

[DATE]

[PARTICIPATING LENDER]

[ADDRESS1]

[CITY, STATE ZIP]

Legally Enforceable Obligation Letter
For HUD Handbook 4000.1 II. A. 4. d. ii. Source
Requirements for the Borrower's Minimum Required
Investment (TOTAL), (C) Required Documentation
COMMITMENT LETTER

Re: **Legally Enforceable Obligation Letter for HUD ML 2013-14: Commitment Letter
Nevada Rural Housing Authority Second Mortgage Loan**

Borrower(s):	[BORROWER(S) NAME]
Property Address:	[ADDRESS1], [CITY, STATE, ZIP]
Second Mortgage Loan Amount:	[\$15,000]
Second Mortgage Loan Number:	[2 ND LOAN #]
Second Mortgage Loan Terms:	0% Interest, 3-year loan is forgiven after a period of 36 months or December 31, 2026, whichever occurs first (loan period).
First Mortgage Loan Amount:	[FIRST MORTGAGE LOAN AMOUNT]
First Mortgage Loan Number:	[FIRST MORTGAGE LOAN #]

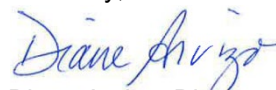
This letter documents that Nevada Rural Housing Authority (NRHA and the "Authority"), an instrumentality, local government and political subdivision of the State of Nevada (a governmental entity) recognized by the U.S. Department of Housing and Urban Development (HUD) and the Federal Housing Administration (FHA), has, at or before closing of the First Mortgage Loan described above, incurred a legally enforceable obligation to provide its own funds for the above referenced borrower's Minimum Cash Investment and that the provision of such funds is not contingent upon any future transfer of the First Mortgage Loan.

The Authority has agreed to extend the amount of funds as a second mortgage loan, repayable as indicated above. In addition to retaining this commitment letter in your loan file and sending a copy to servicer US Bank Home Mortgage as an attachment to USB-002, you must also satisfy FHA insurability requirements for the First Mortgage Loan originated in conjunction with the Second Mortgage Loan referenced above.

This letter is issued in reliance upon the above referenced borrower meeting all requirements related to FHA financing and NRHA's Program guidelines. If any material misstatement was made by the applicant, this letter shall be subject to revocation by NRHA. Further, if any such material misstatement was made due to fraud, the commitment for down payment assistance funds shall be automatically null and void without further action by NRHA.

The Authority hereby agrees to purchase the Second Mortgage Loan referenced above which will be funded, upon closing, by [PARTICIPATING LENDER]. Purchase of the Second Mortgage Loan will occur at the time of the First Mortgage Loan purchase by US Bank Home Mortgage and as specified in the Servicing Agreement, Lender Guide, Program Guidelines, and Lender Agreement between [PARTICIPATING LENDER] and the Authority.

Sincerely,



Diane Arvizo, Director of Homeownership Programs

Dodd-Frank Certification

The following information is requested by the federal government in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203). **You are required to furnish this information.** The law provides that no person shall be eligible to receive assistance from the State and Local Fiscal Recovery Funds (SLFRF) program, a part of the American Rescue Plan Act if such person, in connection with a mortgage or real estate transaction, has been convicted, within the last 10 years, of any one of the following: (A) felony larceny, theft, fraud, or forgery, (B) money laundering or (C) tax evasion.

I/we certify under penalty of perjury that I/we have not been convicted within the last 10 years of any one of the following in connection with a mortgage or real estate transaction:

- (a) felony larceny, theft, fraud, or forgery,
- (b) money laundering, or
- (c) tax evasion.

I/we understand the Nevada Rural Housing Authority, State of Nevada, U.S. Department of the Treasury, or their agents may investigate the accuracy of my statements by performing routine background checks, including automated searches of federal, state and county databases, to confirm that I/we have not been convicted of such crimes. I/we also understand that knowingly submitting false information may violate Federal law.

Home Means Nevada Down Payment Assistance (DPA) Program

Reference is hereby made to the Uniform Residential Loan Application (the "URLA") of the Borrower dated as of [DATE] with respect the property located at: [ADDRESS1], [CITY, STATE, ZIP].

Nevada Rural Housing Authority, its agents and/or designees is hereby entitled to rely on all information provided and representations made in such URLA as if provided in this SLFRF Home Means Nevada DPA Program Certification, including, without limitation, the Acknowledgement and Agreement set forth in Section IX of such URLA.

I/we acknowledge that knowingly withholding or failing to disclose material information to Nevada Rural Housing Authority, or making or causing to be made a false, or fraudulent statement or representation of material fact in an application for use in determining eligibility for a payment under Nevada Rural Housing Authority's Home Means Nevada DPA Program, may constitute a crime punishable under State and/or Federal law. I/we, therefore, certify, under penalty of perjury that all information I/we have given on the URLA, other Program documents, and in any accompanying statements, is complete, true, and correct and I/we acknowledge that any material omission or false, fictitious, or fraudulent statement or representation or entry could be the basis for civil penalties and assessments under State and/or Federal law.

This Certificate is effective on the earlier of the date listed below or the date received by your lender.

Borrower Signature

Date

Co-Borrower/Spouse Signature

Date

APN # [ASSESSOR'S PARCEL #]

WHEN RECORDED MAIL TO:

[LENDER'S INFORMATION]
[PARTICIPATING LENDER]
[ADDRESS1]
[CITY, STATE ZIP]

**SECOND
DEED OF TRUST**

THIS DEED OF TRUST is made this [DAY] day of [MONTH], 20____, by and between [TRUSTOR(S) NAME], [VESTING] (the "*Trustor*"), whose address is [ADDRESS1, CITY, STATE ZIP]; U.S. Bank National Association (the "*Trustee*"), and Nevada Rural Housing Authority, an instrumentality, local government and political subdivision of the State of Nevada, whose address is 3695 Desatoya Drive, Carson City, NV 89701 (the "*Beneficiary*").

