

# LUNCHPAD

Homeownership Program by Nevada Rural Housing

## Nevada Rural Housing Authority Administrator's Guidelines

### 2024A SINGLE FAMILY PROGRAM

Published 05/20/24

Revised 11/14/24

Updates are detailed on Page 3



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Non-Targeted Area funds have been allocated  
 Targeted Area funds are still available  
 See HALRates.org

**PROGRAM UPDATES 2024**

Archived Program updates found on the last page of this guide

Date	Topic	Page
05/22/24	Added Partial Exemption Disclosure to the list of program forms	17
05/23/24	Added Certificate of Lender/Closing Affidavit	17
06/11/24	Added new income chart Revised Partial Exemption Disclosure to be signed Pre-Closing	10 17
11/14/24	Added DPA may be used to fund Realtor commission	6

Non-Targeted Area funds have been allocated.  
 Targeted Area funds are still available  
 See HALRates.org

**CONTACT DIRECTORY**  
**954-217-0817 or Toll Free (888) 643-7974**  
**Select Option #2**

Question	Option #	email
Lender Training (Program & System)	Option #4	<a href="#">Click here</a>
Lender User Access (Credentials, Disabled Access, etc)	Option #1	<a href="#">Click here</a>
eHPay - Digital Payment of Compliance Fees	Option #3	<a href="#">Click here</a>
Program Eligibility Questions - READ THIS GUIDE FIRST	Option #2	<a href="#">Click here</a>
Deficiencies - To view and upload compliance file deficiencies	View compliance and Servicer DEFI's in <a href="#">eHP FrontPorch</a> using Digital Docs App, Deficient Compliance Files drop down menu.	
Loan Specific Questions - If you have any questions related to a specific loan already reserved/rate locked in the eHPortal.	Post note in Collaboration Station within <a href="#">eHP FrontPorch</a>	
Credit underwriting questions, refer to their internal UW Department or US Bank	(800) 562-5165	<a href="#">Click here</a>
System Errors - Technical Assistance	Option #6	<a href="#">Click here</a>
<p><b>U.S. BANK</b></p> <p>DU Findings, DTI, Insurance, Collateral and Purchase of the loan questions all need to be addressed by the Servicer directly. eHousingPlus cannot assist you with questions related to these items.</p> <p>Shipping First mortgage closed loan files</p> <p>Questions regarding exceptions on first mortgage closed loan files</p>	(800) 562-5165	<a href="#">Click here</a>
U.S.Bank All Regs Site	<a href="#">Use this link</a> , then select U.S. Bank HFA Lending Guide/500: Housing Finance Agency Programs/Nevada/Nevada Rural.	

## NEVADA RURAL HOUSING AUTHORITY BOND PROGRAM TEAM



### **Nevada Rural Housing Authority**

Create and direct implementation of the first mortgage and down payment assistance program, set the rate, term and points and market the program.

### **Participating Lenders**

Take applications, reserve in their own systems, process, underwrite, approve, fund, close and sell qualified loans to the program. Lenders are responsible for servicing program loans in accordance with Agency (FHA, etc) requirements until they're purchased by the Master Servicer.

### **U.S. Bank Master Servicer**

Provides information on acceptable loan products, delivery and funding, receives all first mortgage files, reviews first mortgage files, notifies lenders of first mortgage file exceptions, approves first mortgage files, purchases pools and delivers loans, delivers certificate.

### **eHousingPlus Program Administrator**

Maintains the program reservation system, websites, and posts Administrator's guide, forms, training materials, provides program and system training, answers program and system questions, receives compliance files, reviews, posts and notifies of exceptions and approves compliance file.

## PROGRAM PRODUCTS

Nevada Rural Housing EIN 88-0153252

PLEASE NOTE THAT RATES AND ASSISTANCE AMOUNTS ARE SUBJECT TO CHANGE AT ANY TIME. With respect to reserved loans, the rate and assistance will not change as long as loans are delivered according to the timetable included in these Guidelines.

### DAILY RATE LOCK RESERVATION AVAILABILITY

#### Reservation start date is May 23, 2024

Reservations in this program are available Monday - Friday 8:15 a.m. - 7:00 p.m. Pacific Time excluding holidays. [Click here to view the Rates/Offerings chart for allowable FICO, Lock Mortgage Rate and DPA](#)

### BOND PROGRAM FIRST MORTGAGE

The borrower receives a 30-year, fixed rate, fully amortizing first mortgage loan with 360 level monthly payments as well as assistance in the form of a second loan equal to **4%** of the note amount to apply toward down payment, closing costs, prepaids, or principal reduction. Allowable loan products include: FHA, USDA Rural Development (USDA-RD), VA loans. The Bond Program loan may not be combined with a Mortgage Credit Certificate.

### BOND PROGRAM ASSISTANCE 5-YEAR FORGIVABLE SECOND MORTGAGE

The Assistance is calculated on the total Note amount. **This amount is funded by the lender at closing and reimbursed by U.S. Bank upon loan purchase.** The 4% Assistance may be used for down payment or closing costs, pre-paids, **and to fund Realtor commissions.** While there is no cash back in the Launchpad Program, the borrower may be reimbursed for any overpayment of escrow. Because the Assistance is a fixed percentage, any remaining Assistance must be applied as a principal reduction. **Assistance is in the form of a 0% interest, second mortgage, forgivable after a period of 60 months, with no scheduled payments.** The DPA second mortgage will only be due from the borrower if the first mortgage is prepaid, refinanced or if the borrower sells, transfers or otherwise disposes of the property, including foreclosure, or no longer resides at the property, before the end of the 60 month period. The Assistance is reserved automatically with the first mortgage reservation. There is no additional reservation necessary. The Partial Exemption Disclosure for the forgivable second mortgage is provided in eHP Front Porch via the eHProForms App and should be signed at closing. Lenders should follow current CFPB rules and consult with their compliance and legal departments with any disclosure related questions.(Rev. 11/14/24 Effective 09/16/24)

## ELIGIBLE LOAN AREAS

During the first 60 days following the initial reservation date (May 23, 2024) the Program is restricted to residences located in Lincoln County, Nye County, and the rural portion of Clark County. Beginning July 22, 2024, Mortgage Loans may be reserved throughout the entire Eligible Loan Area.

All of the following areas are eligible:

- Carson City
- Churchill County
- Clark County – communities with populations under 150,000
- Douglas County
- Elko County
- Esmeralda County
- Eureka County
- Humboldt County
- Lander County
- Lincoln County
- Lyon County
- Mineral County
- Nye County
- Pershing County
- Storey County
- Washoe County – communities with populations under 150,000
- White Pine County

**AREAS NOT ELIGIBLE:** The City limits of Reno, Henderson, Las Vegas and North Las Vegas and the Towns of Enterprise, Paradise, Spring Valley and Sunrise Manor.

To verify eligibility for property located in Clark County or Washoe County, use the Nevada Rural Housing Authority's [HALmap.org](https://www.halmap.org) website. All other Nevada counties are 100% eligible.

## THE LAUNCHPAD BOND PROGRAM REQUIREMENTS

All loans in this program must be FHA, USDA-RD, VA loans. Follow Agency guidelines unless otherwise noted.

