



NACA'S HOMEOWNERSHIP OPPORTUNITY PROGRAM ("HOP")

REINVENTING MORTGAGE LENDING & AFFORDABLE HOMEOWNERSHIP

Historically, affordable homeownership has been unattainable for millions of people of color and disadvantaged Americans. Nevertheless, a transformation is now happening. The Neighborhood Assistance Corporation of America ("NACA") is a nationwide non-profit and HUD-approved housing counseling organization that has developed a fair lending model, which enables unprecedented affordable homeownership on a large scale. NACA's innovative model benefits those who have been prevented from accumulating wealth and achieving personal financial security through homeownership. NACA's trailblazing private sector housing program is setting a national standard for affordable homeownership. For more information, please visit www.naca.com.

NACA's Homeownership Opportunity Program ("HOP") is a collaboration between NACA and a city or Public Housing Authority ("PHA") aiming to creating permanent affordable homeownership options and neighborhood stabilization through NACA's Best in America Mortgage. HOP utilizes NACA's comprehensive counseling and the extraordinary NACA Mortgage for the following homeownership programs described in more detail below:

HOMEBUYER PROGRAMS:

- NACA Purchase Program
- NACA HOT-PHA Program (Housing Choice Voucher/Section 8 recipients)
- NACA One Dollar Purchase Program
 - Property Repair
 - New Construction

HOMEBUYER PROGRAMS:

- Homeowner Assistance
- Homeowner Refinance & Rehab Program

AFFORDABLE HOUSING DEVELOPMENT

- NACA as Developers of Affordable Housing

These affordable homeownership programs offer an exceptional opportunity for homebuyers who are currently subjected to exorbitant rents, since monthly mortgage payments

are often lower than their rent. In addition, funds are available for homeowners who need to repair their homes. These programs also provide employment opportunities for community residents and establish an effective crime prevention program, empowering community homeowners to become the most dedicated and effective crime fighters in the neighborhood.

Lenders have committed over \$20 Billion, including \$15 Billion from Bank of America, for NACA's exceptional mortgage product, allowing NACA to offer its programs across all fifty states, with 47 offices nationwide and a counseling center for nationwide remote counseling services. As a non-profit housing counseling organization and a licensed mortgage broker in every state, NACA is proud to be the only organization that can confidently say that it offers the Best Mortgage in America with the lowest fixed interest rate. These unbeatable terms include:

- No down-payment
- No closing costs
- No fees
- No PMI
- Below market fixed interest rate
- No consideration of credit score.

NACA has achieved an unprecedented track record of helping over 75,000 successful homebuyers – 85% of whom are people from people of color – with an extremely low foreclosure rate of 0.0001183 (i.e., about one-hundredth of one percent). NACA is the largest HUD-approved counseling organization in the country and provides approximately one-third of the housing counseling nationwide. With more than three million Members nationwide, NACA continues to grow through word of mouth. Every day, NACA members recommend NACA to their family members, friends, neighbors, co-workers, and other people who are in need of affordable homeownership.

NACA'S BEST IN AMERICA MORTGAGE

NACA is a bright beacon of hope in reversing the historical legacy of racism and exclusion by offering affordable homeownership opportunities to underrepresented groups and people of color as well as lower income individuals. NACA's purchase program provides a solution to address the major barriers in the housing market, which have resulted in historically low homeownership rates, particularly for African Americans.

Overcoming the Barriers to Homeownership

1. Barrier: Limited Savings

NACA Solution: No Down Payment & No Closing Costs

2. Barrier: Unaffordable Terms
NACA Solution: Below Market Fixed Rate & Aggressive Buy-Down
3. Barrier: Restrictive Underwriting based on Credit Score
NACA Solution: Character Based Lending without Consideration of Credit Score
4. Barrier: Racism & Biases
NACA Solution: Pre-Qualification & Advocacy

NACA'S BEST IN AMERICA MORTGAGE CRITERIA

NACA offers the best mortgage in America with these exceptional terms and character-based criteria:

- Down-payment – None
- Closing costs – Paid by lender
- Application Fees – None
- Points & Fees – None
- Mortgage Insurance – None
- Interest Rate – Below market fixed rate (go to www.naca.com for current rate)
- Interest-rate buy-down – Aggressive permanent interest buy-down available only through NACA.
- Loan-to-value – 100% for purchase and 110% for purchases with a repair escrow
- Term – 15, 20 or 30 years, fully amortizing
- Credit Score – No consideration of credit score
- Payment History – Participants are not penalized for late payments they did not have reasonable control over. Their payment history over the past 24 months is considered, with a focus on the past 12 months
- Property Types – Single-family homes, condos, co-ops, 1-4 unit multi-family properties, mixed-use properties, new constructions or existing properties
- Renovation - Finance the cost of repairs to be completed after mortgage closing

COMPREHENSIVE COUNSELING

NACA's HUD certified housing counselors provide comprehensive housing counseling services. NACA's full document counseling is considered the gold standard in housing counseling for low- to moderate-income people. Homebuyers receive counseling for as long as it takes to become NACA Qualified, which certifies that they have undergone full-document underwriting. This makes them desirable customers for real estate agents, sellers, and lenders.