WITNESSETH:

That Trustor irrevocably grants, transfers and assigns to Trustee in Trust, with Power of Sale, that property in the County of [COUNTY], State of Nevada, located at [ADDRESS1, CITY, STATE ZIP] and further described in the Legal Description, Exhibit A attached hereto (the "*Property*").

This Deed of Trust is given for the purpose of securing (1) payment of the sum of Fifteen Thousand and 00/100 Dollars (\$15,000.00) according to the terms of the Promissory Note of even date herewith (herein the "*Secured Note*") made by Trustor, payable to the order of Beneficiary, and extensions or renewals thereof and (2) the performance of each obligation of the Trustor incorporated by reference herein or contained herein.

A. TO PROTECT THE SECURITY OF THE DEED OF TRUST, THE TRUSTOR AGREES:

1. To keep the Property in good condition and repair, ordinary wear and tear excepted; not to permit or commit waste or impairment; not to remove or demolish the building thereon; to complete or restore promptly, and in good and workmanlike manner, any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore or to bond over any liens to Beneficiary's reasonable satisfaction; to comply with all laws affecting the Property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other

acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general.

2. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

3. To pay: (a) at least ten days before delinquency all taxes and assessments affecting the Property, including assessments on appurtenant water stock; (b) when due subject to the mutual agreements of the parties as below set forth, all encumbrances, charges, and liens, with interest, on the Property or any part thereof, which appear to be prior or superior hereto; and (c) all allowable expenses in connection with this Deed of Trust.

4. Should the Trustor fail to make any payment or to do any act as herein provided, then the Beneficiary or the Trustee, but without obligation so to do and without notice to or demand upon the Trustor and without releasing the Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the Property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay reasonable expenses, employ counsel and pay reasonable attorneys' fees.

5. To pay immediately and without demand all sums so expended by the Beneficiary or the Trustee.

6. Subject to the rights of any senior lender, to assign to Beneficiary all proceeds of all insurance policies regarding the operation of the Property, and in the event, that the Trustor is paid any such proceeds, the Trustor agrees that it is holding such proceeds as trustee for Beneficiary and to immediately pay them to Beneficiary.

B. IT IS MUTUALLY AGREED:

1. That subject to the rights of any senior lender, any award of damages, direct or consequential, in connection with any condemnation or any other taking of the Property or any part thereof, or for any conveyance in lieu of condemnation, is hereby assigned and shall be paid to Beneficiary who may apply or release such monies received by it in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance. The Trustor waives any legal or equitable interest in the award and any right to require an appointment of the award. The Trustor agrees that the Beneficiary is entitled to apply the award in accordance with this paragraph without demonstrating that its security has been impaired.

2. That subject to the rights of any senior lender, the amount paid to the Beneficiary may be applied by the Trustor to rebuild any portion of the Property taken by condemnation, and to use all available condemnation proceeds therefore, *provided* that: (i) such proceeds are sufficient to rebuild the Property in a manner that provides adequate security to the Beneficiary for repayment of the loan, or if such proceeds are insufficient to provide adequate security then Trustor has funded any deficiency; (ii) Beneficiary shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance proceeds for rebuilding under a construction escrow or similar arrangement, and such approval shall not be unreasonably withheld; and (iii) no material default then exists under this Deed of Trust or the Secured Note. If condemnation affects only part of the Property and total rebuilding is infeasible, then such proceeds may be used for partial rebuilding in a manner that provides adequate security to the Beneficiary. The application or release shall not cure or waive any default or notice of default, or invalidate any act done pursuant to a Notice of Default.

3. That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

4. That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Secured Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may re-convey any part of the Property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

5. That upon written request of Beneficiary stating that all sums and obligations secured hereby have been paid, or satisfied, and upon surrender of this Deed of Trust and the Secured Note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall re-convey, without warranty, the Property. The grantee in such re-conveyance may be described as the person or persons legally entitled thereto.

6. That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder following a thirty (30) day cure period (or such longer period as may be reasonably necessary provided Trustor has commenced a cure within such thirty (30) day period and is diligently prosecuting such cure to completion), Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and notice of breach and of election to cause to be sold the Property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust, the Secured Note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of breach, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, but with the written consent of Beneficiary, shall sell the Property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, 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 time of sale. Trustee may postpone sale of all or any portion of the

Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement.

Trustee shall deliver to such purchaser its deed conveying the property so sold, but without covenant or warranty, express or implied. Any person, including Trustor, Trustee or Beneficiary as hereinafter defined, may purchase at such sale.

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 all sums expended under the terms hereof, not then repaid, with accrued interest, if any, at the rate provided in the secured Note; all other sums then secured hereby; and the remainder, if any to the person or persons legally entitled thereto.

7. Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where the Property is situated, shall be conclusive proof or proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and document number where this Deed of Trust is recorded and the name and address of the Trustee.

8. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the neuter gender includes the feminine and/or masculine, and the singular number includes the plural.

9. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

10. In the event of foreclosure or deed in lieu of foreclosure of a prior security deed or assignment of the first mortgage to the United States Secretary of Housing and Urban Development, any provisions of this Deed of Trust or any provision in any other collateral agreement restricting the use of the Property or otherwise restricting the Trustor's ability to sell the Property shall have no further force or effect. Any person, including successors or assigns, receiving title to the Property through a foreclosure or deed in lieu of foreclosure of a Prior Security Deed shall receive title to the Property free from such restrictions.