### Eligible Borrowers

1. Buyers and their spouse (occupant and non-occupant) must be first-time buyers (exceptions to the first-time buyer requirement for buyers using the Veterans Exception and buyers purchasing in a Federally Designated Targeted Area).
2. Other Residential Ownership is not permitted. Borrowers may not have an ownership interest in another residential property at the time of the loan closing unless the property is listed for sale or under contract. Regardless of them not owning a primary residence in the last 3 years.
3. With regard to citizenship requirements, follow applicable Agency (FHA, USDA-RD, VA) and U.S. Bank guidelines.
4. Buyers and their spouse must not exceed the maximum household income and purchase price limits determined by the program.
5. Buyers must live in the property they purchase as their principal residence.
6. All applicants must be considered irrespective of age, race, color, religion, national origin, sex, marital status, military status or physical handicap. This is an equal opportunity program.
7. Buyers must occupy the property purchased within 60 days of closing.
8. Contact the eHousingPlus Compliance with questions regarding eligibility.
9. A Fraud Report is required for all borrowers and a real property search is required for a non-purchasing spouse to validate the first-time homebuyer requirement.

Contact eHousingPlus Compliance with questions regarding eligibility.

### First-Time Homebuyer

Borrower(s), including non-borrowing spouse, must not have had an ownership interest in their primary residence within the last three years unless purchasing in a Federally Designated Targeted Area or if qualifying under the Veteran's Exemption.

### Documentation to Validate First-Time Homebuyer Eligibility

The following evidence is required and must be included with each loan submission file (compliance file):

**A Fraud Report is required for all borrowers.** Include ALL pages of the Fraud Report. The Lender must CLEARLY identify (using highlight or asterisks) the borrower property current ownership and three year history. On page one of the report, please include notation to identify the Fraud Report page number, without this identification, the file cannot be compliance approved.

**A Real Property Search is required for a Non-Purchasing Spouse**, in the county in which the NPS lives. The results of the search must be printed and included as part of the eHousingPlus compliance file submitted post-closing.



## FIRST-TIME HOMEBUYER EXCEPTIONS

### Veterans Exception

Veterans who meet the qualifications listed in this paragraph are not required to be first-time homebuyers. A "veteran" is defined as "a person who served in the active military, naval or air service, and who was discharged or released therefrom under conditions other than dishonorable." The Mortgagor Affidavit has a checkbox that states: "Mortgagor (Co-Mortgagor) meets the requirements to qualify as a 'veteran' as defined in 38 U.S.C. Section 101 and has not previously obtained a loan financed by single family mortgage revenue bonds utilizing the exception to the first-time homebuyer requirement for Residences to Veterans under Section 143(d)(2)(D) of the Internal Revenue Code. Attached hereto are true and correct copies of my discharge or release papers, which demonstrate that such discharge or release was other than dishonorable." Veterans would need to provide a valid DD214 that reflects a discharge status of other than dishonorable to qualify under the Veterans' Exemption.

### Targeted Areas

A borrower purchasing a home in a federally designated targeted area is not required to be a first-time homebuyer. [Click on this link to look-up the property address.](#) Then compare the tract to the allowable targeted area census tracts listed below. If you find a match, the property is located in a targeted area. When reserving funds, choose from the TARGETED AREA rate/offering.

Per Rev. Proc. 2024-08, the following census tracts constitute the Targeted Areas for this program:

Clark County:	22.01 (except for areas within the City of Las Vegas or the Town of Paradise) 22.07 50.10 (except for areas within the City of Henderson) 57.03 57.04 60.01 (except for areas within the City of North Las Vegas or the Town of Sunrise Manor) 78.01 (except for areas within the Town of Sunrise Manor)
Lyon County:	9602.06 9609.01
Nye County:	9604.11 9604.13 9604.14
Washoe County:	19.01 19.03 27.03 (except for areas within the City of Reno)

## INCOME LIMITS

Program qualifying income includes 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 any other person that is expected to live in the home and be secondarily liable on the mortgage loan. Family Income includes but is not limited to Annual Wages, Commissions, Bonuses, Self-Employment (Plus Depreciation), Dividends, Interest, Annuities, Pensions, Child Support, Alimony and Public Assistance. Income of a non-purchasing spouse will need to be included. Current family income may or not be the same income amount used to qualify for credit underwriting purposes. However, in no case may current annual family income be less than the income used to qualify borrowers. To determine the number of people in the household include everyone who will live in the home as their principal residence.



Homeownership Programs Income Limits

Home At Last™ - FHA, VA, USDA loans	County	Household Size	Income Limit*
	All	All	\$165,000
Home At Last™ - Conventional loans if borrower income exceeds 80% AMI	County	Household Size	Income Limit*
	All	All	\$165,000
Home At Last™ - Conventional loans if borrower income is 80% AMI or less	County	Household Size	Income Limit*
	Carson City	All	\$71,120
	Churchill	All	\$80,240
	Clark	All	\$70,240
	Douglas	All	\$81,520
	Elko	All	\$85,200
	Esmeralda	All	\$75,840
	Eureka	All	\$73,840
	Humboldt	All	\$73,840
	Lander	All	\$86,560
	Lincoln	All	\$73,840
	Lyon	All	\$71,520
	Mineral	All	\$73,840
	Nye	All	\$73,840
	Pershing	All	\$73,840
	Storey	All	\$80,960
Washoe	All	\$80,960	
White Pine	All	\$79,600	
Home Means Nevada Rural DPA Program	County	Household Size	Income Limit**
	All	1	\$45,180
	All	2	\$61,320
	All	3	\$77,460
	All	4	\$93,600
	All	5	\$109,740
	All	6	\$125,880
	All	7	\$142,020
	All	8	\$158,160*
* Add \$16,140 for each additional household member.			
First-Time Homebuyer Programs: Launchpad and Mortgage Credit Certificate	Maximum Purchase Price	Income Limit***	
		1-2 Persons	3 or More Persons
Carson City	\$523,596	\$93,081	\$107,043
Churchill	\$510,939	\$95,200	\$109,480
Clark	\$510,939	\$95,200	\$109,480
Douglas	\$674,543	\$120,840	\$140,980
Elko	\$510,939	\$106,500	\$122,475
Esmeralda	\$510,939	\$94,800	\$109,020
Eureka	\$510,939	\$97,400	\$112,010
Humboldt	\$510,939	\$92,300	\$106,145
Lander	\$510,939	\$108,200	\$124,430
Lincoln	\$510,939	\$92,300	\$106,145
Lyon	\$510,939	\$92,300	\$106,145
Mineral	\$510,939	\$92,300	\$106,145
Nye	\$510,939	\$92,300	\$106,145
Pershing	\$510,939	\$92,300	\$106,145
Storey	\$636,806	\$115,418	\$132,731
Washoe	\$636,806	\$115,418	\$132,731
White Pine	\$510,939	\$95,200	\$109,480
<p>*Home At Last Income Limits effective May 19, 2024</p> <p>**Home Means Nevada Income Limits effective January 17, 2024</p> <p>***Launchpad/MCC limits effective May 23, 2024 (Non-targeted area limits are displayed, refer to guidelines for targeted area limits).</p> <p>For full Launchpad and MCC program guidelines visit eHousingPlus.com or HomeAtLastLenders.org.</p>			



**Unless otherwise directed, Lenders are responsible for assuring that loans meet the strictest of Agency (FHA, etc) and/or program guidelines with respect to income and sales price limits.  
See pages 26-30 for Calculating Bond Income**

Non-Targeted Area funds have been allocated.  
Targeted Area funds are still available  
See HALRates.org

### **PURCHASE PRICE- ACQUISITION COST LIMITS**

The cost of acquiring residential property as a completed residential unit, including: all amounts paid, either in cash or in kind, by the mortgagor or a related party for the benefit of the mortgagor to the seller(s); or related parties for the benefit of the seller(s) as consideration for the residential property. While the program refers to Acquisition Limits - in most cases this is the Sales Price and is never FHA Acquisition limits.

