**Servicing Guide Table of Contents**

**Note:** The North Carolina Housing Finance Agency’s Servicing Guide (“NCHFA’s Servicing Guide”) is the controlling document. If a topic is not addressed in NCHFA’s Servicing Guide, the Servicer should follow the guidelines set forth in the Fannie Mae Servicing Guide. Any questions should be directed to the North Carolina Housing Finance Agency (NCHFA) for clarification.

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Section 1: Servicing, Reporting and Remitting

1.1 Servicing Overview

All Servicers should have fully documented written procedures in place and should also have measures to determine that those procedures are effectively followed in day-to-day operations. The Servicer’s procedures should include a foreclosure management review as part of their process to ensure all Consumer Finance Protection Bureau (CFPB), North Carolina Housing Finance Agency (NCHFA), and insurer loss mitigation requirements are met. The format may vary, but the Servicer should comply with NCHFA and insurer rules and regulations for all phases of servicing mortgage loans. For uninsured loans, follow NCHFA’s Servicing Guide for matters regarding collections, foreclosure, bankruptcy and REO. For matters not addressed in this Servicing Guide, Servicers should follow Fannie Mae’s guidelines.

1.2 Servicer’s Accounting and Remittance Responsibilities

The Servicer’s responsibilities include the following:

- Accounting for and remittance to NCHFA of the principal and interest portions of monthly payments and curtailments. These amounts should be wired to the Trustee no later than the 5th business day following month end.

- Accounting for and remittance to NCHFA for amounts received to pay off a loan. These amounts should be wired to the Trustee within two (2) business days of posting the transaction. This also includes funds received from insurers and proceeds received from third party and short sales.

- Accounting for and administration of escrow accounts for amounts paid by mortgagors for taxes, assessments, ground rents, hazard insurance premiums, premiums due to federal agencies or private mortgage insurers, and other escrowed items.

1.3 Servicing Accounting Records

Permanent mortgage accounting records should be maintained for each mortgage loan. Each individual mortgage loan record should indicate NCHFA ownership, the bond issue under which the mortgage loan was purchased, and the assigned 10-digit NCHFA loan number.

While NCHFA does not specify the particular system or forms to be used for mortgage loan records, the Servicer’s mortgage accounting system should be capable of producing for each mortgage loan an account transcript itemizing the following in chronological order:

- The date, amount and breakdown between principal, interest and escrow of each
• The date to which interest is paid

• The date, amount and nature of each disbursement, advance, adjustment, or other transaction affecting the amounts due from or to the mortgagor

• An indication of whether the loan has been modified from its original terms

The system should also be capable of producing the current outstanding principal balance of the mortgage, the current escrow balance, and any escrow advance balances.

1.4 Acceptable Mortgage Accounting Method

Interest due should be calculated using the interest in arrears loan accounting method. Under this method, the application of an individual mortgage payment to interest and principal is determined by first calculating the interest portion and applying the balance of the payment as a principal reduction. The interest is calculated using the outstanding principal balance after application of the preceding payment.

All monthly interest calculations shall use a 360-day year. All partial monthly interest calculations shall use a 365-day year. Calculation factors should be carried out six (6) decimal places.

1.5 Establishment of Custodial or Trust Accounts

The Servicer is required to establish and maintain custodial or trust accounts for each trust indenture. These accounts should be demand deposit accounts established in a North Carolina state bank, national bank, or credit union. The deposits should be insured by the Federal Deposit Insurance Corporation, NCUA or established in a Federal Reserve Bank.

The titles of such accounts should be as follows:

• “[Servicer], as agent, trustee and/or bailee for the holders of NCHFA Single Family Revenue Bonds (specify Trust indenture) and/or payments of various mortgagors and as Custodian for The Bank of New York Mellon Trust Company, N.A. (Principal and Interest)”

• “[Servicer], as agent, trustee and/or bailee for the holders of NCHFA Single Family Revenue Bonds (specify Trust indenture) and/or payments of various mortgagors and as Custodian for The Bank of New York Mellon Trust Company, N.A. (Escrow Account)”

The Servicer should prepare and forward to NCHFA the original Letter of Agreement for Servicer’s Custodial Accounts (Exhibit 1), properly executed by the Servicer and certified by the depository bank.
The purpose of the Letter of Agreement is to evidence the establishment of Custodial accounts for the deposit of collections of all sums payable under the mortgage loans owned by NCHFA, and that all such amounts are payable to NCHFA on demand. In the event of any changes in the name and address of the depository bank, the Servicer should prepare a new Letter of Agreement for Servicer’s Custodial Accounts and submit it within 15 days to NCHFA.

All funds received under the provisions of any NCHFA mortgage loan should be deposited in the segregated trust custodial accounts within one (1) business day of receipt. The Servicer should maintain all such accounts in conformity with the rules and regulations of the deposit insurer and should maintain detailed records as to the respective interest of each mortgagor and NCHFA in the account(s). If at any time the balance in any custodial account should equal or exceed the insured amount, the Servicer should immediately remit the entire balance to the Trustee with the appropriate breakdown(s).

Custodial accounts established for NCHFA should be reconciled by Servicer staff monthly within 30 days of the statement cycle cutoff date.

1.6 Monthly Remittance Report Packages

The Servicer should submit all reports and electronic downloads regarding servicing of any mortgage loan at the time and in the form requested or acceptable to NCHFA. Every report, download and all correspondence regarding a particular mortgage loan should refer to the NCHFA loan number and the related bond issue. It is the Servicer’s responsibility to ensure that all reports and downloads required or requested by NCHFA are prepared accurately and submitted promptly. The download should comply with the requirements set forth in Exhibit 2.

All monthly reports and downloads should have a cutoff date equal to the last business day of the month.

- Remittance downloads and reports are due to NCHFA no later than five (5) business days after the cutoff date.

- There should be no hand-written adjustments on any computer-generated report without prior written approval from NCHFA.

- Remittance reports should be delivered electronically to Liliana Cely – lxcely@nchfa.com.
1.7 Remittance of Funds

- The Servicer should remit to Bank of New York Mellon, N.A. Trustee for NCHFA, all payments and curtailments received by the close of business on the last business day of the month within five (5) business days after month-end.

- The Servicer should remit to Bank of New York Mellon, N.A. Trustee for NCHFA, all funds received representing payoffs within two (2) business days of receipt. This includes funds received from MI companies and proceeds received from third party and short sales.

- The Servicer should remit funds received to pay off second mortgages to Wells Fargo Bank, N.A. within two (2) business days of receipt.

- The wiring instructions should clearly identify the Servicer, borrower name and the breakdown by trust indenture(s) for the total wire amount. A copy of the remittance and curtailment amounts per series should be sent to NCHFA monthly.

1.8 Wiring Instructions

The Servicer should wire the remittance funds to accounts listed below:

**Bank of New York Mellon, N.A. 1st Mortgages Only**

Date:

Bank Name: Bank of New York Mellon, N.A.
Bank City/State: Jacksonville, FL
Bank Credit Account #: GLA 111-565 TAS A/C #145388
Credit Bank Routing Number: 021000018
Credit Account Name: North Carolina Housing Finance Agency
Borrower Name:
Borrower Loan #:

**WELLS FARGO 2nd Mortgages Only**

Date:

Bank Name: Wells Fargo
Bank City/State: Raleigh, NC
Bank Credit Account #: 2062690003453
Credit Bank Routing Number: 121000248
Credit Account Name: NC State Treasurer
Bank Type: Checking Account
REF: NCHFA General Account Stif 3
Borrower Name:
Borrower Loan #: 
1.9 Custodial Files Held by Bank of New York Mellon

When a mortgage loan has been paid in full, the Servicer should immediately submit a request to Bank of New York Mellon to release the custodial loan file. The Servicer should ensure compliance with North Carolina General Statute 45-36.9 to submit a satisfaction for recording to the appropriate Register of Deeds office within 30 days of receiving full payment.

Servicers should complete the registration contained in Exhibit 3 in order to gain access to request files on-line. The completed form should be returned to GoverningDocs@bnymellon.com.

1.10 Penalties for Late Remittances and Reports

The penalties are set forth in the servicing agreement.

1.11 Examination of Servicer’s Records

The Servicer should permit representatives of NCHFA to examine the servicer’s accounting records and related loan documentation during regular business hours. NCHFA will give reasonable notice. The Servicer should furnish copies at its own expense.

1.12 Breach of Servicing Agreement

If an event occurs in the servicing of a loan which constitutes a breach of the Servicing Agreement, and NCHFA requests that the Servicer repurchase the loan, the repurchase demand will also extend to any subordinate loan originated by NCHFA.