11. This Deed of Trust is subordinate to a Deed of Trust in a superior position securing the permanent financing of the Property pursuant to a mortgage loan and recorded concurrently herewith.

12. The irrevocable power to assign this Deed of Trust is hereby expressly granted to the Beneficiary, to be exercised at any time hereafter, without specifying any reason therefor by filing for record in the office where this Deed of Trust is recorded a deed of appointment, and said power of assignment may be exercised as often and whenever the Beneficiary deems advisable. The exercise of said assignment, no matter how often, shall not be deemed an exhaustion thereof, and upon recording of such deed or deeds of appointment, the party to whom such an assignment was granted shall thereupon, without further act or deed of conveyance, succeed to and become fully vested with identically the same title and estate in and to the Property hereby conveyed and with all the rights, powers, trusts and duties of the predecessor in trust hereunder, with like effect as if originally named as the Beneficiary.

C. THE PARTIES FURTHER AGREE:

1. Except with respect to any lien or encumbrance created in connection with a mortgage loan received by the Trustor in connection with the purchase of the Property, the Trustor represents and warrants to the Beneficiary that it holds an interest in Property without any defects, liens, encumbrances, easements, adverse claims, or other limitations with respect to said interests or any options to purchase, agreements to sell, or other defects in title to the interest.

2. Trustor covenants and agrees that Trustor shall perform and observe all obligations to be performed and observed by Trustor under the Deed of Trust securing the Secured Note.

3. The following Covenants, Nos. 1, 3, 4 (rate of interest, if any, is the default rate stated in the Note), 5, 6, 7 (attorneys' fees in the amount provided for in the Note), 8 and 9 of NRS 107.030 are hereby adopted and made a part of this Deed of Trust; *provided, however*, that the express covenants of this Deed of Trust shall control to the extent that the same are inconsistent with Covenant Nos. 1, 3, 4, 5 and 9 and, *provided further*, that Covenant Nos. 6, 7 and 8 shall control over the express covenants of this Deed of Trust to the extent the same are inconsistent with Covenant Nos. 6, 7 and 8.

4. This Deed of Trust shall be governed by the laws of the State of Nevada. If any part, term, or provision of this Deed of Trust is held by any court to be illegal, unenforceable, or in conflict with any applicable law, the validity of the remaining portions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Deed of Trust did not contain the particular part, term, or provision held to be invalid.

5. Should Beneficiary or Trustee, or both, become parties to any action to enjoin foreclosure, or other legal proceedings instituted by Trustor, or by any third party, or should Trustor institute or be subject to any bankruptcy, reorganization, receivership or other proceeding in relation to creditors, then all attorneys' fees and costs incurred by Beneficiary or Trustee, or both, in any of those proceedings, shall be secured by this Deed of Trust and shall be paid by Trustor upon demand, and if not paid, shall be recovered from the Property.

6. If more than one person has executed this Deed of Trust as "Trustor," the obligations of all such persons hereunder shall be joint and several.

D. EVENTS OF DEFAULT

The Trustor shall be in default under this Deed of Trust if any one or more of the following events occur and said default has not been cured within thirty (30) days after written notice is received by Trustor:

(i) Trustor commits fraud or makes material misrepresentations at any time in connection with the Secured Note; or

(ii) Trustor's actions or inactions adversely affects the Beneficiary's rights in the collateral.

Originating Company: _____

NMLS: _____

Individual Loan Originator: _____

NMLS: _____

DRAFT

IN WITNESS WHEREOF, this Deed of Trust has been duly executed by the Trustor on the first day hereinbefore written.

[TRUSTOR(S) NAME]

[TRUSTOR(S) NAME]

STATE OF NEVADA)
)
COUNTY OF _____)

This instrument was acknowledged before me on _____ by
_____.

(SEAL)

Notary Public

My commission expires _____

STATE OF NEVADA)
)
COUNTY OF _____)

This instrument was acknowledged before me on _____ by
_____.

(SEAL)

Notary Public

My commission expires _____

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

DRAFT

HOME MEANS NEVADA

RURAL DOWN PAYMENT ASSISTANCE PROGRAM

BY NEVADA RURAL HOUSING

[DATE]

[PARTICIPATING LENDER]

[ADDRESS1]

[CITY, STATE ZIP]

Legally Enforceable Obligation Letter
For HUD ML 2013-14 and HUD
Handbook 4155.1 5.B.5.a
GIFT LETTER

Re: **Nevada Rural Housing Authority Second Mortgage Loan / Borrower Notice**

Borrower(s): [BORROWER(S) NAME]
Property Address: [ADDRESS1], [CITY, STATE, ZIP]
Second Mortgage Loan Amount: \$15,000
Second Mortgage Loan Terms: 0% Interest, 3-year forgivable loan (see details below)
First Mortgage Loan Amount: [FIRST MORTGAGE LOAN AMOUNT]
First Mortgage Loan Number: [FIRST MORTGAGE LOAN #]

Please be advised that Nevada Rural Housing Authority (NRHA), a governmental entity as recognized by the U.S. Department of Housing and Urban Development (HUD) and the Federal Housing Administration (FHA), is providing down payment assistance as a Second Mortgage Loan, which is to be used in conjunction with the First Mortgage Loan originated through NRHA's Home At Last™ Program. Additional terms of the Second Mortgage Loan are provided below:

- No interest will be charged.
- 3-year loan is forgiven in its entirety after a period of 36 months or December 31, 2026, whichever occurs first (the Loan Period). The Second Mortgage Loan becomes due and payable in full if at any time prior to the end of the 3-year Loan Period: (i) the borrower sells, transfers or disposes of the property, (ii) the borrower fails to occupy the property as the borrower's primary residence, or (iii) the borrower refinances or fully satisfies the First Mortgage Loan. Upon the occurrence of any of the actions described in this paragraph, the full amount of the Second Mortgage Loan shall be repayable to NRHA.
- The Second Mortgage Loan will be secured by a second mortgage lien (Deed of Trust) on the property referenced above.

