MORTGAGE REINSTATEMENT ASSISTANCE PROGRAM

1. Program Overview

The Mortgage Reinstatement Assistance Program (MRAP) is one of NAHAC's federally-funded programs developed to provide temporary financial assistance to eligible homeowners who wish to remain in their homes but are in imminent danger of losing their home to foreclosure.

MRAP provides funds to assist income-qualified homeowners cure their delinquent first mortgage loan arrearages, which may also include payments needed to reinstate their loans from foreclosure. Assistance with curing delinquent, non-escrowed property taxes and homeowners' association dues is only available in conjunction with other assistance on the homeowner's mortgage loan.

2. Program Goals

MRAP will prevent avoidable foreclosures by helping homeowners reinstate their past-due first mortgage loans.

MRAP will also mitigate the need for large reinstatement dollars to be capitalized with remaining loan balance, and thus, broaden the population of homeowners who qualify for modification.

3. Target Population/Areas

MRAP is designed to target low-to-moderate income homeowners and address the needs of a homeowner's specific situation in lieu of targeting certain regions or counties.

4. Program Allocation (Excluding Administrative Expenses)

$15,111,197

5. Borrower Eligibility Criteria

- Borrower must be legal U.S. resident or lawful permanent U.S. resident and Nevada resident.
- Borrower qualifies as low-to-moderate income based on per-household income not to exceed 150% of the family State Median Income (SMI).
- Borrower must complete and sign a hardship affidavit/third party authorization to document the reason for the hardship.
- Borrowers who have recently encountered a financial hardship due to their military service are eligible.
- Borrower has adequate income to sustain reinstated first-lien mortgage loan, per NAHAC approved investor guidelines.
- Borrower cannot have liquid assets, other than exempt retirement assets, in excess of the amount of assistance being provided, or $30,000, whichever is less.
- Borrower must agree to provide all necessary documentation to satisfy program guidelines within the timeframes established by NAHAC.

- Mortgage is delinquent as substantiated by homeowner’s hardship documentation. The delinquency and the total amount required to cure the delinquency is verified with the servicer.

- The first-lien mortgage delinquency amount must be less than the MRAP benefit available to the homeowner.

- Loans in foreclosure are eligible.

- The homeowner’s total monthly first-lien mortgage payment PITI (principal, interest, taxes and insurance, as applicable), and any escrowed or non-escrowed homeowner’s association dues or assessments, payment may not exceed 38% of the gross household income excluding temporary income (e.g., unemployment or short-term disability benefits) to meet the definition of an affordable payment.

- On a case-by-case basis, NAHAC reserves the right to review and approve investor program guidelines that utilize affordable mortgage definitions greater than 38%.

- General program eligibility is determined by NAHAC based on information received from the homeowner. Program-specific eligibility is determined by NAHAC on a first-come, first-approved basis until program funds and funding reserves have been exhausted. Loan servicer will implement the HHF program based on participation agreement terms and conditions.

6. Property/Loan Eligibility Criteria

- Current unpaid principal balance (which includes the interest-bearing unpaid principal balance and any existing non-interest bearing forbearance balance) of the first-lien mortgage loan may not be greater than the current GSE loan amount.

- The property securing the mortgage loan must not be abandoned, vacant or condemned.

- The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or condominium) located in Nevada, and it must be their primary residence. Mobile homes are eligible if they are permanently affixed to the real property that is secured by the first lien.

7. Program Exclusions

- Homeowner is in active bankruptcy. Homeowners who have previously filed bankruptcy are eligible for consideration only with proof of court order Dismissal or Discharge.

- MRAP benefit assistance request for reinstatement with a first-lien total monthly first-lien mortgage payment PITI and any escrowed homeowner’s association dues or assessments, payment of greater than 38% of the homeowner’s gross monthly household income, excluding temporary income (e.g., unemployment or short-term disability benefits) will be considered unaffordable and is excluded from MRAP reinstatement benefit assistance. Homeowners with unaffordable payments may be considered for Principal

Reduction Program (PRP) assistance.

- The total past-due arrearages of the first mortgage loan exceeds the maximum available MRAP benefit amount.
- Loan is less than two (2) payments past due as of the date of request for assistance.
- Property is subject to a first priority lien securing a Home Equity Line of Credit (HELOC).

8. Structure of Assistance	NAHAC will structure the assistance as a non-recourse, non-interest bearing subordinate loan in favor of the Eligible Entity (NAHAC) secured by a junior lien recorded against the property in the amount of the HHF assistance. At the conclusion of five (5) years, the subordinate loan will be released. There is no pro-rated forgiveness for this loan. Loan funds will only be repaid to Eligible Entity (NAHAC) in the event of a sale or a refinance that includes cash out and there are equity proceeds available prior to forgiveness. Recovered funds will be recycled in order to provide additional program assistance in accordance with the Agreement.
9. Per Household Assistance	Up to $54,000 per household in total for PITI and any escrowed homeowner's association dues or assessments, arrearages (and in all cases, subject to the HHF program maximum benefit cap of $100,000 with respect to monies previously received under other HHF programs, if any).
10. Duration of Assistance	Available on a one-time basis, per household.
11. Estimated Number of Participating Households	Approximately 1,042. This figure is based on loans with unpaid principal balances ranging from $100,000 to $300,000 with an average funding of $14,500.
12. Program Inception/ Duration	The statewide launch of MRAP was November 1, 2016, and it will continue until December 31, 2020, or until funding is fully reserved, whichever comes first.
13. Program Interactions with Other HFA Programs	Other HFA program benefits may be available to the homeowner provided the HHF program maximum benefit cap of $100,000 has not been exceeded and programs funds are available. The homeowner is required to apply separately for each HFA program.
14. Program Interactions with HAMP	MRAP will serve as a gateway to HAMP, which may include principal reduction of homeowner's mortgage.
15. Program Leverage with Other Financial Resources	NAHAC will require that the servicer waive all accrued and unpaid late charges and NSF fees for all payments funded with MRAP benefits.