Upon written notice by NCHFA, the Servicer shall repurchase any mortgage loan for the sum of the unpaid principal balance plus accrued interest on the Note. If the repurchase request extends to a subordinate loan, the amount due will equal the unpaid principal balance.

Any such repurchase by the Servicer shall take place on such date as NCHFA specifies in its notice to the Servicer of the occurrence of one or more of the foregoing events, which date shall be not less than ten (10) days from the date of such notice. Upon repurchase, NCHFA shall reassign to the Servicer its interest in such mortgage loan, including the related loan documents, hazard, flood and title insurance policies.
Section 2: Default Management

2.1 Default Management Overview

Servicers should have fully documented written procedures in place and must also have measures to determine that procedures have been implemented and are effectively followed on a day-to-day basis. The Servicer’s procedures must include a foreclosure management review as part of their process to ensure all CFPB, insurer and NCHFA loss mitigation requirements are met. The format may vary, but the Servicer should comply with insurer and NCHFA rules and regulations for all phases of servicing mortgage loans. For uninsured loans, follow NCHFA’s Servicing Guide for matters regarding collections, foreclosure, bankruptcy and REO. For matters not addressed in this Servicing Guide, Servicers should follow Fannie Mae’s guidelines.

For all loan types, Servicers should notify all eligible delinquent borrowers of the availability of home ownership counseling provided by HUD-approved non-profit organizations. The list of HUD-approved housing counseling agencies for the State of North Carolina should be sent to all delinquent borrowers as soon as delinquent servicing begins. There is a link to the North Carolina HUD-approved counselors on the NCHFA website at www.NCHFA.com.

NCHFA expects the servicer to utilize all available federal and state programs to assist the borrower in keeping their home. NCHFA administers the State Home Foreclosure Prevention Project (SHFPP). This program provides free housing counseling services to the borrower that may assist them with alternatives to foreclosure. The borrower is automatically part of the program once the servicer initiates foreclosure with the SHFPP as required by North Carolina General Statue 45-103. The toll-free telephone number for the program is 1-888-442-8188.

2.2 North Carolina General Statute (45-Day Letter)

The Servicer should give a borrower at least 45 days’ notice prior to initiating a foreclosure proceeding per North Carolina General Statute 45-102. In addition to informing the borrower of the Servicer’s intention to foreclose, the notice should also inform the borrower of the following:

- Itemization of past due amounts causing the loan to be in default and any other charges that must be paid in order to bring the loan current.

- A statement that the borrower may have options available other than foreclosure. The borrower may discuss the available options with the mortgage Servicer or a counselor approved by HUD.

- The Servicer should provide the address, telephone number and contact information for the Servicer.
• The Servicer should provide the address, telephone number and contact information for one or more HUD-approved counseling agencies located in North Carolina.

• The Servicer should provide the address, telephone number and contact information for the State Home Foreclosure Prevention Project (SHFPP). Homeowners can contact the SHFPP at 1-888-442-8188.

NC Housing Finance Agency
State Home Foreclosure Prevention Project
3508 Bush Street
Raleigh NC 27609-7509

The Servicer must register the loan with Office of the Administrator of Courts through the SHFPP database within 3 business days of mailing the 45-day letter.

2.3 Loan Modifications

A modification of the terms of the mortgage for any loan may be recommended by the Servicer when, in its estimation, a change in the terms of the loan presents a path for the borrower to recover and continue a successful payment plan in the future. This means of solving the delinquency should be used when appropriate, and prior approval by NCHFA is not required as long as the following terms are met:

• The Servicer should confirm the property is owner-occupied. Non-owner-occupied properties are not eligible for loss mitigation alternatives.

• Outstanding judgments may remain unpaid if the new modified unpaid principal balance does not exceed the original loan amount. Otherwise, the judgments must be paid in full prior to a loan modification.

• Interest rate must remain at the original Note rate unless a reduction is required by the insurer (i.e. FHA COVID-19 Advance Loan Modification).

Once the modification has been executed, the Servicer should send the original unrecorded document to NCHFA along with a request to be reimbursed the escrow advance/shortage portion and corporate advance portion as discussed in Section 6.5.

2.4 Deed-in-Lieu of Foreclosure

If all reasonable efforts have been made to cure the delinquency, the Servicer should explore the feasibility of a voluntary deed. NCHFA allows Servicers to proceed with Deeds-in-Lieu approved by FHA and VA; however, all Conventional and USDA Deeds-in-Lieu should be approved by NCHFA prior to
allowing a closing to occur. NCHFA will not pursue a deficiency judgment.

NCHFA must review a package for all conventional and USDA DIL proposals, including uninsured conventional loans. For NCHFA’s review, please send a DIL package consisting of the following to the Manager of Mortgage Servicing:

- MI or USDA approval letter for the proposed DIL.
- Hardship Letter including statement that property is still owner-occupied.
- Copy of DIL document to be used by the Servicer.
- Current appraisal (within 6 months) showing no equity.
- Copy of listing agreement to show home has been listed for at least 3 months.
- Copy of title search showing clear title.

2.5 Short Sale Analysis

From time to time, a mortgagor may request permission to sell the home for less than total debt. Servicers are required to make an initial analysis and to obtain approval from the loan insurer (FHA, VA, USDA, or MI Company). Permission should not be granted for a short sale until an actual sales contract has been submitted and the insurer approvals have been obtained. Servicers should include any subordinate liens in the analysis.

All conventional and USDA short sales should be approved by NCHFA prior to allowing a closing to occur. In all cases, the Servicer should forward the final signed Closing Disclosure to NCHFA after closing.

The Servicer should submit a Short Sale Package to NCHFA for conventional and USDA loans to include the following:

1. Short Sale Transmittal Summary form (Exhibit 5)
2. Insurer Approval Letter and supporting documentation
3. Offer to Purchase and Contract signed by buyer
4. Copy of buyer’s pre-qualification letter for financing or proof of funds availability for cash sales
5. Recent Appraisal (exterior and interior inspection)
6. Current Payoff Quote through settlement date from Offer to Purchase
7. Preliminary Closing Disclosure
8. Other pertinent documentation

Servicers should instruct the closing attorney to wire the short sale closing proceeds in accordance with Sections 1.7 and 1.8 of this Servicing Guide.
Section 3: Bankruptcy Management

3.1 Bankruptcy Management Overview

The Servicer should have written procedures to control and monitor bankruptcy proceedings effectively.

3.2 Monitoring Borrower Payments and Crucial Dates

The Servicer should keep accurate records of the payments it receives from the borrower before, during, and after the bankruptcy process to ensure that both pre-petition and post-petition payments are made timely and are properly accounted for in accordance with the borrower’s contractual obligation and the rules of the bankruptcy court. The payment records should separate the pre-petition and post-petition funds and keep track of their respective due dates.

3.3 Delays in the Bankruptcy Process

NCHFA expects the Servicer to manage the bankruptcy process in a manner which prevents losses relating to improper or delayed actions.

Servicers are responsible for delays resulting in a loss to NCHFA.
Section 4: Foreclosure Management

4.1 Overview

The Servicer should make every reasonable effort to offer the borrower all available foreclosure prevention alternatives before referring a mortgage loan to a foreclosure attorney. The Servicer should also inspect the property and analyze the individual circumstances of the delinquency prior to a referral.

The Servicer should process foreclosures, conveyances and claims in accordance with provisions of the mortgage loan, state law, and the requirements of CFPB, FHA, NCHFA, USDA, VA, Fannie Mae, Ginnie Mae, and MI. Therefore, the Servicer should have appropriate policies, procedures and controls to ensure compliance with NCHFA’s requirements.

4.2 Bidding Instructions

The Servicer should comply with FHA, USDA, VA and MI regulations when issuing bidding instructions to the attorney. If the loan is uninsured, the Servicer should enter a bid consisting of the total indebtedness plus all incurred legal fees and costs.

4.3 Deficiency Judgments

The Servicer should not pursue deficiency judgments unless specifically instructed by NCHFA, FHA, USDA, VA and MI Companies.

4.4 Foreclose in The Name of North Carolina Housing Finance Agency

In all circumstances, the Servicer should initiate legal proceedings in NCHFA’s name. At no time should the Servicer initiate foreclosure in the name of the original lender or MERS. The Servicer may not initiate or defend non-routine litigation on NCHFA’s behalf unless it obtains prior written consent. One example of a non-routine legal action is a case in which the Servicer’s legal counsel wants to pursue a judicial foreclosure in order to clear technical defects.