The undersigned Borrower hereby certifies, acknowledges, understands and agrees that (1) the interest rate on the Program's First Mortgage Loan may be above market rate as a result of the down payment assistance funds provided to Borrower; (2) it is the Borrower's decision to accept and receive the mortgage loan under the Program, rather than to receive a mortgage loan without assistance that may be at a lower rate; (3) the net amount of down payment assistance provided may be lower than the mortgage loan amount shown above after the participating Lender charges an origination fee and/or other program fees; and (4) any questions about the second mortgage loan can be directed to the Lender or Nevada Rural Housing Authority at (775) 887-1795.

NRHA has, at or before closing of the mortgage loan, incurred a legally enforceable obligation to provide the funds toward the Borrower's required Minimum Cash Investment.

Borrower Signature

Date

Borrower (Print Name)

Co-Borrower/Spouse Signature

Date

Co-Borrower/Spouse (Print Name)

Diane Arvizo

Diane Arvizo, NRHA Director of Homeownership Programs



**Nevada Rural Housing Authority
Home Means Nevada DPA Program**

Worksheet for Documenting Eligible Household Income & Residency

Determine eligible household income for the Home Means Nevada DPA Program by following instructions listed on the attached Addendum A.

GENERAL INFORMATION

- A. Lenders must complete and submit to eHousingPlus the following two (2) documents with the loan post-closing package:
 - 1. Worksheet for Documenting Eligible Household Income & Residency**
 - 2. Dodd-Frank Certification**
- B. The additional required documents will be automatically generated on the eHousingPlus platform at the time of reservation. Lenders are responsible for verifying the accuracy of the information provided in the documents.
- C. The additional required documents will NOT be reviewed by either eHousingPlus or Nevada Rural Housing Authority prior to loan closing.
- D. Lenders originating loans in the Program are solely responsible before and after loan closing to ensure household income has been properly calculated in determining borrower(s) eligibility for the Program.

**HOME MEANS NEVADA DPA PROGRAM
WORKSHEET FOR DOCUMENTING ELIGIBLE HOUSEHOLD INCOME**

Determine eligible household income for the Home Means Nevada DPA Program
by following instructions listed on attached Addendum A.

GENERAL INFORMATION

Borrower Last Name:	eHousing Plus Loan #:	Lender:	Reservation Date:

INFORMATION ON HOUSEHOLD MEMBERS

Name	Age	Receives Income? Y/N	Total Monthly Gross Income
Total Monthly Household Income			
TOTAL YEARLY HOUSEHOLD INCOME (Total Monthly Income X 12)			
NUMBER OF PERSONS IN HOUSEHOLD			

HOME MEANS NEVADA DPA PROGRAM - HOUSEHOLD INCOME LIMITS (300% of FPG)

# of Persons in Household	Annual Income	# of Persons in Household	Annual Income
1	\$40,770	5	\$97,410
2	\$54,930	6	\$111,570
3	\$69,090	7	\$125,730
4	\$83,250	8	\$139,890*

*Add \$14,160 for each additional family member.

HOME MEANS NEVADA DPA PROGRAM - RESIDENCY VERIFICATION

At least one occupying borrower has been a resident of Nevada for at least six (6) months prior to loan reservation date.

I certify under penalty of perjury that the income and residency information provided above is to the best of my knowledge true and accurate.

Date

Lender Representative Name (Please Print)

Signature

ADDENDUM A
DETERMINING INCOME FOR
HOME MEANS NEVADA DOWN PAYMENT ASSISTANCE (DPA) PROGRAM

**An Underwriting Guide for Determining Borrower and
Occupant Income for Household Income**

Program qualifying income (or compliance income) is not the same as credit qualifying income. The calculation of Program qualifying income is different than the calculation of credit qualifying income, the income that is used for credit underwriting your borrower's FHA, USDA-RD, VA, or Fannie Mae/Freddie Mac Conventional loan.

Program qualifying income considers the income of borrowers and their spouses (regardless of spouse's occupancy of the primary residence and whether or not a party to the loan) AND all household members 18 years of age or older (related or unrelated).

Unlike income that is averaged for credit underwriting, the Home Means Nevada Rural DPA Program considers the actual Current Gross Annual Income. You should be reviewing the YTD income and the income shown on previous tax returns for consistency. If there are not inconsistencies in earnings, use the below for determining the actual Current Gross Annual Income for each occupant 18 years of age or older. Current gross monthly income is generally determined first then it is multiplied by 12 months to determine the total Current Gross Annual Income. Upon the determination of Current Gross Annual Income for each occupant, the Household Income can then be determined and compared to the Income Limits and household size for the county in which the borrower(s) are purchasing to determine if the borrower(s) are eligible.