The following costs are excluded: (1) those settlement costs and financing costs that are usual and reasonable and that would be paid by the mortgagor where financing is not provided through a qualified mortgage bond issue; (2) the value of any services performed by the mortgagor and family members in completing a dwelling unit on the residential property; and (3) the cost of any land that was owned by the mortgagor for at least two years prior to the construction of a dwelling unit on the residential property.

### **PROPERTY QUALIFICATIONS**

#### **Eligible Properties**

In addition to the Acquisition Limit, eligible properties must meet the following criteria:

- Located with the Program Area.
- One to two unit family residences (where one unit is occupied by the owner).
- Attached or detached, townhomes, PUD's, condos and manufactured\*\* homes.
- Single units may be new or existing construction (homes are considered new if never previously occupied).
- Two-unit properties may be new construction only in Targeted Areas; outside of Targeted Areas, two-unit properties must be 5 years old or older.



LAUNCHPAD AND MORTGAGE CREDIT CERTIFICATE PROGRAM PURCHASE PRICE LIMITS				
Effective May 23, 2024				
County	Non-Targeted Areas 1 Unit	Non-Targeted Areas 2 Units	Targeted Areas 1 Unit	Targeted Areas 2 Units
Carson City	\$523,595	\$639,950	\$670,286	\$819,239
Douglas	\$674,542	\$824,441	\$863,533	\$1,055,430
Storey	\$636,805	\$778,318	\$815,234	\$996,397
Washoe	\$636,805	\$778,318	\$815,234	\$996,397
All Other Counties	\$510,939	\$624,481	\$654,187	\$799,562



**\*\*Manufactured Housing Requirements**

Manufactured homes must meet all HFA, State, FHA, VA, USDA-RD, and U.S. Bank requirements to be eligible for sale to [U.S. Bank Home Mortgage](#). Refer to the U.S. Bank HFA Lending Guide 900: H. Manufactured Housing Requirements, 713-19 Manufactured Housing, 1500: Manufactured Housing.

- o Minimum 680 FICO
- o Maximum DTI is 45%
- o NO Manual Underwrites Allowed
- o NO Single-Wide Manufactured Housing

**Property Limitations**

- Recreational, mobile, seasonal or other types of vacation or non-permanent homes are not permitted.
- The remaining economic life of the property may be no less than 30 years.
- Land purchased with the residence may not exceed the size required to maintain basic livability of the residence and must not provide, other than incidentally, a source of income for the borrower and may not be used for agricultural production or for other income-producing activities.
- No more than 15% of the square footage of the home being purchased may be used in connection with a trade or business including Child Care services (other than incidental rental from eligible multi-unit structures).
- Temporary, construction or bridge financing with a term of 2 years or less may be taken out with a program loan.

- Construction to perm is not permitted.

### **Owner-Occupied Two Unit Family Residences and Accessory Dwelling Units**

Purchase of two unit family residences (including residences that include an accessory dwelling unit) is allowable under the following circumstances:

- 1) One unit is occupied by the owner of the units; and
- 2) The units to be purchased were first occupied more than 5 years before the mortgage is executed.
  - o This second requirement does not apply to any two-family residence if the residence is in a Targeted Area. Duplexes in a Targeted Area may be purchased for new construction or existing construction that is less than 5 years old.

For these purposes, an accessory dwelling unit is defined as a segregated living space in excess of 15% of the total square feet of living space in the residences. An accessory dwelling unit counts toward the maximum of four residences.

### **HOMEBUYER EDUCATION**

All buyers (any person on title to the property) must attend an approved homebuyer education course. All borrowers, except for cosigners are required to attend, including first-time buyers and repeat buyers. HUD-Approved Courses in Nevada are accepted and preferred. Other acceptable courses include:

1. Nevada Rural Housing Authority - [Online Homebuyer Education](#)
2. Fannie Mae HomeView- [Online Homebuyer Education](#)
3. Freddie Mac CreditSmart- [Online Homebuyer Education](#)

### **CREDIT SCORE, DTI & LTV REQUIREMENTS GOVERNMENT LOANS**

(Source U.S. Bank Product Guidelines)

- Lenders should always refer to the most current U.S. Bank Product Guides published on the AllRegs website. [Use this link](#), then select U.S. Bank HFA Lending Guide/500: Housing Finance Agency Programs/ Nevada/NevadaRural/Product Guides.
- Mid credit score must be the minimum or above.
- If a loan agency requires a higher minimum credit score, lower DTI, or lower LTV, lenders must follow the loan agency guidelines.
- If a lender requires a higher minimum credit score, lower DTI, or lower LTV for their other loans, they may apply the more restrictive requirements for Nevada Rural Launchpad Bond Program loans.
- For borrowers with no credit score, lenders must follow U.S. Bank and loan agency guidelines. Refer to the AllRegs for current requirements.

**AUS Submissions - Accept/Approve Eligible**

Product Type	Property Type	Maximum Ratios <sup>2</sup> GUS, LPA, DU	Minimum Credit Score <sup>3</sup>	Required Reserves
VA USDA/RD	1 – 4 Units, Condos/Townhomes <sup>4</sup>	45%	640	As determined by GUS, DU, or LPA.
		50%	680	
	Manufactured Homes <sup>5</sup>	45%	680	
FHA	1 – 4 Units, Condos/Townhomes <sup>4</sup>	45%	640	As determined by GUS, DU, or LPA.
		50%	680	
	Manufactured Homes <sup>5</sup>	45%	680	

**Manually Underwritten <sup>1</sup>**

FIN FAC	Product Type	Property Type	Maximum DTI Ratios <sup>2</sup>		Minimum Credit Score <sup>3</sup>	Required Reserves	ANCING TS
			Housing	Total Debt			
It is	VA	1 – 4 Units, Condos/Townhomes <sup>4</sup>	N/A	41%	640	2	t h e
	USDA	1 – 4 Units, Condos/Townhomes <sup>4</sup>	29%	41%	640	2	
	FHA		Not Allowed				

responsibility of the lender to follow all program, Agency (FHA, USDA-RD and VA) and Servicer guidelines.

**Additional Fees**

No Broker Fees or additional fees to realtors are allowed to be charged on the first or second mortgage.