The Servicer should submit a request to Bank of New York Mellon Trust Company, N.A. to release the original loan documents (custodial file) at the time the loan has been approved for foreclosure. If the foreclosure action is cancelled, the custodial file should be returned to Bank of New York Mellon Trust Company, N.A.
4.5 Property Conveyance

If FHA or VA does not accept conveyance of the property due to mortgagee neglect, NCHFA expects the Servicer to repurchase the property. For a VA No Bid, the Servicer should contact NCHFA for possible options. For all other insured properties, the Servicer should follow established REO (Real Estate Owned property) procedures.

**FHA and VA Loans** – The Servicer should ensure the title is transferred in a timely manner after confirmation of the foreclosure sale, in accordance with FHA and VA guidelines.

**Conventional Loans** – MI companies have the option to acquire the property after foreclosure. If MI companies do not choose this option, the Servicer should follow the established REO procedures contained within Section 5 of this Servicing Guide.

**USDA Loans** – USDA properties are not conveyed to USDA but rather sold in accordance with our REO procedures found in Section 5 of this Servicing Guide.

4.6 Property Maintenance and Management

Throughout the foreclosure process, the Servicer is responsible for performing all property maintenance functions to ensure that the condition and appearance of the property are maintained satisfactorily. Once the foreclosure is approved, the Servicer should inspect the property according to industry guidelines until the loan has been foreclosed. This includes securing the property, mowing the grass, removing trash and other debris that violates applicable laws or poses a health or safety hazard, winterizing the property, etc. The Servicer should manage the property until it is conveyed (FHA and VA) or through the foreclosure confirmation date (Please refer to Section 5 for REO guidelines). The Servicer should take the necessary action to protect the value of the property based on FHA, NCHFA, USDA, VA and MI regulations.

4.7 Eviction Proceedings

For HUD and VA insured loans, the Servicer should follow the established guidelines. For Conventional and USDA loans, the Servicer should follow the established NCHFA REO Guidelines in
Section 5.1. If the property is tenant-occupied, the Servicer should follow the established guidelines regarding Tenant-Occupied Properties. In all cases, the eviction should occur as soon as legally possible after the foreclosure sale has been confirmed.

4.8 Compliance with Internal Revenue Service (Form 1099)

Servicers are responsible for mailing required IRS forms to the borrower and filing the information with the IRS by the required dates.
5.1 Foreclosure Confirmation

This Section 5 pertains only to conventional and USDA loans. Once the foreclosure has been confirmed, the Servicer should proceed in one of two ways, depending on occupancy of the property.

**Property is occupied:**
If the property is still occupied, the Servicer should work with the foreclosure attorney to issue a Notice to Vacate (aka 10-day letter) to the occupants advising them to vacate the premises. The Servicer should also notify NCHFA and its approved asset management firm of the new REO property by emailing a securing package (Servicer’s Securing Notice Exhibit 6). Included in the securing package is the latest appraisal on the property, verification of corporate and escrow advances, and a copy of the recorded Trustee Deed. If the latter is not yet available, the Servicer should forward it as soon as possible. After the expiration of the Notice to Vacate (10-day letter), NCHFA’s approved asset management firm should conduct a property inspection to verify if the property is still occupied. Once the property is vacant, NCHFA’s approved asset management firm should proceed with the trash out and have the locks changed. If the property is still occupied, NCHFA’s approved asset management firm will continue to monitor until the property is vacant.

If the property is occupied by tenants, the Servicer or NCHFA’s approved asset management firm should notify NCHFA and follow appropriate laws regarding tenants’ rights. Once the eviction is scheduled, the Servicer should notify NCHFA’s approved asset management firm of the date and time of the eviction. NCHFA’s approved asset management firm should have the assigned listing agent and locksmith at the property site to change the locks.

**Property is vacant:**
Immediately after the foreclosure confirmation date, the Servicer should notify NCHFA and NCHFA’s approved asset management firm of the new REO property by emailing a securing package (Servicer’s Securing Notice Exhibit 8). Included in the securing package is the latest appraisal on the property, verification of corporate and escrow advances, and a copy of the recorded Trustee Deed. If the latter is not yet available, the Servicer should forward it as soon as possible. Now that the property is vacant, NCHFA’s approved asset management firm should schedule the clean-out of the home as well as have the locks changed. The Servicer’s property preservation responsibilities end once the property is vacant. The Servicer will continue to pay all tax and insurance bills.
5.2 Maintenance and Preservation of Property

Until final disposition of the REO property and receipt of all funds by NCHFA, the Servicer is expected to advance funds in payment of taxes, insurance and other expenses necessary to protect NCHFA’s interest. The Servicer should ensure that appropriate hazard insurance coverage is maintained on all REO properties with NCHFA listed as the insured.

During the REO period, NCHFA’s approved asset management firm will pay for repairs and homeowners’ association dues, lawn maintenance, utility bills, etc. and send a monthly invoice to the Servicer. The Servicer should maintain records regarding these expenses, and charge them against the advances for that property.
Section 6: Servicer Claims to NCHFA

6.1 When to File a Servicer Claim

Once a property has been conveyed or sold to a new owner, either through a Real Estate Owned (REO) sale, a short sale, or a third-party sale, the servicer should submit a claim to NCHFA for reimbursement of all expenses incurred during the foreclosure and REO period. The Servicer should submit the final servicer claim package no later than 30 days from the events shown in Sections 6.2 or 6.3 below. Additionally, reimbursement claims for capitalized escrows and fees during a loan modification should follow the process shown in Section 6.5 below. All claim packages should be submitted through the claims@nchfa.com portal.

6.2 REO Properties (Conventional or USDA)

For conventional or USDA-financed REO properties, four events must occur before the Servicer can file a claim for reimbursement of expenses:

- Insurer Claim Funds should be received
- REO closing should occur transferring title to another party
- Final expenses have been paid to NCHFA’s asset management firm
- All escrow refunds have been received

Once all expenses have been finalized, the Servicer should submit the claim package which includes the following:

- Completed Foreclosure Expense Reimbursement Request form (Exhibit 7)
- Insurer Claim Benefits Letter/Documentation
- A printout history of all expenses paid listing date paid and payee
- A loan history from January of year of last payment through the current date, and showing all escrow disbursements, escrow refunds and resulting escrow balances
  Copies of invoices paid to vendors other than NCHFA’s asset management firm

6.3 REO Properties (FHA or VA)

For FHA or VA properties, two events must occur before the Servicer can file a claim for reimbursement of expenses:

- All Insurer Claim Funds have been received,
- All escrow refunds have been received.
Once all expenses have been finalized, the Servicer should submit the claim package which includes the following:

- Completed Foreclosure Expense Reimbursement Request form.
- A printout history of all expenses paid listing date paid and payee.
- A loan history from January of year of last payment through the current date, showing all escrow disbursements, escrow refunds and resulting escrow balances.

### 6.4 Short Sales Claims

The Short Sale Servicer Claim procedure is similar to the REO properties. All expenses must be paid, insurer claim funds and escrow refunds must be received, and the short sale closing must have occurred. The Servicer should use the same timing requirement, forms, and procedures as shown in Sections 6.2 and 6.3.

### 6.5.1 Loan Modification Claims

Servicers may submit a reimbursement claim for the escrows and fees that were capitalized onto the unpaid principal balance during a loan modification. The claim should be submitted within 30 days of the completed loan modification. The Loan Modification Capitalization Reimbursement Request form (Exhibit 4) must be used and the following documents should be included in the package:

- Executed Loan Modification Agreement
- Loan Modification Worksheet
- Loan history showing last positive escrow balance and subsequent advances
- Escrow analysis to show shortage capitalized
- Legal invoices, if any
- Property inspection invoices, if any
- Any other expense invoices, if any

### 6.5.1 Payment Deferral Claims

Servicers may submit a reimbursement claim for the escrows and fees that were deferred. The claim should be submitted within 30 days of the completed payment deferral plan. The Loan Modification Capitalization Reimbursement Request form (Exhibit 4) must be used and the following documents should be included in the package:

- Executed Payment Deferral Plan
- Payment Deferral Worksheet
- Loan history showing last positive escrow balance and subsequent advances
• Escrow analysis to show shortage capitalized
• Legal invoices, if any
• Property inspection invoices, if any
• Any other expense invoices, if any

6.6 Servicer Interest Penalty

The Servicer is responsible for reimbursement of any losses incurred which are the direct result of not following established procedures set forth by FHA, NCHFA, USDA, VA and MI. An example would be a late remittance of MI claim funds from the Servicer to NCHFA. Any interest penalties will be at Prime Rate plus 2%.