Please note that this serves as a guide only. Underwriters and Lenders must determine the most accurate actual Current Gross Annual Income based on the pay documentation collected from borrower(s) and spouse(s) and other occupants 18 years of age or older. Underwriters and Lenders must exercise due diligence in determining Household Income and collect the appropriate pay documentation for each occupant 18 years of age or older that supports and validates the Program qualifying income of each occupant. Please note that this documentation may vary from borrower or occupant depending on the borrower or occupant's profession, income source, work schedule or how often income is received. Just as a Lender would collect the necessary income documentation to support and validate credit qualifying income for a borrower, Lenders should collect the necessary income documentation to support and validate the Program qualifying income of the borrower(s) and/or occupant(s).

Gross monthly income considers the sum of monthly gross pay; any additional income from overtime, part-time employment, bonuses, income from self-employment, dividends, interest, royalties, pensions, VA compensation and net rental income, other income (such as alimony, child support, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments), and the continuation of which is probable for the next 12 months based on foreseeable economic circumstances determined at the time of application.



Program Qualifying Income: Household Income will be confirmed on the eHousingPlus eHPortal, Underwriter's Certification. Any income obtained from this document that reflects a Household Income exceeding the income limit will result in the pending of the loan file and non-purchase of the loan until Lender resolves the discrepancy. Lenders can resolve by providing any necessary documentation to support income eligibility or, if it is determined through the review of additional documentation submitted by the Lender that the Household Income does exceed the Income Limit, the loan will be cancelled, and the borrower will not be eligible for participation in the Program. Use the information below as a general guide. Please contact the eHousingPlus Compliance Team with any questions or concerns at services@eHousingPlus.com or 954-217-0817.

IMPORTANT! PLEASE READ.

Alternative pay or income documentation used to support Household Income should be retained by the Lender and any alternative documentation used to validate Household Income should be acceptable to the Loan Agencies (FHA, USDA-RD, VA, Fannie Mae/Freddie Mac Conventional). Alternative pay or income documentation includes, but may not be limited to, current pay stubs which delineate "current period", W-2's, for all borrowers and all employers, and bank statements to verify the receipt of income. If W-2's are present in the loan file, Lenders should verify that the total of W-2's presented equals the income shown on borrower / occupant tax returns. For clarification on which documentation should be submitted to eHousing to confirm borrower(s) are eligible for participation in the Program, please see the "Closing, Shipping and Clearing Loans for Purchase" section of this Lender Guide.

Pay or income documentation to support credit underwriting for the first mortgage loan and to support AUS findings are forwarded to the Master Servicer upon loan closing in the first mortgage closed loan file. **The Master Servicer does not re-underwrite loans.** The Master Servicer will confirm that the pay/income documentation included with the first mortgage closed loan file supports the AUS findings and credit underwriting approval.

Verification of Employment

A verification of employment (VOE) may not be required if acceptable pay/income or alternative pay/income documentation can validate Household Income. If a VOE is required by the Agencies, then it should be obtained for credit underwriting, but it may not necessarily be considered in determining Program income if alternative documentation provides a more accurate reflection of a borrower / occupant's Current Gross Annual Income.

Income from a Salary or Wage

Using the last 4 – 6 weeks' pay stubs, add together the gross pay from each pay stub supplied. Divide this total by the number of pay stubs and then multiply by the number of pay periods within a year (i.e., if paid bi-weekly multiply by 26, if bi-monthly multiply by 24, etc.).

Commission / Bonus Income

If commission income was noted to have been received as YTD on the 4 – 6 weeks of paystubs supplied, but was not actually received during the review period:

Divide the YTD commission / bonus income by the number of pay periods that have already occurred in the year to obtain the average per pay period. Multiply this average by the total number of pay periods in the year. Add this amount to the calculated income from salary or wage.



Self-Employed / Income from Business

Use the quarterly tax returns and financial statements to identify the current net YTD income. Add back in any depreciation. Divide the YTD income by the number of months during which it was earned and multiply by 12. Losses from a business cannot be deducted from another source of income.

Verification that Overtime, Bonus or Commission payments are terminated

If OT was received during the 4 – 6 weeks of pay subs provided, or bonus or commission income was noted as paid in the YTD information, but verification has been provided in writing from valid third-party source (i.e., employer confirming termination of such income or that it is not likely to continue or change in employment status ceased these payments), you may remove these amounts received when calculating the Program income.

Interest / Dividends

Use current earnings statements issued by the bank, investment broker or agent. Identify the YTD interest or dividend earnings. Divide by the number of months this YTD represents and multiply by 12. If statements are not available, and the terms of the investment agreement are available, multiply the principal amount of the asset times the annual interest yield factor for a projected interest earnings amount. If neither are available, use the previous year's earnings statements or tax returns to identify the total annual interest and dividend income. If the assets are still invested in the same instruments, use the previous year's figures.

Alimony / Child Support

Use the monthly amount appearing in the divorce decree, separation agreement or other support document. If the borrower / occupant receives more or less than the amount stipulated in the agreements, use the monthly figure that the borrower / occupant declares and that can be verified (on bank statements for example).

Multiply the verified or calculated amount from the above process times 12.

Pensions / Temporary Payments

Use the benefits statement issued by the benefits provider (pensions, workers compensation, disability compensation, social security, AFDC, etc.) to identify the amount of the benefit, payment frequency and expected term of benefit. Multiply the amount of the benefit times the payment frequency. If the benefit is absolutely not payable to the recipient beyond a given date (a verifiable complete and permanent stop of benefits without extensions, exceptions, waivers or other conditions) and such date is within 12 calendar months of the anticipated closing date, then calculate the benefits expected through the end of the benefits term.