**Appraisal**

The appraisal must indicate that the home has at least a 30-year remaining useful life.

**Assets** - All available assets are not required to be used in this Program. The Program does not have asset restrictions.

**Assumptions**

First mortgage loans may be assumed by a qualified borrower meeting qualifying requirements, income and acquisition price restrictions in place at the time of the assumption. Such loans must continue to fully comply and be insured or guaranteed by the insurer/guarantor or the mortgage insurer. The second mortgage loan is not assumable.

**Buydowns** Not allowable.

**Cash Back** Cash back to the borrower is not permitted. Borrowers are permitted a reimbursement of pre-pays and overage of earnest money deposit to the extent any minimum contribution has been satisfied and is permitted by applicable Agency (FHA, USDA-RD, VA) guidelines.

**Co-signers** Permitted to the extent allowed by applicable Agency. Treat co-signer income as directed by the Agency. A co-signer cannot have any ownership interest in the property (they cannot be on the



mortgage, deed and they cannot take title to the property). A co-signer cannot live in the property. Non-occupant co-borrowers are not permitted.

### **Construction to Perm**

Construction to Perm is not permitted in this program.

### **Final Typed Loan Application (1003)**

The typed application signed and dated by all parties is required. Loan interviewer must complete and sign page 3 of 4 of the 1003. If this is not possible, then an Officer must sign in place of the interviewer. All persons taking title to the property must execute all program documents. The income disclosed on the Affidavit must be the same or more than that shown on the 1003. The purchase price, loan amount, and other financial details must be the same as shown on all other documents.

### **Minimum Loan Amount**

There is no minimum loan amount required in this program.

### **Non-Borrowing Spouse**

The non-borrowing spouse will not sign the note and cannot take title to the property. The non-borrowing spouse must sign the Mortgage and the Tax-Exempt Financing Rider.

### **Owner Occupancy Requirement**

The borrower must occupy the residence as their principal residence for the term of the loan or until the loan is satisfied and within 60 days of loan closing.

### **Power of Attorney**

Permitted but must satisfy Agency (FHA, USDA-RD, VA) requirements as well as U.S. Bank requirements. Refer to the U.S. Bank lending manual. Active duty military personnel must also provide an Alive and Well Letter. Lenders should contact their title company/closing agent for information regarding POA requirements in the State of Nevada.

### **Prepayment**

The second mortgage loan, as well as the first mortgage loan, may be prepaid at any time without penalty.

### **Real Estate Purchase Contract**

The full address of the property, full names of all sellers and buyers, total purchase price of the property must be included. If there is not an address for new construction, a lot number and subdivision name are required. All named persons must sign. Include the name and title whenever a representative is signing for a corporation.

### **Recapture Tax**

Borrower(s) may be subject to recapture tax upon resale if borrower(s) have a gain resulting from the sale or disposition of the property purchased under this Program within the first nine years of ownership and the initial qualifying annual Household Income increases above specified levels at the time of sale or disposition of the residence. A borrower should be provided the Recapture Brochure at time of reservation, this may be printed directly from the eHP FrontPorch portal using the eHProForms app.

**Recordation Requirements** The first and second mortgages must be recorded in the following order:  
First Mortgage, Assignment of First Mortgage;  
Second Mortgage and Note recorded as one document (Marital Status must be noted for all borrowers).

### **Remaining Reserves**



Remaining reserves are not established by the program. If any, these are determined by the type of financing used (i.e. FHA, VA.).

**Second Mortgage Documents / Title Insurance**– Borrowers must sign all second mortgage documents at the same time the first mortgage documents are signed. The second Deed of Trust to Nevada Rural Housing Authority must be recorded concurrently with the first mortgage at closing (if borrower receives down payment assistance). US Bank should be listed as the Trustee on the second Deed of Trust. Nevada Rural Housing does not require title insurance for the second mortgage.

**Subordination Agreements/Payoff Statements** - Nevada Rural Housing Authority will not subordinate its second loan position if the borrower refinances the first mortgage or obtains a home equity line of credit (HELOC). To order a payoff statement, please fax a written request with borrower authorization to US Bank at 877-903-6972.

**Mortgagee Clause / Loss Payee for 2nd Lien**

U.S. Bank National Association  
 Its Successors and Assigns as Their Interest May Appear  
 C/O U.S. Bank Home Mortgage  
 P.O. Box 961045  
 Fort Worth, TX 76161-0045

Form	Signed When?	Borrower	Co-Borrower	Non Purchasing Spouse	Co-signer
Notices to Buyers;	Pre-Closing	Yes	Yes	Yes	No
Recapture Brochure	Not signed, informational only.				
Partial Exemption Disclosure	Pre-Closing	Yes	Yes	Yes	No
Mortgagor Affidavit	Closing	Yes	Yes	Yes	No
Certificate of Lender Closing Affidavit	Closing	Yes	Yes	Yes	No
Tax Exempt Financing Rider	Closing	Yes	Yes	Yes	No
Commitment & Gift Letter	Closing	Yes	Yes	Yes	No
Notice of Potential Recapture Tax	Closing	Yes	Yes	Yes	No
Cosigner Affidavit	Closing	No	No	No	Yes
2nd Deed of Trust	Closing	Yes	Yes	Yes	No
2nd Note	Closing	Yes	Yes	No	Yes

U.S. Bank reviews all second mortgage documents post-closing. NOTE: Reference HFA specific checklist for second lien documentation required for delivery in the U.S. Bank Lending Guide.

## PROCESS SUMMARY FROM TRAINING TO LOAN PURCHASE

### MANDATORY HAL University PROGRAM TRAINING

Lender training is mandatory for anyone working with this program. HAL University provides program training online 24/7. [To attend click on this link.](#)

### eHP TECHNICAL AND WORKFLOW TRAINING

Our On-Boarding process is designed to provide all participating lenders and their staff web-based training related to the Technical and Workflow requirements of each program.

Based on your role, there are certain training requirements prior to adding a new Program and Features.

Once you have submitted the Technical and Workflow Registration, the eHP On-Boarding Team will create a specific training program for you based on the role(s) you selected, and you will receive an email confirmation with relevant information. Upon completion, your User Credentials will be created (if you are new User) or updated (if you are a current user) and you will receive a system generated email with this notification. [Click here to register for the on-demand Technical and Workflow training.](#)

### QUALIFY

Lenders use program requirements to qualify applicants for the program. Buyers must present an executed sales agreement before being entered into the program reservation system.

### PROCESS

Lenders process the loan as they would normally keeping in mind the program timeline. Please do not reserve funds too soon. Wait to reserve until you are relatively sure your underwriter will approve the loan prior to reservation in the eHousingPlus Lender Portal.

### RESERVE FIRST MORTGAGE FUNDS

To reserve funds, use the [eHousingPlus eHPortal](#). Log in and reserve the first mortgage that **automatically** reserves the Nevada Rural Launchpad Bond Program Assistance. To reserve funds in the program the borrower is required to have a signed real estate purchase contract for a specific address. Lender will need a 1003 and the Real Estate Purchase contract in order to make a reservation. If the reservation is successful, you will receive a loan number and a message that you've completed the reservation successfully.