6.7 Reimbursement of Servicer’s Foreclosure Expense Request

NCHFA compares the Servicer’s claim package to the insurer’s Explanation of Claim Payment. Any discrepancies between the amount requested and the amount reimbursed will be reviewed by NCHFA to determine if the Servicer is due the reimbursement. Any losses incurred due to Servicer delay in the foreclosure process, including interest curtailments and expense loss, will be charged back to the Servicer. Any interest curtailments will be at the Note rate or if an FHA loan; the HUD debenture rate. NCHFA will net any curtailments and/or penalties from the approved reimbursement amount.

6.8 Removal of Loan from Servicer’s Trial Balance

Once NCHFA reviews the servicer claim package, a “removal letter” will be forwarded to the Servicer. The letter will state the amount to be reimbursed and outline any discrepancies between the amount requested by the Servicer and the amount approved by NCHFA. Once the removal letter is received by the Servicer, the loan should be removed from the portfolio.
Section 7: Servicing Subordinate Liens

7.1 New Loan Setup

When NCHFA purchases a loan from the lender and down payment assistance was provided, the Servicer should setup the subordinate loan as a piggyback to the first loan.

7.2 Payoff Quotes

All payoff quotes should include the subordinate loan amount unless otherwise instructed by NCHFA. The Servicer is responsible for the collection of the subordinate loan balance.

7.3 Subordinating a second loan for a No Cash Out Refinance

NCHFA will consider subordinating a down payment assistance (DPA) loan depending on the type of subordinate financing and if the borrowers are applying for a “no cash out” refinance. If the borrowers have a Statewide Down Payment Assistance loan (commonly called a SWDAP) or a 3% of 5% down payment assistance loan paired with our NC Home Advantage Mortgage™, the DPA may be subordinated if the following criteria apply:

- The closing of the down payment assistance loan must be more than 7 years ago.
- The home must be owner occupied at the time of the refinance.
- The refinance transaction must not allow any cash back to the borrowers except as a refund of any fees they may have paid during the refinance process (POC items).
- The new first mortgage must be a fixed rate loan. (credit union ARM loans permitted)
- The new principal and interest payment (P&I) must be lower than the current P&I (exception: reduction in loan term from 30 years to 25 or fewer years).
- NCHFA will retain its lien position.
- A $250 non-refundable subordination fee is required.

All questions can be directed to our special email box of subordinations@nchfa.com.

If NCHFA approves the subordination request, the subordination agreement is drafted by NCHFA’s legal department and forwarded to the borrower’s closing attorney, lender or title company. Once the subordination agreement is recorded, NCHFA will service the subordinate loan in-house.

Servicer’s Responsibilities

- NCHFA will notify the Servicer by email when a subordination request has been approved by NCHFA. This email asks that the subordinate mortgage documents be sent to NCHFA once the first mortgage is paid in full.
- Servicer should place appropriate stops/flags on their system to ensure the borrower...
cannot access any online portal to request a payoff quote. The stop should stay in place up to 90 days unless otherwise instructed by NCHFA.

- Payoff quotes provided to the borrower should not include the subordinate loan amount. If this process is not followed by the Servicer, any funds collected for the subordinate loan and remitted to NCHFA should be returned to the Servicer to handle.

7.4 Wiring Instructions (Amended 1/19/2023)

In the case of a payoff, the wiring instructions are:

Date:
Bank Name: Wells Fargo
Bank City/State: Raleigh, NC
Bank Credit Account #: 4064503535
Credit Bank Routing Number: 121000248
Credit Account Name: NC State Treasurer
Bank Type: Checking Account
REF: NCHFA General Account
Borrower Name: 
Borrower Loan #: 

7.5 Maturity Date and Pay off of Subordinate Lien

If the first mortgage matures and is paid off with the 360th payment, the Servicer must still collect sufficient funds to pay off the subordinate lien. The subordinate lien cannot be subordinated to a new first mortgage in the event of a maturing first mortgage. The subordinate loan must be paid in full.

7.6 Satisfactions

When a Subordinate lien has been paid in full or the loan amount has been forgiven, the Servicer should submit Satisfactions to the appropriate Register of Deeds Office within 30 days according to North Carolina General Statute 45-36.9.

Below is the Bank of New York Mellon Trust Company, N.A. website to request the Subordinate lien documents from the custodial file:

https://portal.documentcustodian.com
NCHFA reserves the right to periodically audit loans serviced by the Servicer on our behalf. An audit will focus on default servicing such as collections, loss mitigation, bankruptcy, foreclosure, and REO properties. In addition, each servicer may be audited for payment processing, payoff processing, and escrow accounting (payment of taxes, insurance, etc., and escrow analysis) and general accounting reconciliation of the NCHFA bank accounts. The servicer will be given reasonable time to provide the requested files to NCHFA; preferably in electronic format.

The Servicer is required to report to NCHFA any violations of state or federal laws, regulations, false statements, and program abuses. Any reports or notifications in this regard made to Fannie Mae, Freddie Mac, FHA, VA, USDA, or MI companies must also be reported to NCHFA within 30 days of such knowledge.
Section 9: Assumptions

9.1 Program Compliance

All assumptions for the FirstHome mortgages must be approved by NCHFA, and the assuming purchasers must meet the current underwriting guidelines. A complete underwriting package must be submitted to NCHFA for evaluation of the assumers. Please refer to Exhibit A-001 for a specific list of underwriting documents.

It is important to remember that the FirstHome loans and their subordinates, if any, have additional compliance requirements placed on assumptions as dictated by the IRS. The program compliance requirements are shown below.

9.1.1 Income

Assumers must meet current limits for household income and acquisition cost. Calculations must be done by using guidelines outlined in the most recent NC 1st Home Advantage Down Payment™ Program Guide. This Guide and the current income and acquisition limits are found on our website at www.nchfa.com.

Below is a snippet from our website mentioned above to show the applicable acquisition limit and income limits for ALAMANCE county as of this writing. The income limits vary by county and change annually. You should use the income limits in the blue box. Subordinate financing income limits may be lower.

SAMPLE ONLY
9.1.2 Recapture Provision and Disclosures
Congress enacted legislation in 1988, subsequently amended in October of 1990, to recapture some or all of the subsidy from first-time homebuyers who receive qualified mortgage bond assistance. Recapture became effective for all loans closed after December 31, 1990. The purpose of recapture is to retrieve the subsidy from owners who receive rapid income increases after they purchase their home and as a result, do not need the subsidy to remain homeowners. The Servicer must provide the assumer with Preliminary Notice to Applicants of Potential Recapture of Federal Subsidy (Form A-004) at the time of application.

If the sale or transfer occurs within the first nine years of ownership, the original borrower pays the recapture tax, if any, and a new nine-year period begins for the purpose of applying a new recapture tax to the assuming purchaser.

If the sale or transfer occurs after the first nine years of ownership, the recapture tax provisions expire and neither the original borrower or the assumer pays recapture tax.

9.1.3 Occupancy Status
It has always been the intent that properties financed by NCHFA remain owner occupied. The assumers must occupy the property within 60 days of closing.

9.1.4 First-Time Home Buyer Requirement
a. Non-targeted Area
Assumers, spouses, and titleholders residing in the property must be first-time homebuyers or be certain military veterans. A first-time homebuyer is defined as someone who has not had an ownership interest in a principal residence during the three-year period ending on the date the Deed of Trust Assumption Agreement is executed.

Veterans Exception: If the assumer is a veteran purchasing a home using the one-time exception allowance, then he/she does not have to be a first-time homebuyer. Title to the property should not be transferred until assumption is approved by NCHFA.

b. Targeted Area
Assumers of loans for a property located in a targeted area do not have to meet the first-time homebuyer requirement. Current targeted area census tracts can be found in the MCC section of our website at www.nchfa.com/census.
9.1.5 Other Borrower Requirements That Must Be Met

a. **Compliance Certification for Non-Borrower Occupant**

   An NCHFA Compliance Certification for Non-Borrower Occupant Affidavit (form A-002) must be properly executed by the assumer’s spouse/non-borrower occupant who plans to occupy the unit to be purchased and requests that his/her name be excluded from the credit application. He/she must execute all NCHFA documents. If the original borrower is being released of liability, you may add the following words by the spouse’s name to the Deed of Trust Assumption Agreement with Substitution of Liability: “Who is executing this document solely for the purpose of relinquishing his/her marital rights and is not obligated for repayment of this debt.” Both spouses’/non-borrower occupant’s income will be included in calculations to determine assumption eligibility.