Boarder Income

All income of persons 18 years of age or older who are expected to principally and permanently reside in the residence being financed must be included in the calculation of Current Gross Annual Income. Anticipated Rental Income from 2 – 4 Unit Properties Anticipated rental income from the property being purchased is not included in the calculation of income for Program purposes but may be treated as detailed in Agency guidelines. If the borrower / occupant currently receives income from rental property, that income must be included in the calculation of income. Use the last year's tax returns to establish any rental income and remember to add back depreciation.

Calculation of Current Gross Annual Income

Add together all sources of income per each borrower / occupant. Compare the calculated Current Gross Annual Income to paystubs, VOE's, the previous year's income per W2's and tax returns. You should not note significant differences that cannot be accounted for (i.e., Child Support income). In some cases, the Current Gross Annual Income will be higher than the previous year's income. Significant variances should be attributable to increases/decreases in pay or number of hours worked. If paystubs are being used as confirmation of eligibility, Lenders should note within their loan file any variances and why any variances have occurred.

Calculation of Household Income

Add together the Current Gross Annual Income calculated for each borrower / occupant. Compare the Household Income calculated to the Income Limit to ensure compliance with Program requirements.

DRAFT

**NEVADA RURAL HOUSING AUTHORITY
HOME MEANS NEVADA DPA PROGRAM
PARTIAL EXEMPTION DISCLOSURE**

Borrower(s): [BORROWER(S)]

We are giving a security interest in the property located at:

[ADDRESS1, CITY, STATE ZIP], the Nevada Rural Housing Authority ("*Lender*") is providing a forgivable loan (the "*Forgivable Loan*") in the amount of Fifteen Thousand and 00/100 Dollars (\$15,000) for the purpose of acquiring the property listed above. The proceeds of the Forgivable Loan may be applied toward the down payment requirements of the first mortgage loan secured by the first Deed of Trust and/or to reduce the amount of the associated first mortgage loan.

1. Borrower(s) understands that the Forgivable Loan is a zero interest (0%) loan forgiven after a period of 36 months ("Loan Period") or December 31, 2026, whichever occurs first. No scheduled payments are required unless an action listed in Section 2 below occurs. Borrower must reside in the property for the duration of the Loan Period, at which time, the Forgivable Loan will be forgiven in its entirety; provided none of the conditions identified in Section 2 have occurred.

2. Borrower(s) understands that the Forgivable Loan must be repaid pursuant to the conditions identified in Section 3, if the Borrower:

- (a) Ceases to reside in the property; or
- (b) Prepays or refinances the first mortgage loan secured by the first Deed of Trust before the end of the Loan Period; or
- (c) Sells, transfers or otherwise disposes of the property, including, without limitation, through foreclosure or transfer pursuant to any power of sale before the end of the Loan Period.

3. Borrower(s) understands upon the occurrence of any of the actions described in paragraphs (a) through (c), inclusive, of Section 2 hereof (each a "*Payment Action*"), the Forgivable Loan becomes immediately due and payable, and the Borrower shall repay to the Lender the full loan amount of \$15,000.00.

4. Borrower understands that the Forgivable Loan is not assumable. A subsequent purchaser of the property cannot assume the remainder of the Forgivable Loan.

AMOUNT FINANCED	FINANCE CHARGE	TOTAL OF PAYMENTS	INTEREST RATE	ANNUAL PERCENTAGE RATE
The amount of credit provided to you	The dollar amount the credit will cost you	The amount you will pay upon the occurrence of a Payment Action	The cost of your credit	The cost of your credit as a yearly rate, including any Finance Charge
\$15,000.00	\$ 0.00	The sum of \$15,000.00.	0%	0%

Your payment schedule will be:

NUMBER OF PAYMENTS	AMOUNT OF PAYMENT	WHEN PAYMENT IS DUE
One (1) payment, occurring only upon the occurrence of a Payment Action	The sum of \$15,000.00.	Upon meeting any condition in Section 2

Borrower Paid Closing Costs: _____.

Limits on Borrower Paid Closing Costs: Borrower paid closing costs may only include recording fees, transfer taxes, a bona fide and reasonable application fee, and a bona fide and reasonable fee for housing counseling services. The application fee and housing counseling services fee must be less than one percent (1%) of the second loan amount.

Total fees charged to Borrower do not exceed limits? Yes X No

I/we hereby acknowledge receipt of this disclosure:

Borrower

Date

Borrower

Date

Nevada Rural Housing Authority (NRHA)
HOME MEANS NEVADA RURAL DOWN PAYMENT ASSISTANCE (DPA) PROGRAM