**IMPORTANT** - A reservation is for a borrower with a real estate purchase contract for a specific property. If the property needs to change, the loan must be cancelled and re-reserved. The lender is responsible for cancelling the loan within the eHousingPlus Lender Portal. And then, the lender must [click on this link to complete an online form the CLEAR FLAGS on a cancelled loan](#) so the funds may be re-reserved with a new address. Until this process is complete, the lender will not be able to re-reserve funds for the borrower.

### PRINT PRE-CLOSING FORMS

Provide the borrower with the Notices to Buyers; Authorization for Counseling and Recapture Tax Brochure at time of reservation.

[Log-in here and use the eHProForms App](#) to print the following pre-closing forms:

- Notices to Buyers w/Recapture Brochure



**eHP Tip!** Need a reminder as to how to register a loan, complete the UW Certification, edit a loan

or print forms?

[Log-in to eHP FrontPorch](#), then click on the eHPlaylist to view a short video.

## PROCESS

Lenders process the loan as they would normally keeping in mind the program timelines.

### UNDERWRITE AND CERTIFY

Lenders underwrite and are responsible for credit decisions of the loans in the program. Servicer does not re-underwrite loans. Following credit approval AND anytime prior to closing, the Underwriter completes the online Underwriter Certification within the eHPortal. Once a loan is Underwriter Certified no further changes can be made. If a change needs to occur after the certification is complete, please [Log-In Here](#) > Collaboration Station and request for the underwriter certification to be removed.

### CLOSE AND VERIFY

**THE LENDER WILL FUND ALL DOWN PAYMENT ASSISTANCE AT LOAN CLOSING.** Upon loan purchase, U.S. Bank will reimburse the lender.

It's important to provide accurate closing instructions to closing agents. All program documents must be returned to the lender. It is VERY important to note, if the loan amount, purchase price or down payment assistance amount changes, and you have already printed forms, you'll need to print the forms again so the information on the form is accurate. The following program forms are found within [eHP FrontPorch](#) using the eHProForms App.

### WHO SIGNS THE PROGRAMS FORMS?

A non-borrower is not permitted to be on title or deed.

### COMPLIANCE FILE DELIVERY INSTRUCTIONS

#### ASSEMBLE THE COMPLIANCE FILE

Compliance Files and Corrections to previously submitted files with erroneous or missing required documents will be managed through **eHP FrontPorch**. This portal provides lenders with all the tools necessary to deliver the required documents for the approval of the originated loan(s) in their respective affordable homebuyer programs. **eHP FrontPorch** is a secure, easy to use and efficient way for lenders to deliver the Compliance File, Correct DEFI's and pay the required Compliance Review Fees via our **eHPay** on-line fee approval, and related tools.

To assemble the compliance file, you will need a checklist. The checklist is specific to this program and used to submit the compliance documents post-closing to eHousingPlus.

[Log-in here and use the eHProForms App.](#)

Items to be uploaded in the compliance file include:

- Homebuyer Education Certificate
- Nevada Rural Bond Notices to Buyers; Authorization for Counseling
- Nevada Rural Bond Mortgagor Affidavit (Spouse's income needs to be considered as part of the household income. If the spouse did not have income, please state so.)
- Nevada Rural Certificate of Lender/Closing Affidavit
- Nevada Rural Bond Notice of Potential Recapture Tax
- Nevada Rural Bond Affidavit of Co-Signor (If applicable)

- Real Estate Purchase Contact
- Fraud Report – must verify borrower(s) real property ownership history
- Real Property Search for non-purchasing spouse for the county in which the NPS lives (If applicable)
- FINAL SIGNED 1003
- FINAL SIGNED CLOSING DISCLOSURE (CD)
- Warranty Deed
- Discharge Papers (DD214) if Veteran using Veteran's Exception

### UPLOAD THE COMPLIANCE FILE

[Log-in here and use the Digital Docs App](#) to upload the compliance file.

The Compliance File should be a PDF file uploaded upright and in a clear legible format, composed of all required documents on the Checklist. Don't upload a compliance file until everything is included in the package. The more complete the file, the quicker the review and approval, and the file AND fee must be received to start the review process. Be aware that Loans will go straight to deficient status if items are missing, or if the fee was not received or properly identified. Once you are ready to upload your documents select eHPDigital Docs and from the drop down menu click on New Upload and follow the prompts.

### SUBMIT THE REQUIRED COMPLIANCE REVIEW FEE

The Compliance Review Fee may be submitted separately from the Compliance File.

eHPay is a secure, efficient method for lenders to pay the fees ON-LINE. Loans managed through eHPay are processed faster, without fee errors or other unnecessary delays. The Lenders Accounting Staff can access eHP FrontPorch and process the compliance fees payment easily via the Digital Docs App and eHPay.

Not sure of the required fee for your loan? Use the **FIND MY FEE** feature and get the instant answer by entering the eHP loan number or by Program. Compliance Files uploaded are NOT ready for review until the Compliance Review Fee Payment has been received by eHP.

USE **PAYMENT CENTRAL** to determine any loan that may be pending fees, unidentified payments, files pending payment and short payments.

**LOANS PENDING FEES** lists Compliance Files that have been uploaded successfully, but whose fee payment is still pending. Lenders can monitor this area to ensure their fees have been delivered in a timely manner.

**UNIDENTIFIED PAYMENTS** are payments received from your company without the proper identification to apply it to the intended loan. Lenders can monitor this area to ensure that payments made are being properly identified with the eHP LOAN NUMBER.

**PAID LOAN FILES** lists compliance file that have been paid.

**SHORT PAYMENTS** If an incomplete payment is submitted, it will be displayed indicating the amount paid and the correct fee amount.

### **CLEAR A DEFICIENT COMPLIANCE FILE**

#### **LOAN DEFICIENCIES ARE NOT ACCEPTED VIA EMAIL.**

Clearing files deficiencies is critical to your loan being approved and ultimately purchased. In the Deficient Compliance Files drop down, choose View/Upload Corrected DEFIs. This area will assist you in viewing what needs to be corrected, which documents are approved and complete, and you will have the ability to upload the correction and communicate with us in one simple area.

Is very helpful in resolving outstanding issues and having broader visibility for all of your post-closing staff who may need to work on resolving these discrepancies.

Please make sure that your shipping and post-closing staff is very familiar with this area.

Remember your loan can't be approved with outstanding deficiencies.

### **EHP COMPLIANCE APPROVAL**

Following approval of Compliance File by eHousingPlus, lenders are notified and reminded of the purchase deadline. The Servicer is notified and the file may be approved for purchase.

### **SUBMIT MORTGAGE FILE & CREDIT PACKAGE TO SERVICER**

The Mortgage File including Credit Package are sent to U.S. Bank. The U.S. Bank Delivery and Funding Checklist is found within the U.S. Bank web site. [Use this link](#), then select U.S. Bank HFA Lending Guide/500: Housing Finance Agency Programs/Nevada/NevadaRural/Product Guides. If you experience any technical difficulty, please contact U.S. Bank HFA Division directly at 800-562-5165. U.S. Bank notifies lenders of exceptions.