   Neither spouse/non-borrower occupant can have owned an interest in a principal residence (exception: targeted area) for the last three years and must occupy the home to be purchased within 60 days of loan closing.

b. **Separation Agreements and Divorce Decrees**

   Prior to a loan assumption approval, NCHFA requires a copy of the recorded separation agreement and/or recorded/filed divorce decree for any assumers that have been married during the past three years or receive alimony or child support.

c. **Business Use of Property**

   No more than 15% of the total area of the residence can be used for business purposes. Please refer to the NC 1st Home Advantage Down Payment™ Program Guide at [www.nchfa.com](http://www.nchfa.com), Section 6, (6.6) for eligibility details.

9.2 Credit Compliance

9.2.1 Liability

   The original borrower must be released of liability for FHA, VA and conventional loans if the assumers are credit qualified by the servicer and/or insurer. USDA requires the original borrower to remain liable for the first mortgage.

   Following review, the Servicer must forward NCHFA their written approval (subject to NCHFA’s approval).

9.2.2 Underwriting Documentation

   To complete the NCHFA compliance underwriting process, the Servicer must submit the documentation listed on the Submission Package Checklist (A-001). NCHFA will use current industry underwriting standards for manual underwriting in reviewing loan assumption applications.
NCHFA reserves the right to ask for additional information. If, after a thorough review, NCHFA decides that the assuming borrower is not credit worthy, the assumption may be denied.

9.2.3 Cases Approved by NCHFA
If NCHFA determines that the assumer is acceptable, NCHFA will execute and return the Deed of Trust Assumption Agreement with Substitution of Liability (A-014) to the Servicer who should have the document recorded after closing and return the original to NCHFA.

9.2.4 Cases Declined by NCHFA
In cases where the proposed assumer is determined to be unacceptable, NCHFA will advise the Servicer in writing.

9.3 Closing Compliance
To complete the documentation, the Servicer must submit the documentation listed on the Closing Package Checklist (Exhibit A-008) to NCHFA within thirty (30) days after the assumption closing date to confirm the assumption closing.

Only upon receipt and verification of the confirmation data will NCHFA change its records on the loan. **The above information must be received in order for our approval to be valid.** NCHFA will return the executed Closing Package Checklist to finalize the assumption process.

9.4 Insurer Compliance

9.4.1 FHA First Mortgages (FirstHome)
For FHA assumptions, the Servicer must also follow HUD Handbook 4000.1 Section II-Origination Through Post-Closing/Endorsement. FHA requires the Servicers to manually underwrite the assumption, instead of using TOTAL Mortgage Scorecard. Servicers must comply with the industry standards and not jeopardize the mortgage insurance provided by FHA.

The assumption fee for FHA loans is $900. The Servicer shall collect the assumption fee at the closing. NCHFA’s portion of the assumption fee is $300 and must be paid with a corporate check (payable to NCHFA). The Servicer’s portion of the assumption fee is $600.

9.4.2 VA First Mortgages (FirstHome)
For VA loans, the Servicer must follow the VA Servicing Guide, Chapter 1: Current Servicing Section 1:14 Loan Assumptions and Release of Liability—Loans Committed on or after March 1, 1988. This chapter covers how to process a VA assumption as an Automatic Lender or how to submit the assumption package to VA if you do not have Automatic
Authority. Servicers must comply with the industry standards and not jeopardize the mortgage guarantee provided by VA.

The assumption fee for VA loans is $300.00. The Servicer shall collect the assumption fee at the closing. NCHFA’s portion of the assumption fee is $50.00 and must be paid with a corporate check (payable to NCHFA). The Servicer’s portion of the assumption fee is $250.00. A VA funding fee of one-half of 1 percent is due to VA unless the veteran is exempt from paying.

9.4.3 USDA First Mortgages (FirstHome)

For USDA loans, the Servicer must follow the USDA Guaranteed Rural Housing Program Part 3555.256 Transfer and Assumptions. Please note that USDA must review the assumption package for adherence to USDA/Ginnie Mae guidelines. USDA requires the Servicers to manually underwrite the assumption, instead of using GUS, the automated underwriting system. Servicers must comply with the industry standards and not jeopardize the mortgage guarantee provided by USDA.

The assumer must assume the entire outstanding debt and acquire all property securing the guaranteed loan balance; however, the original borrower (seller) must remain personally liable.

The assumption fee for USDA loans is $125.00. The Servicer shall collect the assumption fee at the closing. NCHFA’s portion of the assumption fee is $25.00 and must be paid with a corporate check (payable to NCHFA). The Servicer’s portion of the assumption fee is $100.00.

9.4.4 Conventional First Mortgages (FirstHome)

For conventional loans, the Servicer must follow Fannie Mae assumption guidelines as well as the private mortgage insurer, if the mortgage insurance is still active. Please note that buyers cannot assume the conventional mortgage but a transfer due to marriage, divorce, or inheritance is possible. Please refer to Section 9.5 for more details.

9.5 Transfers by Devise, Descent or Operation of Law

In the following limited cases, which generally involve transfers of title between family members, the Agency will allow assumptions. According to the Garn-St. Germain Depository Institutions Act of 1982, the due-on-sale clause in the Deed of Trust will not be triggered.

- A transfer from the borrower to a spouse or children not resulting from the death of the borrower;
- A transfer to a relative, joint tenant, or tenant by the entirety resulting from the death of the borrower;
- A transfer to a spouse or an ex-spouse resulting from a divorce decree, legal separation agreement, or property settlement agreement;
- A transfer to a person other than a deceased borrower’s spouse who wishes to assume the loan for the benefit of persons who were dependent on the deceased borrower at
the time of death, if the dwelling will be occupied by one or more persons who were dependent on the borrower at the time of death, and there is a reasonable expectation of repayment; or
• A transfer into an inter vivos trust in which the borrower does not transfer rights of occupancy in the property.

9.6 Subordinate Loan Assumptions (Associated with Whole Loans)

If a borrower also has a subordinate loan, the servicer must review the subordinate loan documents to determine if the subordinate loan is assumable. If the subordinate loan is assumable, NCHFA underwriters should review the assumption request when they review the first loan assumption documentation. Generally, lower income limits apply to subordinate financing, so it is possible that assumers would not qualify to assume the subordinate loan even though they may be eligible to assume the first mortgage. You may contact an NCHFA underwriter for guidance prior to pursuing the assumption documents. If the subordinate loan is not assumable, the applicant must pay off the subordinate loan when the assumption loan documents are signed and property transferred.

9.7 How to Submit an Assumption Application Package to NCHFA

9.7.1 Assumption Submission Package
Servicers must submit an assumption application package to NCHFA prior to transfer of ownership. The package requirements will vary based on the loan type. Please use the Assumption Submission Package Checklist (Exhibit A-001). The following NCHFA forms will be required with each submission.

• Affidavit of Compliance
• Seller Affidavit
• Preliminary Notice to Applicants of Potential Recapture of Federal Subsidy
• Signed Deed of Trust Assumption Agreement with Substitution of Liability (NA for USDA)
• Assumption Approval from the loan insurer (FHA, VA, USDA, MI company)

Any questions regarding the above forms or any other required submission documents should be addressed to one of the Homeownership NCHFA underwriters at 1-919-877-5700.

9.7.2 Assumption Closing Package
After the closing has occurred, the Servicer should submit the closing documents as described in the Closing Package Checklist (Exhibit A-008). The following NCHFA forms will be required with each submission.

• Lender Closing Affidavit Exhibit A-010
• Recorded Deed of Trust Assumption Agreement with Substitution of Liability (NA for USDA loans) Exhibit A-014

Upon approval of the closing package, NCHFA will send the assumer the “Notice to Mortgagors of Federal-Subsidized Amount and Family Income Limits”.

Any questions regarding the above forms or any other required submission documents should be addressed to one of the Homeownership NCHFA underwriters at 1-919-877-5700.
Section 10: Waiver Process

If a Servicer cannot adhere to our policies as outlined in Sections 1-9, we will consider a waiver of a specific policy requirement, on a case-by-case basis. Please use Exhibit 8 to request the waiver.