Summary Guidelines

1. Program Overview	The Home Means Nevada DPA Program will provide an incentive to qualified homebuyers to purchase a primary residence in rural areas with populations under 150,000 within the State of Nevada. This incentive will be in the form of a 30-year fixed rate first mortgage along with a no-interest, no-payment \$15,000 3-year forgivable second mortgage.																		
2. Program Goals	Provide a down payment assistance program available to Nevadans purchasing a home in rural areas with population under 150,000, and who meet Home Means Nevada Rural DPA Program Guidelines.																		
3. Program Allocation (Excluding Administrative Expense)	\$2,500,000 for down payment assistance																		
4. Borrower Eligibility Criteria	<p>Eligible borrowers must qualify for and meet all requirements of the Home Means Nevada Rural DPA Program. Allowable first mortgage loans will be "Qualified Mortgages" (QM) that are 30-year, fixed-rate loans from the Federal Housing Administration (FHA), U.S. Department of Veterans Affairs (VA), U.S. Department of Agriculture-Rural Development (USDA-RD), Federal National Mortgage Association (Fannie Mae, Conventional), and Federal Home Loan Mortgage Corporation (Freddie Mac, Conventional).</p> <ul style="list-style-type: none"> Borrower(s) and a Non-Purchasing Spouse cannot have had ownership interest in any principal residence during the last three (3) years. At least one occupying Borrower must be a resident of Nevada for at least six (6) months prior to loan reservation date. Borrower(s) household income not to exceed 300% of Federal Poverty Guidelines (FPG), the 2022 limits are as follows. Lenders must complete the provided Worksheet for Documenting Eligible Household Income. <table style="margin-left: 40px;"> <thead> <tr> <th><u># of Persons in Household</u></th><th><u>Annual Income</u></th></tr> </thead> <tbody> <tr><td>1</td><td>\$40,770</td></tr> <tr><td>2</td><td>\$54,930</td></tr> <tr><td>3</td><td>\$69,090</td></tr> <tr><td>4</td><td>\$83,250</td></tr> <tr><td>5</td><td>\$97,410</td></tr> <tr><td>6</td><td>\$111,570</td></tr> <tr><td>7</td><td>\$125,730</td></tr> <tr><td>8</td><td>\$139,890*</td></tr> </tbody> </table> <p style="text-align: right; margin-right: 40px;">*Add \$14,160 for each additional family member.</p> <ul style="list-style-type: none"> Purchase Price limit to \$647,200 (conforming loan limit), and loan limits must follow loan agency guidelines. Each borrower must complete a homebuyer education course before 	<u># of Persons in Household</u>	<u>Annual Income</u>	1	\$40,770	2	\$54,930	3	\$69,090	4	\$83,250	5	\$97,410	6	\$111,570	7	\$125,730	8	\$139,890*
<u># of Persons in Household</u>	<u>Annual Income</u>																		
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	<p>closing. The homebuyer education requirement may be met by completing NRHA's online course at HomeAtLastEducation.org, or an approved homebuyer education course listed in the Program guidelines.</p> <ul style="list-style-type: none"> • Borrower(s) will work through one of the approved and participating mortgage lenders. The lender will be the borrower's point of contact throughout the process, working with the borrower(s) to obtain a qualifying mortgage and registration for the mortgage and DPA. • Each borrower will be required to provide a satisfactory Dodd-Frank certificate. The form will be provided with other Program documents in the eHousingPlus portal.
5. Property/Loan Eligibility Criteria	<ul style="list-style-type: none"> • The property must be a single-family home, condominium unit, townhome, modular, or manufactured home converted to real property. • The property must be the borrower's primary residence. • The property must be in a rural area with population under 150,000 within the State of Nevada. Not eligible: The city limits of Reno, Las Vegas, North Las Vegas, Henderson, Paradise, Spring Valley, and Sunrise Manor. To verify eligibility, use HALMap.org. • New and existing properties are eligible. • Meet all applicable DPA guidelines, U.S. Bank AllRegs, Ginnie Mae (FHA, VA, USDA-RD), Fannie Mae or Freddie Mac (Conventional) underwriting guidelines.
6. Program Exclusions	<ul style="list-style-type: none"> • Borrowers who have previously used a Home At Last program within the previous three (3) years are not eligible. • Dodd-Frank exclusion for having been convicted of a mortgage-related felony in the past ten years.
7. Structure of Assistance	<p>DPA will be made available to eligible borrowers as follows:</p> <ul style="list-style-type: none"> • \$15,000 DPA structured as a one-time, up-front, forgivable second loan. • A promissory note for the \$15,000 second loan will be for a term of three (3) years in favor of NRHA and be secured by a Deed of Trust recorded against the property as a junior lien to the concurrent first mortgage. Terms of the second loan will be no interest and no monthly payments for the duration of loan term. The DPA loan will be considered satisfied and fully forgiven upon expiration of the 3-year term or December 31, 2026, whichever occurs first, provided the borrower(s) have satisfied all loan terms. NRHA (or the loan servicer) will release the lien and record a reconveyance in the county recorder's office where the property is situated. If the borrower sells or refinances the first mortgage before the end of the second loan term, the entire \$15,000 will be repaid to NRHA.



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8. Per Household Assistance	\$15,000 for down payment assistance.
9. Duration of Assistance	<p>The originating lender will register/lock the \$15,000 DPA and the 30-year fixed rate first mortgage with eHousingPlus, who will serve as the program administrator.</p> <p>At loan closing, the DPA is advanced by the originating lender in a single, lump-sum disbursement.</p> <p>Once it is determined all loan and DPA program requirements and conditions have been met, U.S. Bank, who will serve as the master servicer, will purchase the loans and the originating lender will be reimbursed for the \$15,000 DPA advanced at closing.</p>
10. Estimated Number of Participating Households	It is anticipated that the Home Means Nevada Rural DPA Program will assist approximately 166 households.
11. Program Inception/Duration	The Home Means Nevada Rural DPA Program will tentatively begin on November 14, 2022, and will continue until December 31, 2024, or until funding is fully obligated, whichever comes first.
12. Program Interactions with Other Programs (e.g., other HFA programs)	<p>The Home Means Nevada Rural DPA Program will take advantage of existing infrastructure of participating lenders who are already actively originating Home At Last loans.</p> <p>Borrowers receiving funds from the Home Means Nevada Rural DPA Program will not be eligible for other down payment assistance programs offered by NRHA.</p> <p>Borrowers eligible for the Mortgage Credit Certificate (MCC) program may pair the MCC with the Home Means Nevada Rural DPA Program to maximize home affordability. MCCs are only available in rural areas with population under 150,000. MCCs provide a 20% tax credit rate for the life of the loan if the borrower continues to live in the home as their primary residence.</p>



**NEVADA RURAL HOUSING AUTHORITY
SECOND PROMISSORY NOTE**

[DATE OF NOTE]

[PROPERTY ADDRESS]

[CITY, STATE ZIP]

[2ND LOAN NUMBER]

FOR VALUE RECEIVED, the undersigned (herein "*Maker*") hereby promises to pay to the order of Nevada Rural Housing Authority (herein "*Holder*"), an instrumentality, local government and political subdivision of the State of Nevada, at 3695 Desatoya Drive, Carson City, Nevada 89701 or at such other place or to such other party as Holder may from time to time designate in writing, the principal sum of Fifteen Thousand & 00/100 Dollars (\$15,000.00). This Promissory Note (this "*Note*" or the "*Loan*") is non-recourse to the Maker.