# Welcome to the Next Generation of eHousingPlus® Solutions



## FINAL DOCUMENTS

The recorded mortgage documents should be sent to U.S. Bank.

Non-Targeted Area funds have been allocated.  
Targeted Area funds are still available.  
See HALRates.org

### **eHP FrontPorch Helpful Tips**

Our new eHP FrontPorch graphical menu lets you access all apps and tools with one click. These apps were designed to assist you with the program requirements and workflow. In addition, eHP FrontPorch introduces new innovative tools such as Collaboration Station, Quick Tips, the eHPlaylist, and the Alerts and Notifications area. These NextGen Lender Platform tools have been designed to help you complete your tasks quick and easy.

### **eHProForms**

eHProForms is our newly designed forms generation App where a lender will access all program related documents. Using a search feature to quickly access the loan file, it provides all of the program forms that are required for your specific loan.

The forms are now organized by purpose leading with compliance related forms which will be part of the compliance package you sent to eHousingPlus, other forms you will submit to the Servicer and two additional areas for special forms and documents that may apply to your loan. The forms instantly generate from your loan record so it's essential to make sure that you review the information for accuracy.

If something needs to be updated you can log into the eHPortal, edit the loan and you come back to eHP FrontPorch and regenerate the forms.

It's easy and you can create forms as many times as you need with just one click.

If your loan record has not been updated, your loans will be incorrect, and your file will be placed in deficient status.

Clicking the waffle menu at the top of the page is an easy way to get back to the main menu.

### **eHP FrontPorch Helpful Tips**

#### **Collaboration Station**



Collaboration Station creates a history of any issue that's been communicated regarding a specific loan and provides certain status alerts.

In Collaboration Station you can create a note to save to the loan file or you can send a message to anyone in our compliance team.

Click the message icon and a menu of eHousingPlus staff will appear at the top with their role for you to make the appropriate selection. You may include your team members who have user credentials to eHP FrontPorch that may assist in expediting solutions for your loans.

In Collaboration Station you can also find the Servicer notes and exceptions that need to be addressed with them. By providing this view to you it gives you transparency to any problem that has to be resolved related to the mortgage or collateral submitted to the Servicer.

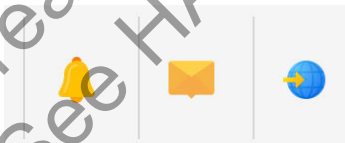
This view can be grouped, filtered, searched and exported.

### Quick Tips

Quick Tips is a library of useful tips to give you simple quick how to answers on common topics related to the process. It's a way to have short simple tips at your fingertips by roller subject where you can catch up and get you up to speed fast. These Quick Tips are a great place to search for frequent questions, concerns, or simply to educate yourself on a variety of topics.

### eHPlaylist

The eHPlaylist is a newly created video platform with tutorials on where to perform tasks best practices and how-to's, all created to assist you with important information. Visual content is easy to access and understand and our playlist has a library of short concise and process-based learning topics. The video library has various categories and brief descriptions to easily build learning tools for your team. Together with Quick Tips the eHPlaylist will provide you and your team with continuous learning resources to help you keep up to date with any platform or process changes.



### Alerts and Notifications

The Alerts and Notifications area (bell and envelope icons) has been designed to provide you notifications of notes and messages related to your loans, with additional notification of status changes based on your role. When you send and receive messages using this app, you will receive a notification alert so you can easily see what's happening with your loans.

The last area on the notification panel (world icon) is made available to help you navigate to any of the program pages, guidelines, eHPUniversity and to view eHP News.

## PROGRAM TIMETABLE

Buyers MUST HAVE A FULLY- EXECUTED SALES CONTRACT FOR A SPECIFIC PROPERTY in order to have funds reserved or be on a waiting list. The contract may be dated prior to the date of the loan application. Buyers may be pre-qualified. However, if the buyer does not have a contract on a property,



program funds cannot be reserved for the buyer until such time as the buyer presents a valid contract. To assure that loans are purchased, please follow the Processing, Delivery and Purchase Timetable below. Please DO NOT reserve loans that cannot meet the timetable.

If the loan is not underwriter certified PRIOR to the loan closing, the loan is subject to cancellation. eHousingPlus notifies Lenders via email that the loan may be canceled if the underwriter certification is not completed. If the closing date is extended, please change the closing date in the eHPortal. If your underwriter needs additional time to complete the certification, [log-in to eHP frontPorch](#) > Collaboration Station > Enter eHP Loan Number > leave a note and explain why the Underwriter cannot complete the certification.

A reservation is for a borrower with a real estate purchase contract for a specific property. If the property needs to change, the loan must be cancelled and re-reserved. The lender is responsible for cancelling the loan within the eHousingPlus Lender Portal. And then, the lender must [click on this link to complete an online form the CLEAR FLAGS on a cancelled loan](#) so the funds may be re-reserved with a new address. Until this process is complete, the lender will not be able to re-reserve funds for the borrower.

### **Loan Processing, Delivery and Purchase Timetable**

Once a loan is reserved in the eHousingPlus system and is provided the Servicer's Loan number, the loan must be:

- Underwriter Certified PRIOR to loan closing
- **Purchased within 70 days of loan reservation\***

\* 70 days is from reservation to loan purchase by the servicer (this means the loan file closed, received compliance approval and the loan is purchased by US Bank).

### **Loan Purchase Extension Fee**

Any loan not purchased within 70 days will automatically receive a one-time 30-day extension at the cost of \$375. The \$375 extension fee is due whether or not loans are ultimately delivered and/or purchased. The \$375 will be netted by the Servicer when loans are purchased. The extension fee will be netted by the Servicer when loans are purchased. If the loan is not purchased, the originating lender will be billed for the extension fee. Any outstanding fees owed by the Lender may result in that Lender becoming ineligible to participate in the program. At 101 days, a loan that hasn't been purchased is cancelled. Reinstatement is not guaranteed and, if allowed, is subject to additional penalties in addition to the extension fee.

Again, the extension is offered once per loan and no further extensions will be allowed. Furthermore, any loan not purchased within the approved timeframe may become the liability of the originating lender, including any down payment assistance provided at closing.

**BOND ISSUANCE DATE** Originations are available to be made once a rate is published, beginning May 23, 2024. However, the Servicer cannot purchase loans until after June 5, 2024, the date of the bond closing for the 2024A Bonds. Lenders may close loans, but they bear the remote risk that the bond issue does not close and the loans will not be purchased. The Issuer believes they have met all requirements for the bond issue to close.

## **PROGRAM FEES**

### **eHousingPlus Fees**

The program includes a first mortgage Compliance/Admin Fee of \$275 and a penalty fee of \$100 for files that are chronically deficient. The Compliance/Admin Fee is submitted with the Compliance File via eHP [FrontPorch using the eHPay App](#).

The Compliance/Admin Fee is the fee charged by the Program Administrator/Compliance Agent to process the applicant/borrower from Origination to Compliance Approval, and to assess that the lenders originating such loans are following Program guidelines for the benefit of the eligible borrower(s). The Program Administrator/Compliance Agent tracks the loan via its web-based system, and assists the lender in processing the loan ensuring eligibility to the program available offerings, which can include various rate options, and down payment assistance.