For example, in the event a servicer has an internal policy that conflicts with our stated policy, the Servicer can submit a completed waiver request stating the specific conflict and suggested alternative process for review. Once NCHFA receives a waiver request, we will respond within 10 business days. The Waiver Review Committee will include the Chief Financial Officer, Manager of Mortgage Servicing, and other staff as deemed appropriate.
Section 11: Exhibits

Servicing Exhibits

Exhibit 1  Form SFS-25, Letter of Agreement for Servicer’s Custodial Accounts
Exhibit 2  Automated Investor-Delinquency Reporting File Format
Exhibit 3  BNY Registration Form
Exhibit 4  Loan Modification Capitalization Reimbursement Request
Exhibit 5  Short Sale Transmittal Summary
Exhibit 6  Servicer REO Securing Notice
Exhibit 7  NCHFA Claims-Foreclosure Expense Reimbursement Request
Exhibit 8  Servicing Waiver Request Form

Assumption Exhibits

Exhibit A-001  Assumption Submission Package Checklist
Exhibit A-002  Assumption Affidavit of Compliance
Exhibit A-003  Assumption Seller Affidavit
Exhibit A-004  Assumption Preliminary Recapture Notice
Exhibit A-005  Assumption Mobile Home Certification
Exhibit A-006  Assumption Trust Certification for Loan Application
Exhibit A-007  Calculation of Business Use Worksheet
Exhibit A-008  Assumption Closing Package Checklist
Exhibit A-010  Assumption Lender Closing Affidavit
Exhibit A-014  Deed of Trust Assumption Agreement with Substitution of Liability
Exhibit A-015  Deed of Trust Assumption Agreement without Release of Liability
North Carolina Housing Finance Agency

LETTER OF AGREEMENT FOR SERVICER'S CUSTODIAL ACCOUNTS

Name of Depository ___________________________ Date ___________________________

Address: ______________________________________

You are hereby authorized and requested to establish two demand deposit accounts to be specifically designated:

"[Servicer], as agent, trustee and/or bailee for the holders of NCHFA Single Family Revenue Bonds (specify Resolution) and/or payment of various mortgagors and as Custodian for The Bank of New York Mellon Trust Company (Principal and Interest)"

"[Servicer], as agent, trustee and/or bailee for the holders of NCHFA Single Family Revenue Bonds (specify Resolution) and/or payment of various mortgagors and as Custodian for The Bank of New York Mellon Trust Company (Escrow Account)"

All deposits made in such accounts shall be subject to withdrawal by the depositor named below, and shall also be subject to withdrawal by North Carolina Housing Finance Agency. You are also authorized to pay to North Carolina Housing Finance Agency at any time upon its written demand, which need not name a specific amount, the entire amount in such accounts at the time of such demand.

This letter is submitted to you in triplicate. Please execute the certificate below acknowledging the existence of such accounts, and return the original and one copy to us. We will present the signed original to North Carolina Housing Finance Agency.

Name of Depositor ___________________________

By ___________________________

Title ___________________________

The undersigned depository certifies to North Carolina Housing Finance Agency that the accounts identified above are in existence in this institution under account numbers ___________________________ and ___________________________ respectively, and withdrawals on such accounts in the manner provided above will be honored. Deposits in this institution are insured by the Federal Deposit Insurance Corporation or by another deposit insurer which is approved by the North Carolina Commissioner of Insurance.

Date ___________________________ By ___________________________

Name of Depository ___________________________ Title ___________________________
Customized System Functionality – External Output File:

External output file #XXXX is a multiple record file with record types defined as follows:

- **01** = Header Record
- **02** = Detail Record
  - There may be more than one record per loan depending on activity: (Loss Setup) = Fidelity Tran 042 or 055, (Preconvert – excluding 70 series transaction applying only escrow funds with no accompanying principal or interest fund) = Fidelity Tran 055-Payment/Conversion fund movement to/from investor – converted to related transaction number, Fidelity Tran 070 – 074, (Conversion) = Fidelity Tran 075, & Conversion reversals (principal only 547 – 548) displayed as negative amount, (Reversal of Payment Transactions) = Fidelity Tran 544 – 546, (Adjust) = Fidelity Tran O4, (Preconvert) = Fidelity Tran 081
- **03** = Delinquency Record
- **08** = Summary BANK/AGGR Record
- **09** = Trailer Record
EXTERNAL OUTPUT FILE - LAYOUT

For the Header, Detail, and Trailer records (shown below) any fields that are not available will be populated with spaces if the field is alphanumeric (PIC X) or zeros if it is numeric (PIC 9).

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<th>NO</th>
<th>CLIENT FIELD NAME</th>
<th>PICTURE</th>
<th>PACK</th>
<th>DSP</th>
<th>LEN</th>
<th>Fidelity SOURCE</th>
<th>DESCRIPTION/COMMENTS</th>
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<td>003-006</td>
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<td></td>
<td><em>Client must enter this code, right justified, on the IN30 servicer SERVICER NUMBER field.</em></td>
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<td></td>
<td>BDA String 006</td>
</tr>
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<td>03</td>
<td>Date</td>
<td>X(08)</td>
<td>N</td>
<td>007-014</td>
<td>8</td>
<td>Derived</td>
<td>Date for is being sent. This date would be the first business date after the cycle date.</td>
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<td>015-203</td>
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* Value to be assigned by NCHFA for each client installed on the optional enhancement.
Fidelity Information Services, Inc.  

MPD Custom Programming  

NCHFA (North Carolina Housing Finance Authority) - XXX  

AD827 – Automated Investor-Deficiency Reporting (New 1P)  

The (02) Detail Record contains requested transaction activity that is to be reported to NCHFA on a monthly basis.

<p>| Detail Record (02): (Could be more than one per loan based on transactional activity) |
|-----------------------------------|-----------------------------------|-----------------------------------|</p>
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<td>12</td>
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<td>Loan Number assigned by NCHFA. Fidelity ACTUAL INVESTOR loan number is 16 positions long; field will not have more than 10 numbers. The Loan number assigned by NCHFA of the piggyback second mortgage.</td>
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<tr>
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<td>Service Loan Number</td>
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<td>Fidelity Investor and Category designations, also known as BANK/AGOR. – these numbers are used for aggregate summarizing. The Investor and Category of the piggyback second mortgage.</td>
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Note: Left Justified, Right Space Filled.
<table>
<thead>
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<tr>
<td>17</td>
<td>P&amp;I Constant</td>
<td>Y(Y)Y99</td>
<td>N</td>
<td>120-128</td>
<td>9</td>
<td>FIRST-P-I Master File Ref # 350 Or 2ND-P-I Reference number: 1490</td>
<td>Principal &amp; Interest payment after the activity. The portion of the monthly payment applied to the piggyback second mortgage outstanding principal and interest. Assumed decimal, left-zero-fill.</td>
</tr>
<tr>
<td>18</td>
<td>Interest Rate</td>
<td>999%4</td>
<td>N</td>
<td>129-134</td>
<td>6</td>
<td>ANNUAL-INT Master File Ref # 340 Or 2ND-ANNUAL-INT Reference number: 1480</td>
<td>Interest Rate after the activity. Interest Rate on the piggyback second mortgage. Assumed decimal, left-zero-fill. 3.5% will be represented as 035000</td>
</tr>
<tr>
<td>NO</td>
<td>CLIENT FIELD NAME</td>
<td>PICTURE</td>
<td>PACK</td>
<td>DISP</td>
<td>LEN</td>
<td>Fidelity SOURCE</td>
<td>DESCRIPTION/COMMENTS</td>
</tr>
<tr>
<td>----</td>
<td>-------------------</td>
<td>---------</td>
<td>------</td>
<td>------</td>
<td>-----</td>
<td>----------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>19</td>
<td>Servicer Fee Rate</td>
<td>V(06)</td>
<td>N</td>
<td>135-140</td>
<td>6</td>
<td>EXP-ANNUAL-SER-FEE Master File Ref # 5250 Or EXP-2ND-ANNUAL-SER-FEE Master File Ref # 5260</td>
<td>Service Fee Rate after the activity.</td>
</tr>
<tr>
<td>20</td>
<td>Mortgage Position</td>
<td>X(01)</td>
<td>N</td>
<td>141-141</td>
<td>1</td>
<td>1ST-TYPE Master File Ref #: 0130 Or 2ND-TYPE Master File Ref #: 1560</td>
<td>Programming valid values: 1 = First mortgage. 3 = Second mortgage carried under a separate loan number. A code that indicates whether the loan is for a first or second mortgage. Programming valid values: 2 = Second mortgage. A code that indicates the loan is carried piggyback with the first mortgage.</td>
</tr>
<tr>
<td>21</td>
<td>Filler</td>
<td>X(59)</td>
<td>N</td>
<td>143-260</td>
<td>59</td>
<td>Hard Coded</td>
<td>Spaces for future expansion.</td>
</tr>
</tbody>
</table>
Exhibit 2

Fidelity Information Services, Inc.  

NCHFA (North Carolina Housing Finance Authority) - XXX  

AD827 – Automated Investor-Delinquency Reporting (New IP)

The (03) Delinquency Status Record contains requested loan level triad balance position and delinquency information that is to be reported to NCHFA on a monthly basis.