(1) *Defined Terms.* For purposes of this Note, the following definitions shall apply:

(a) "*Deed of Trust*" means the Deed of Trust of even date herewith, executed by Maker, as Trustor, for the benefit of the Holder, as beneficiary, as security for the payment of this Note, said Deed of Trust being recorded subsequent to and concurrently with the First Deed of Trust.

(b) "*First Deed of Trust*" means the Deed of Trust of even date herewith, executed by Maker encumbering the Property.

(c) "*Loan Period*" means the period beginning on the date this Promissory Note is executed and ending 36 months thereafter or December 31, 2026, whichever occurs first.

(d) "*Property*" means the property located at: [PROPERTY ADDRESS, CITY, STATE ZIP] and as further described in Exhibit A attached to the Deed of Trust.

(2) *Amount and Terms.* The Holder hereby advanced to Maker the amount of \$15,000.00 to assist the Maker with down payment assistance in connection with the purchase of the Property (the "*Loan*"). Maker hereby understands that the Loan shall bear interest at the per annum rate of 0.0% interest and is fully forgivable upon the completion of the Loan Period. No payments of principal or interest are due and owing by Maker with respect to the Loan unless:

(a) Maker ceases to occupy the Property as a primary residence at any time during the Loan Period; or

(b) Maker prepays or refinances the loan secured by the First Deed of Trust during the Loan Period; or

(c) Maker sells, transfers, or otherwise disposes of the Property, including, without limitation, through foreclosure or transfer pursuant to any power of sale during the Loan Period.



3. *Repayment.* Upon the occurrence of any of the actions described in paragraphs (a) through (c) of Section 2 hereof, the Maker shall repay to the Holder the entire sum of \$15,000.00. The Maker may prepay the Loan without penalty at any time prior to the expiration of the Loan Period.

4. *Miscellaneous Provisions:*

(a) No alteration, amendment, or waiver of any provision of this Note shall constitute a waiver of any other term hereof or otherwise release or discharge the liability of Maker under this Note.

(b) Maker hereby waives presentment, demand, notice, protest, and all other demands and notices in connection with the delivery, acceptance, performance, default, or enforcement of this Note.

(c) The obligations of the Maker to make payments required hereunder shall be absolute and unconditional without defense or set-off by reasons of any default by the Holder under any agreement between the Maker and the Holder or for any other reason, including, without limitation, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Property, any change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State of Nevada, or any political subdivision of either, or any failure of the Holder to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the payments hereunder.

(d) If this Note is placed in the hands of an attorney for collection, or it is collected through receivership or other court proceedings, Maker promises to pay all costs and expenses of collection, including, without limitation, court costs and reasonable attorney fees of the Holder.

(e) In case any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity or unenforceability shall not affect any other provisions of this Note. This Note shall be construed as if such invalid, illegal or unenforceable provision has never been contained herein.

(f) A CREDIT AGREEMENT MUST BE IN WRITING TO BE ENFORCEABLE UNDER NEVADA LAW. TO PROTECT AGAINST ANY MISUNDERSTANDINGS OR DISAPPOINTMENTS, ANY CONTRACT, PROMISE, UNDERTAKING OR OFFER TO FOREBEAR PAYMENT OF MONEY OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION IN CONNECTION WITH THIS LOAN OF MONEY OR GRANT OR EXTENSION OF CREDIT, OR ANY AMENDMENT OF, CANCELLATION OF, WAIVER OF, OR SUBSTITUTION FOR ANY OR ALL OF THE TERMS OR PROVISIONS OF ANY INSTRUMENT OR DOCUMENT EXECUTED IN CONNECTION WITH THIS LOAN OR MONEY OR GRANT OR EXTENSION OF CREDIT, MUST BE IN WRITING TO BE EFFECTIVE.

(g) The covenants and obligations of this Note shall be binding upon the Maker, its successors and assigns and shall inure to the benefit of the Holder, its successors and assigns and all subsequent holders of this Note; *provided, however*, that this Note shall be assumed only by an immediate family member of the Maker in the case of the Maker's death; *provided, further*, that the Holder may assign this Note at any time in its sole discretion.

(h) The Maker waives presentment for payment, demand and protest and notice of protest, and of dishonor and non-payment of this Note.

(i) Time is expressly made of the essence with respect to every provision hereof and the Deed of Trust. This Note shall be governed by, construed, and enforced in accordance with the laws of the State of Nevada.

This Note is secured by that certain Deed of Trust of even date herewith executed by Maker, as Trustor, for the benefit of Holder, as beneficiary, which Deed of Trust encumbers that certain real property more particularly described therein.

IN WITNESS WHEREOF, the Maker has caused this Note to be executed as of the date first above written.

By: _____

By: _____

Originating Company: _____

NMLS: _____

Individual Loan Originator: _____

NMLS: _____