law, such as appliances, is not considered part of a Residence and the cost of acquiring such items does not have to be included in the cost of acquiring the Residence (unless



the acquisition costs of such items exceeds their fair market value, in which case the amount of the excess must be included in the acquisition cost of the Residence). For example, if the purchaser agrees to purchase the refrigerator, washer and dryer from the seller for \$1,000 more than the fair market value of such items, such \$1,000 must be included in the cost of acquisition. Similarly, if as part of the purchase of the Residence the purchaser agrees to pay or assume liability for a debt of the seller, the amount of such debt must be included as part of the cost of acquiring the Residence.

(ii) If a Residence is incomplete, the reasonable cost of completing the Residence whether or not the cost of completing construction is to be financed with proceeds of the Mortgage Loan. Where a Mortgagor purchases a building which is so incomplete that occupancy of the building is not permitted under local law, the acquisition cost includes the cost of completing the building so that occupancy of the building is permitted. Thus, if a builder normally sells Residences with an uncompleted recreation room but a completed third floor and a garage, but is selling a Residence with no garage and an uncompleted recreation room and third floor to a Mortgagor, the cost of completion of the third floor (but not the recreation room) and the cost of addition of a garage must be included in the cost of acquisition of the Residence. On the other hand, if a Mortgagor purchases an existing home and then spends \$3,000 to paint it, refinish the floors and make minor repairs, such \$3,000 is not included in the cost of acquisition of the Residence.

(iii) Where a Residence is purchased subject to a ground rent, the capitalized value of the ground rent. Such value of the ground rent shall be calculated using a discount rate supplied by the NIFA.

(b) The cost of acquiring a Residence does not include the following:

(i) The usual and reasonable settlement or financing costs. Settlement costs include titling and transfer costs, title insurance, survey fees or other similar costs. Financing costs include credit reference fees, legal fees, appraisal expenses, "points" which are paid by the buyer (but not the seller, even though borne by the Mortgagor through a higher Purchase Price) or other costs of financing the Residence. However, such amounts will be excluded in determining acquisition cost only to the extent that the amounts do not exceed the usual and reasonable costs which would be paid by the buyer where financing is not provided through a qualified mortgage bond program. For example, if the purchaser agrees to pay to the seller more than a pro rata share of property taxes, such excess shall be treated as part of the acquisition cost of a Residence.

(ii) The value of services performed by the Mortgagor or members of the Mortgagor's family in completing the Residence. For purposes of the preceding sentence, the family of an individual shall include only the individual's brothers and sisters (whether by the whole or half blood), spouse, ancestors and lineal descendants. For example, where the Mortgagor builds a home alone or

with the help of family members, the acquisition cost includes the cost of materials provided and work performed by subcontractors (whether or not related to the Mortgagor) but does not include the imputed cost of any labor actually performed by the Mortgagor or a member of the Mortgagor's family in constructing the Residence. Similarly, where the Mortgagor purchases an incomplete Residence the acquisition cost includes the cost of material and labor paid by the Mortgagor to complete the Residence but does not include the imputed value of the Mortgagor's labor or the labor of the Mortgagor's family in completing the Residence.

(iii) The cost of land which has been owned by the Mortgagor for at least two years prior to the date on which construction of the Residence begins.

*"Qualified Appraiser"* means an individual or firm acceptable to FHA, HUD, RD, VA, FNMA and/or FHLMC, as applicable.

*"Qualified Condominium Unit"* means a condominium unit meeting the requirements of (i) the GNMA Guide and which is eligible for FHA Insurance, a VA Guaranty or an RD Guaranty or (ii) the FNMA Guides or the FHLMC Guide, as applicable, and subject to such rules and regulations as shall be established by the NIFA from time to time for the financing of Mortgage Loans on condominium units. A Mortgage Loan for a condominium unit must be FHA-Insured (unless otherwise specifically provided by the NIFA).

*"Qualified Insurer"* means FHA, HUD, VA or RD, as the case may be, or, in the case of a Conventional Mortgage Loan, an insurance company acceptable to FNMA or FHLMC, as applicable, and to the NIFA.

*"RD"* means Rural Development, established within the United States Rural Housing and Community Development Service, or such other service, agency or administration designated as the successor to the RD.

*"RD-Guaranteed"* means guaranteed by the RD under the RD-Guaranteed Single Family Rural Housing Loan Program, or such other programs as specified by the Master Servicer and the NIFA.

*"RD Guaranty"* means a guaranty by the RD under its Guaranteed Single Family Rural Housing Loan Program, or such other programs as specified by the Master Servicer and the NIFA, meeting the requirements of the GNMA Guide.

*"Servicing Agreement"* means one or more servicing agreements between the NIFA and a Master Servicer in connection with the bonds.

*"Servicing Officer"* means any officer of the Master Servicer involved in, or responsible for, the administration and servicing of the Mortgage Loans, whose name appears on a list of servicing officers furnished to the NIFA by the Master Servicer, as such list may from time to time be amended.

“VA” means the Department of Veterans Affairs, an agency of the United States of America, or any successor to its functions.

“*VA-Guaranteed*” means guaranteed by the VA under the Serviceman’s Readjustment Act of 1944, as amended, meeting the requirements of the GNMA Guide.

“*VA Guaranty*” means a guaranty by the VA under the Serviceman’s Readjustment Act of 1944, as amended, meeting the requirements of the GNMA Guide.