The Compliance/Admin Fee includes the review of information and documents delivered in the form of a Compliance File by the originating lender, on behalf of the borrower. Additionally the Compliance review verifies that the lender has charged only the fees allowed by the Program. Contrary to this, approval may be denied and/or fees may have to be reimbursed to the borrower. The compliance file processing consists of required affidavits, application, closing documents, certain non-mortgage documents, fraud report and other pre-defined Program documents that are disclosed to the potential borrower(s). This is required to ultimately receive Compliance Approval. These documents can support both the first mortgage and any down payment assistance available, and are required to ensure eligibility to the Program, Federal, State and Local requirements, where applicable. The Compliance review verifies that the data and documents submitted meet all requirements, and may include those for first-time homebuyer, income limits, sales price limits, targeted areas, homebuyer education, rate, term, points, fee limits, LTV, FICO score, special state, city, county program requirements for qualified military, first responders, teachers, etc.).

#### **US Bank Fees**

\$400 Funding Fee.

\$84 Tax Service Fee.

These fees will be netted at time of loan purchase by U.S. Bank.

## **LENDER COMPENSATION**

Any fee and expense imposed by lenders must be reasonable, customary and comparable to other Fannie Mae, Freddie Mac, FHA, USDA-RD and VA loans of similar size. All fees and expenses must be fully disclosed to the Borrower in accordance with federal, state and local laws and regulations. Excessive fees, excessive expenses, and “Junk Fees” are considered contrary to the Authority objectives and prohibited.

**Origination Fee:** Lender is allowed to charge and retain up to 1% of the original principal loan amount. This fee may be paid by buyer or seller as allowed by the agency. No additional points may be charged. Lenders will retain the origination fee at closing.

**Discount or Additional Points:** Not allowed

**Service Release Premium:** Paid upon the purchase of the loan by Servicer.

Type	Origination Max	SRP Amount
All Loan Products	1.00% of note amount	1.25% of note amount

**Customary Charges Incurred by Lender:** These should be nominal, customary and justified as pass through costs. Examples are as follows:

- Financing Costs – legal fees, underwriting fees and courier fees
- Settlement Costs – title and transfer costs, title insurance, survey/ILC, recording or registration costs
- Other Costs – doc prep fees, notary fees, hazard insurance premium, mortgage insurance premium, prepaid escrow deposits and other similar charges allowable by the insurer/guarantor.

Non-Targeted Area funds have been allocated  
 Targeted Area funds are still available  
 See HALRates.org

## CALCULATING BOND INCOME

Program qualifying income includes 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 any other person that is expected to live in the home and be secondarily liable on the mortgage loan. When calculating Program Eligibility Income, there are two types of income to consider - income from an employer and income from all other sources. Include all income unless specifically listed as excluded in this guide. **Calculating Income from an Employer**

Determine whether the Borrower receives **base pay only** or a combination of **base pay and additional income** from an employer.

### Calculate “Base Pay from an Employer”

#### Regular Hours/Pay

1. Determine frequency of income - weekly, bi-weekly, semi-monthly, etc.
2. Identify documentation needed to support payment frequency and calculation.
3. Apply Calculation - *(Base Wage x Hours Worked in a Pay Period) x (# of Pay Periods Per Year)*
4. This should approximate the annualized YTD on VOE or paystubs. If not, check for additional pay, such as overtime, bonus, shift differential, etc. (Employers don't always break this out on the VOE).
5. See additional guidance on calculating base pay from an employer.

Hourly pay	Bi-weekly pay	Semi-Monthly pay
Multiply the pay per hour by the number of hours worked per week. Multiply total by 52 weeks a year.	Multiply the bi-weekly pay by 26.	Multiply the semi-monthly pay by 24.
<i>Example:</i> 1. \$15 per hour x 40 hours a week = \$600 2. \$600 x 52 weeks a year = \$31,200 3. \$31,200 / 12 = \$2,600 gross monthly base pay	<i>Example:</i> 1. \$1,200 every two weeks x 26 pay periods a year = \$31,200 2. \$31,200 / 12 months = \$2,600 gross monthly base pay	<i>Example:</i> 1. \$1,300 semi-monthly pay x 24 pay periods a year = \$31,200 2. \$31,200 / 12 months = \$2,600 gross monthly base pay

#### Irregular Hours/Pay

1. Annualize YTD Earnings total.
2. Average prior year’s earnings total, if available, (or provide documentation and explanation to support not using the prior year’s earnings.) Divide the resulting number by the number of months and days worked, and then multiply that number by 12 months to get total average pay from an employer.
3. See additional guidance on calculating base pay from an employer.

### Calculate “Additional Pay from an Employer”:

1. In the Earnings section of paystub or VOE, look for additional income earned that is not included in **base**. (Sick, vacation, holiday, etc. is generally included in **base**.)
2. Add up all additional income that is included in the YTD Earnings Total and not part of **base**.
3. Average prior year’s earnings total, if available, (or provide documentation and explanation to support not using the prior year’s earnings.). Divide the resulting number by the number of months and days worked, and then multiply that number by 12 months to get an average of **additional pay from an employer**.
4. See additional guidance on calculating additional pay from an employer.

## TYPES OF INCOME

Determine if there are other sources of income, apart from wages from an employer.

<b>Wages from an Employer</b>	
<b>Base Pay</b>	
<b>Definition/Inclusions</b>	<b>Exclusions</b>
<p><u>Regular Hours/Pay:</u> Borrower is scheduled for the same number of hours per pay period. Gross salary or wage income from part-time, full-time, or seasonal work with regular hours/pay</p> <p><u>Irregular Hours/Pay:</u> Variable hours, seasonal work, etc., such as nursing, restaurant, construction, retail or part-time work with varied hours or pay.</p>	Income no longer available
<b>Guidance</b>	
<ul style="list-style-type: none"> <li>• Borrowers can't manipulate income (quit job, etc.) to become eligible.</li> <li>• Include all income, including sick, holiday and vacation pay.</li> <li>• Average current YTD and prior year's earnings total, if available, (or provide documentation and explanation to support not using the prior year's earnings.). The most recent federal income tax return may also be used for this purpose.</li> <li>• Income documentation is required, and could include, but is not limited, to, paystubs, VOE, tax returns, W-2's, etc.</li> <li>• Seasonal work requires the same documentation for variable pay as outlined above, but should also include any unemployment benefits, if applicable.                             <ul style="list-style-type: none"> <li>○ 1099s, tax returns, and/or verification from unemployment office to verify unemployment benefits</li> </ul> </li> </ul>	
<b>Additional Income from an Employer</b>	
<b>Definition/Inclusions</b>	<b>Exclusions</b>
Income over and above base pay, such as overtime, shift differential, bonuses, profit-sharing, tips, commissions, etc.	One-time (non-recurring) income; i.e., income received once that does not have a history and is unlikely to reoccur in the future.
<b>Guidance</b>	
<ul style="list-style-type: none"> <li>• Documentation of additional pay could include, but is not limited to, paystubs, VOE, etc.</li> <li>• Annualize current YTD earnings total, if available, (or provide documentation and explanation to support not using the prior year's earnings).</li> <li>• Annualize overtime (unless employer and income history verifies OT was for one-time, special project, etc.), commissions, bonuses, shift differentials, and sick/vacation/holiday pay (if not already included in base pay).</li> <li>• Include all income that is included in the YTD Earnings Total on a paystub or on a VOE.</li> <li>• Any income that is determined to not be included in YTD Earnings Total (for example, employer-paid benefits or matches, such as an HSA match) does not have to be included in the Program Eligibility Income calculation.</li> </ul>	