<table>
<thead>
<tr>
<th>NO</th>
<th>CLIENT FIELD NAME</th>
<th>PICTURE</th>
<th>PACK</th>
<th>DISP</th>
<th>LEN</th>
<th>Fidelity SOURCE</th>
<th>DESCRIPTION/COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Record ID</td>
<td>X(02)</td>
<td>N</td>
<td>001-002</td>
<td>2</td>
<td>N/A</td>
<td>Hard Code = '03'</td>
</tr>
</tbody>
</table>
| 02 | Housing Authority Loan Number | X(12) | N | 003-014 | 12 | INV-LOAN-NO Master File Ref # 180  
Or  
2ND-INV-LOAN-NO Master File Ref # 1340 | Loan Number assigned by NCHFA, Fidelity ACTUAL. INVESTOR loan number is 10 positions long; field will not have more than 10 numbers.  
The Loan number assigned by NCHFA of the piggyback second mortgage.  
Note: Left Justified, Right Space Filled. |
| 03 | Servicer Loan Number      | X(20)   | N    | 015-034 | 20  | LOAN-NO Master File Ref # 010 | Valid loan number could be one of the following depending on the reporting client:  
6 digits, 7 digits, or 10 digits.  
Note: Left Justified, Right Space Filled. |
| 04 | Investor Number           | X(30)   | N    | 035-054 | 20  | BANK/AGGR Master File Ref # 080/090  
Or  
2ND-BANK/2ND-AGGR Master File Ref # 1526/1530 | Fidelity Investor and Category designations, also known as BANK/AGGR – these numbers are used for aggregate summarizing.  
Note: Left Justified, Right Space Filled.  
The Investor and Category of the piggyback second mortgage. |
| 06 | Paid to Date              | 9(08)   | N    | 057-064 | 8   | DOE-DATE Master File Ref # 390  | Interest Paid to Date after all investor cutoff activity.  
Format: CCYYMMDD |
| 07 | Principal Balance Sign    | X(01)   | N    | 065-065 | 1   | Sign of principal balance amount | Format: "-" (Negative) or "+" (Positive). |

Confidential Information  
August 26, 2005  
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<table>
<thead>
<tr>
<th>NO</th>
<th>CLIENT FIELD NAME</th>
<th>PICTURE</th>
<th>PACK</th>
<th>DISP</th>
<th>LEN</th>
<th>Fidelity SOURCE</th>
<th>DESCRIPTION/COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>08</td>
<td>Principal Balance</td>
<td>919Y99</td>
<td>N</td>
<td>066-078</td>
<td>11</td>
<td>FIRST - PRIN-BAL Master File Ref # 100 Or 2ND-PRIN-BAL Master File Ref # 1620</td>
<td>Principal balance remaining after activity.  The unpaid balance of the piggyback second mortgage. Assumed decimal, left-zero-fill.</td>
</tr>
<tr>
<td>09</td>
<td>P61 Constant Sign</td>
<td>X</td>
<td>N</td>
<td>077-077</td>
<td>1</td>
<td>FIRST - P61 Sign of principal and interest constant part of payment at time of activity. Or 2ND-P61 Reference number: 1496</td>
<td>Format: &quot;-&quot; (Negative) or &quot;+&quot; (Positive).</td>
</tr>
<tr>
<td>10</td>
<td>P61 Constant</td>
<td>919Y99</td>
<td>N</td>
<td>078-088</td>
<td>11</td>
<td>FIRST - P61 Principal &amp; Interest payment after the activity. Or 2ND-P61 Reference number: 1496</td>
<td>The portion of the monthly payment applied to the piggyback second mortgage outstanding principal and interest. Assumed decimal, left-zero-fill.</td>
</tr>
<tr>
<td>11</td>
<td>Interest Rate</td>
<td>95V6(04)</td>
<td>N</td>
<td>089-094</td>
<td>6</td>
<td>ANNUAL-INT Interest Rate after the activity. Or 2ND-ANNUAL-INT Reference number: 1468</td>
<td>Interest Rate on the piggyback second mortgage. Assumed decimal, left-zero-fill.  1.5% will be represented as 085000</td>
</tr>
<tr>
<td>NO</td>
<td>CLIENT FIELD NAME</td>
<td>PICTURE</td>
<td>PACK</td>
<td>DISP</td>
<td>LEN</td>
<td>Fidelity SOURCE</td>
<td>DESCRIPTION/COMMENTS</td>
</tr>
<tr>
<td>----</td>
<td>-------------------</td>
<td>---------</td>
<td>------</td>
<td>------</td>
<td>-----</td>
<td>----------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>13</td>
<td>Service Fee Rate</td>
<td>V(06)</td>
<td>N</td>
<td>095-100</td>
<td>6</td>
<td>EXP-ANNUAL-SEr-FEE</td>
<td>Service Fee Rate after the activity.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Master File Ref #: 5250</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Cr</td>
<td>Service Fee Rate after the activity for the Piggyback second mortgage.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>EXP-2ND-ANNUAL-SEr-FEE</td>
<td>Assumed decimal, left-zero-fill.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Master File Ref #: 5260</td>
<td>0.25% will be represented as 002500</td>
</tr>
<tr>
<td>13</td>
<td>BANKRUPT-CODE</td>
<td>X(02)</td>
<td>N</td>
<td>100-102</td>
<td>2</td>
<td>BANKRUPT-CODE</td>
<td>The bankruptcy chapter number ( filed. )</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Master File Ref #: 7480</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>FC-STOP</td>
<td>X(01)</td>
<td>N</td>
<td>100-103</td>
<td>1</td>
<td>FORECLOSURE-STOP</td>
<td>Value of service's FC stop code on the loan within the Fidelity system.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Master File Ref #: 0740</td>
<td>Programming valid values:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0 = Normal processing.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1 - 9 = System prevents normal payments from being applied.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3, 4 - 7 = Payments rejected.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3, 4 - 7 = Payments only rejected.</td>
</tr>
<tr>
<td>15</td>
<td>FORE-WKST-CODE</td>
<td>X(01)</td>
<td>N</td>
<td>104-104</td>
<td>1</td>
<td>FORE-WKST-CODE</td>
<td>The stage the loan has reached in the foreclosure process.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Master File Ref #: 8925</td>
<td>Programming valid values:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>A = Active.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>C = Complete.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>D = Delete.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>M = Modified for deletion.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>S = Suspend.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>R = Re stress.</td>
</tr>
<tr>
<td>16</td>
<td>Bill Name</td>
<td>X(30)</td>
<td>N</td>
<td>105-124</td>
<td>30</td>
<td>NU-BILL-NAME</td>
<td>The mortgage's full name.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Master File Ref #: 9192</td>
<td>Format: LAST6FIRST4M</td>
</tr>
<tr>
<td>NO</td>
<td>CLIENT FIELD NAME</td>
<td>PICTURE</td>
<td>PACK</td>
<td>DSP</td>
<td>LEN</td>
<td>FIDELITY SOURCE</td>
<td>DESCRIPTION/COMMENTS</td>
</tr>
<tr>
<td>----</td>
<td>-------------------</td>
<td>---------</td>
<td>------</td>
<td>-----</td>
<td>-----</td>
<td>-----------------</td>
<td>----------------------</td>
</tr>
</tbody>
</table>
| 17 | Loan Type         | X(01)   | N    | 135-135 | 1 | LO-TYPE | Master File Ref # 0130
|     |                   |         |      |      |     | Or
|     |                   |         |      |      |     | 2ND-TYPE | Master File Ref # 1550
|     |                   |         |      |      |     | A code that indicates the type of the loan, such as, FHA, VA, or conventional.
| 18 | Delinq Pmt Balance| 9(9)V99 | N    | 136-146 | 11 | DELQ-BAL | Master File Ref #: 10700
|     |                   |         |      |      |     | The outstanding payment balance that, if applied, would not cause the next payment due date to exceed today's date.
|     |                   |         |      |      |     | NOTE: Fees are not included in this dollar amount. |
| 19 | Total Pmt         | 9(7)V99 | N    | 147-155 | 9 | TOT-PAYMT | Master File Ref #: 5900
|     |                   |         |      |      |     | The total of principal and interest, escrow, replacement reserve, optional insurance, etc. The total is recomputed if any of the payment elements are changed. For HUD 235/265 loans, this is the mortgage's portion of the payment. |
| 20 | REO Status        | X(01)   | N    | 156-156 | 1 | REO-STATUS | Master File Ref #: 7222
|     |                   |         |      |      |     | It indicates the status of the property.
<table>
<thead>
<tr>
<th>NO</th>
<th>CLIENT FIELD NAME</th>
<th>PICTURE</th>
<th>PACK</th>
<th>DEEP</th>
<th>LEN</th>
<th>Fidelity SOURCE</th>
<th>DESCRIPTION/COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
<td>Foreclosure Sale Date</td>
<td>9(08)</td>
<td>N</td>
<td>157-164</td>
<td>8</td>
<td>FORECLOSURE-DATE</td>
<td>Master File Ref # 8020 The date on which the system processed transaction 082 (D-008) = Foreclosure Removal.</td>
</tr>
<tr>
<td>22</td>
<td>Foreclosure Initiated Date</td>
<td>9(08)</td>
<td>N</td>
<td>165-172</td>
<td>8</td>
<td>002-FORECL-DATE</td>
<td>Master File Ref # 9910 The date the loan was added to the Foreclosure Workstation.</td>
</tr>
<tr>
<td>23</td>
<td>Bankruptcy Filing Date</td>
<td>9(08)</td>
<td>N</td>
<td>173-180</td>
<td>8</td>
<td>BANKRUPT-DATE</td>
<td>Master File Ref # 7485 The date the bankruptcy was filed.</td>
</tr>
<tr>
<td>25</td>
<td>Filler</td>
<td>X(19)</td>
<td>N</td>
<td>182-200</td>
<td>19</td>
<td>N/A</td>
<td>Spaces (for future expansion)</td>
</tr>
</tbody>
</table>
The (88) Summary BANK-AGGR Record contains the investor Category summations for transaction activity that is to be reported to NCHFA on a monthly basis. This is also known as the Aggregate level summary.