NACA is the largest HUD intermediary counseling organization in the United States, providing approximately 30% of the nation's HUD housing counseling. It is also one of the major training programs for HUD. NACA's Economic Justice and Advocacy Center ("NEJAC") offers free courses for housing counselors, including courses for HUD certification, pre-purchase counseling, rental counseling, and foreclosure/eviction prevention counseling. In addition, NEJAC collaborates with many Historically Black Colleges and Universities ("HBCUs") to train their students and alumni on housing issues and providing affordable homeownership opportunities.

HOMEBUYER PROGRAMS

All homeownership programs below require NACA's comprehensive counseling to access NACA's Best in America Mortgage.

PURCHASE PROGRAM

NACA's foundation is the Purchase Program, which is available to all homebuyers. Individuals whose income falls at or below the median income can purchase anywhere, while those with higher income must purchase a property located in a census tract that is at or below the median income. All property types listed above are available for the purchase program, including the option for a repair escrow to make renovations after closing as well as new construction.

HOT-PHA (SECTION 8) RECIPIENTS

The Homeownership Through Public Housing Assistance ("HOT-PHA") program is a transformative opportunity for public housing authority Section 8 or Housing Choice Voucher ("HCV") recipients who aspire to become first-time homeowners ("Participants"). Through this innovative initiative, Participants can combine their HCV with all the benefits of NACA's Best in America Mortgage, including a below market 30- or 20-year term mortgage to purchase a home. This is an ideal program for families to transition out of long-term public assistance into affordable homeownership to start building generational wealth.

The Payment Standard approved by the PHA, which is currently paid to the landlord, goes to the lender to pay the Participant's monthly mortgage payment. This enables many Participants to own their home mortgage debt free and clear in 20 years or less, ensuring long-term financial independence. It is a groundbreaking program that incurs no additional cost to the housing authority or government and enables families to transition from housing assistance to homeownership. For more information, visit: <https://www.naca.com/the-naca-hot-pha-program/>

ONE-DOLLAR PURCHASE PROGRAM

NACA partners with cities and Public Housing Authorities to offer residents the opportunity to purchase their vacant residential properties or lots for only one dollar, with the goal of increasing the number of owner-occupied properties. NACA provides the funds necessary for renovation or new construction through financing with its Best in America Mortgage. The One-Dollar Purchase Program aims to transfer government owned properties taken for tax delinquency, code violations, or other circumstances to community residents who wish to revitalize neighborhoods through affordable owner-occupied homeownership. This program eliminates the overhead associated with developers as the properties are directly transferred to the homebuyer.

All properties are affordable for low- to moderate-income homebuyers. Priority is given to current residents living in the impacted neighborhoods. A deed restriction for 10 years prevents the property from being flipped, or a land trust is established to preserve affordability while enabling homeowners to generate reasonable equity over time. Increased homeowner occupancy elevates the tax base for the city to provide additional services to these communities and neighborhoods, reduce crime, ensure well-maintained properties, encourage active participation in the community and school system, and provide neighborhood stability through long-term homeownership.

Property Renovation

NACA's Home and Neighborhood Development department provides participants in the One-Dollar Purchase Program with ongoing assistance and coordination throughout their renovation or new construction. This includes property inspections, repair cost estimates, creating a project budget, identifying contractors, reviewing contractors, contractor disbursements, and more.

New Construction

In addition to home renovation, NACA also develops new affordable housing that is designed to blend in beautifully with existing communities. These new homes utilize innovative materials and building techniques, such as modular, panelized, and other building types. Also, part of the One-Dollar program, these affordable homes are high quality, exceeding the HUD and applicable state code with virtually net-zero energy usage. For example, prefab structures could be developed offsite in a factory facility with a high standard for quality control at an anticipated cost of \$85 per square foot (e.g., three-bedroom home two-bath). The properties purchase price based on property size and structure, including foundation and site preparation, ranges from \$110,000 to \$150,000 with a mortgage payment between \$600 to \$1,000 per month with NACA's Best in America Mortgage. This monthly mortgage payment would be significantly lower than their rent and could be even more affordable with government assistance.

HOMEOWNER PROGRAMS

NACA provides comprehensive assistance for both NACA homeowners and those with an unaffordable mortgage payment.

Homeowner Assistance

Homeowners with an unaffordable mortgage payment or in need of assistance can access NACA's Homeowner Assistance Department and work directly with a NACA Advocate. The NACA Advocate provides counseling to determine an affordable mortgage payment and works directly with the lender/servicer to achieve a long-term affordable solution. Homeowners with a NACA Mortgage can receive additional assistance including financial assistance.

Homeowner Refinance & Rehab Mortgage

Existing homeowners in need of significant repairs to their property can also access NACA's Best in America mortgage to refinance. If the homeowner has an existing mortgage, NACA refinances that mortgage to facilitate repairs and/or renovations. Homeowners with or without an existing mortgage can refinance in order to have funds available after the closing to address code, safety, health, structural, and other significant issues. NACA's HAND department assists homeowners in this process, including a home inspection, evaluating and estimating the repair costs, identifying and reviewing contractors, managing the disbursement process for contractor payments and more.

AFFORDABLE HOUSING DEVELOPMENT

Cities and Public Housing Authorities provides NACA with land at no cost in order to create affordable housing developments with all the units for low- to moderate-income households without a developer's fee. NACA works with city and community leaders to realize attractive, highly energy efficient, affordable new construction properties as described above. A land trust, administered by NACA or another entity, may be a good option to ensure that all units remain permanently affordable, and funds are generated to maintain and enhance the community.