**Self-Employment/Business Income**

Definition/Inclusions	Guidance
<p>Individuals who earn their income through conducting a trade or business that they directly operate instead of working for an employer who pays them a salary or a wage.</p>	<ul style="list-style-type: none"> <li>• Determine gross annual income.</li> <li>• Use a two-year average from the most recent federal income tax returns.</li> <li>• Self-employment income documentation is required, and may include, but is not limited, to:                             <ul style="list-style-type: none"> <li>○ Tax form Schedule C, most recent two years</li> <li>○ YTD Profit &amp; Loss Statement</li> <li>○ Tax form Schedule K-1 (Form 1120S)</li> </ul> </li> <li>• Request additional supporting documentation (i.e., current balance sheet and income statement) when necessary.</li> <li>• Deduct out-of-pocket business expenses such as office rent, telephone, etc., which are generally tax-deductible items.</li> <li>• Include all entertainment and travel expenses, private retirement contribution plans, and property or equipment depreciation. These items are generally tax-deductible, but must be added back for the Program Eligibility Income calculation if starting with the net income amount.</li> <li>• If a net loss, use \$0. Do not subtract the loss from the Program Eligibility Income calculation.</li> <li>• Use caution with large variations in income (whether increase or decrease) when averaging two years' income. The determination in these cases should be documented and supported by the underwriter.</li> </ul>

**Income from Financial Assets**

Definition/Inclusions	Exclusions	Guidance
<p>Income from: trusts, annuities, dividends, royalties, interest earned from non-retirement accounts (savings, checking, money market, investments, mutual funds, etc.)</p>	<ul style="list-style-type: none"> <li>• One-time lump sum payments</li> <li>• Investments in retirement accounts (IRAs, VIPs, 403(b)'s, 401(k)'s)</li> <li>• Any cash withdraws from retirements accounts</li> </ul>	<ul style="list-style-type: none"> <li>• Always check tax returns for income from financial assets.</li> <li>• Include average of periodic payments, including recurring, lump-sum payments.</li> <li>• Where assets after closing exceed \$5,000, calculate interest income based on the greater of actual income or imputed income based on the current passbook savings rate, as determined by HUD.</li> </ul>

<b>Insurance or Benefit Payments</b>		
<b>Definition/Inclusions</b>	<b>Exclusions</b>	<b>Guidance</b>
Periodic payments derived from: <ul style="list-style-type: none"> <li>• Long-term care insurance</li> <li>• Disability insurance</li> <li>• Pensions</li> <li>• Death benefits</li> </ul>	Do not include one-time, lump-sum payments.	Include periodic insurance or benefit payments at current level.

<b>Government Transfer Payments</b>		
<b>Definition/Inclusions</b>	<b>Exclusions</b>	<b>Guidance</b>
Government transfer payments involve payments for which no current services are performed and are a component of personal income.	<ul style="list-style-type: none"> <li>• Food stamps</li> <li>• Government-paid child care paid directly to the provider</li> <li>• Foster care income</li> <li>• Section 8 vouchers</li> </ul>	<ul style="list-style-type: none"> <li>• Include all sources of this income at current level. Do not gross up (If a lender chooses to gross up SSA income for credit underwriting income this is allowable, however, that same income must be included to determine program eligibility).</li> </ul>
<ul style="list-style-type: none"> <li>• Retirement benefits</li> <li>• Disability benefits</li> <li>• Income maintenance benefits</li> <li>• Pensions</li> <li>• Veterans benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Federal education &amp; training assistance</li> <li>• Public assistance</li> <li>• Worker's Compensation</li> <li>• Social Security benefits</li> <li>• Unemployment insurance compensation</li> </ul>	

<b>Investment Property Net Rental Income</b>		
<b>Definition/Inclusions</b>	<b>Exclusions</b>	<b>Guidance</b>
Income from an Investment Property	Potential roommate income or rental income of future duplex or accessory dwelling unit	Calculate investment property net rental income <ul style="list-style-type: none"> <li>• Monthly Gross Rent - Vacancy Loss = Gross Adjusted Rent</li> <li>• Gross Adjusted Rent – PITI and maintenance costs = Net Rental Income. If rental income is negative, enter \$0. In addition, an operating statement may be used in lieu of using the above-referenced formula.</li> </ul>

<b>Child/Spousal Support</b>		
<b>Definition/Inclusions</b>	<b>Exclusions</b>	<b>Guidance</b>
Child support, child care, medical support, alimony, spousal maintenance	Court-ordered support not received; must document support was not received	<ul style="list-style-type: none"> <li>• Use average of actual support received.</li> <li>• Review divorce/child support agreement.</li> <li>• Check with county social service agency to determine whether any payment adjustments have been made since the original payment schedule.</li> <li>• Cross-check payment schedule with bank statements, etc.</li> </ul>

**Regular Cash Contributions**

Definition/Inclusions	Exclusions	Guidance
Regular cash contributions from non-resident(s)		Check bank statements for regular cash contributions. Include all regular cash contributions from non-residents.

**Employee Allowances**

Definition/Inclusions	Exclusions	Guidance
Car, cell phone, per diems, etc.	<ul style="list-style-type: none"> <li>Do not include any car, cell phone, travel per-diem, etc.</li> </ul>	

**Custodial Account Income**

Definition/Inclusions	Exclusions	Guidance
Unearned income paid to children age 20 or younger, who live with the Borrower(s) 50% of the time or more	<ul style="list-style-type: none"> <li>529 plans</li> <li>Accounts where someone other than the parents are named as custodian.</li> <li>Unearned income of adult dependents age 21 or older</li> </ul>	Include all custodial account income.

**Other Sources of Income**

Definition/Inclusions	Exclusions	Guidance
<ul style="list-style-type: none"> <li>Contract-for-deed interest income</li> <li>Any other sources of income as identified or represented in the loan file and applicable documentation.</li> </ul>	<ul style="list-style-type: none"> <li>Loans; scholarships; grants and tuition reimbursement;</li> <li>Earned Income Tax Credit refund payments; health insurance premium reimbursements (deducted from gross pay) and any out-of-pocket expense (co-pays, etc.) reimbursements</li> <li>One-time lump sum (non-reoccurring) payments from:                             <ul style="list-style-type: none"> <li>Inheritances</li> <li>Insurance settlements</li> <li>Lottery winnings</li> <li>Gambling winnings</li> <li>Capital gains</li> <li>Liquidation of assets</li> <li>Settlements for personal loss</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Always include other sources of income not specifically excluded.</li> <li>For contract-for-deed interest income, include interest portion of payments per the terms of the agreement/contract.</li> </ul>