### Summary BANK-AGGR Record (88):

<table>
<thead>
<tr>
<th>NO</th>
<th>CLIENT FIELD NAME</th>
<th>PICTURE</th>
<th>PACK</th>
<th>DSP</th>
<th>LEN</th>
<th>Fidelity SOURCE</th>
<th>DESCRIPTION/COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Record ID</td>
<td>99</td>
<td>N</td>
<td>003-002</td>
<td>2</td>
<td>Filter</td>
<td>Value Field Coded = ‘08’</td>
</tr>
<tr>
<td>02</td>
<td>Number of Transactions</td>
<td>9(9)</td>
<td>N</td>
<td>012-011</td>
<td>9</td>
<td>Derived from detail record</td>
<td>Total number of detail records on this file. Does not include the header and trailer record numbers 01, 08, and 09.</td>
</tr>
<tr>
<td>03</td>
<td>Total Principal Sign</td>
<td>X(01)</td>
<td>N</td>
<td>012-012</td>
<td>1</td>
<td>Detail record, fields 6d&amp;7 summed by Aggregate total</td>
<td>Sign of the total of the principal reported.</td>
</tr>
<tr>
<td>04</td>
<td>Total Principal</td>
<td>9(13)Y99</td>
<td>N</td>
<td>013-027</td>
<td>15</td>
<td>Detail record, fields 6d&amp;7 summed by Aggregate total</td>
<td>Total of the principal reported.</td>
</tr>
<tr>
<td>05</td>
<td>Total Interest Sign</td>
<td>X(01)</td>
<td>N</td>
<td>028-028</td>
<td>1</td>
<td>Detail record, fields 8a&amp;9 summed by Aggregate total</td>
<td>Sign of the total of the interest reported.</td>
</tr>
<tr>
<td>06</td>
<td>Total Interest</td>
<td>9(13)Y99</td>
<td>N</td>
<td>029-043</td>
<td>15</td>
<td>Detail record, fields 8a&amp;9 summed by Aggregate total</td>
<td>Total of the interest reported.</td>
</tr>
<tr>
<td>07</td>
<td>Total Service Fee Sign</td>
<td>X(01)</td>
<td>N</td>
<td>044-044</td>
<td>1</td>
<td>Detail record, fields 10d&amp;11 summed by Aggregate total</td>
<td>Sign of the total of the Service Fee reported.</td>
</tr>
<tr>
<td>08</td>
<td>Total Service Fee</td>
<td>9(9)Y99</td>
<td>N</td>
<td>045-055</td>
<td>11</td>
<td>Detail record, fields 10d&amp;11 summed by Aggregate total</td>
<td>Total of the Service Fee reported.</td>
</tr>
<tr>
<td>09</td>
<td>Bank</td>
<td>X(03)</td>
<td>N</td>
<td>056-058</td>
<td>3</td>
<td>BANK</td>
<td>The Fidelity Investor number being summarized.</td>
</tr>
<tr>
<td>10</td>
<td>Aggregate</td>
<td>X(03)</td>
<td>N</td>
<td>059-061</td>
<td>3</td>
<td>AGGR</td>
<td>The Fidelity Category number being summarized.</td>
</tr>
<tr>
<td>11</td>
<td>Filter</td>
<td>X(139)</td>
<td>N</td>
<td>062-200</td>
<td>139</td>
<td>N/A</td>
<td>Spaces.</td>
</tr>
</tbody>
</table>
The (09) Trailer Record contains the final total all the investor/Credit subtotals for transaction activity that is to be reported to NCHFA on a monthly basis as well as the final record count for all reporting records.

<table>
<thead>
<tr>
<th>NO</th>
<th>CLIENT FIELD NAME</th>
<th>PICTURE</th>
<th>PACK</th>
<th>DSP</th>
<th>LEN</th>
<th>Priority SOURCE</th>
<th>DESCRIPTION/COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>03</td>
<td>Total Principal</td>
<td>X(01)</td>
<td>N</td>
<td>012</td>
<td>012</td>
<td>1 Detail record, fields 65-67</td>
<td>Sign of the total of the principal reported.</td>
</tr>
<tr>
<td>04</td>
<td>Total Principal</td>
<td>9(1)(990)</td>
<td>N</td>
<td>013</td>
<td>012</td>
<td>15 Detail record, fields 65-67</td>
<td>Total of the principal reported.</td>
</tr>
<tr>
<td>05</td>
<td>Total Interest</td>
<td>X(01)</td>
<td>N</td>
<td>078</td>
<td>078</td>
<td>1 Detail record, fields 82-86</td>
<td>Sign of the total of the interest reported.</td>
</tr>
<tr>
<td>06</td>
<td>Total Interest</td>
<td>9(1)(990)</td>
<td>N</td>
<td>028</td>
<td>043</td>
<td>15 Detail record, fields 82-86</td>
<td>Total of the interest reported.</td>
</tr>
<tr>
<td>07</td>
<td>Total Service Fee</td>
<td>X(01)</td>
<td>N</td>
<td>046</td>
<td>046</td>
<td>1 Detail record, fields 104-111</td>
<td>Sign of the total of the Service Fee reported.</td>
</tr>
<tr>
<td>08</td>
<td>Total Service Fee</td>
<td>9(9)(990)</td>
<td>N</td>
<td>045</td>
<td>055</td>
<td>11 Detail record, fields 104-111</td>
<td>Total of the Service Fee reported.</td>
</tr>
<tr>
<td>09</td>
<td>Patter</td>
<td>X(145)</td>
<td>N</td>
<td>056</td>
<td>200</td>
<td>145 N/A</td>
<td>Spaces.</td>
</tr>
</tbody>
</table>
## Test Plan

<table>
<thead>
<tr>
<th>REQ NO.</th>
<th>REQUIREMENT DESCRIPTION</th>
</tr>
</thead>
</table>
| 1. | Ensure the External Output file specifications, and enhancement switch are set properly for reporting production. Ensure the following loan conditions are covered within the test base:  
- Prepaid, delinquent and current 1st mortgages, Stand Alone 2nd Mortgage and 2nd Mortgage Piggyback loans that reside in NCHFA investor portfolio and outside NCHFA investor portfolio.  
- Loans cover multiple “LO=TYPE” numbers.  
- Delinquent loans are recently delinquent, severely delinquent, in Bankruptcy, Foreclosure and REO status. |
| 2. | Apply a 661/129 request to the NCHFA investor portfolio on MEP. |
| 3. | Add the “ALPHA CODE” of “NCHF” on screen IN01, add the NCHFA assigned servicer number to “SERVICER NUMBER” on screen IN03, and ensure the “RECON CODE” on screen IN01 is equal to “303” for NCHFA investor portfolio in the system cycle immediately following the investor cutoff. |
| 4. | Apply transaction numbers allowing for the creation of detail record “02” type as follows:  
- 01 (Loan Setup) = Fidelity Tran 042 or 045  
- 02 (Payment) = Fidelity Tran 070 – 074  
- 03 (Curtainment) = Fidelity Tran 075 & Curtainment reversals (principal only 547 – 548) displayed as negative amounts.  
- 04 (Reversal) = Fidelity Tran 547 – 548  
- 05 (Adjust) = Fidelity Tran 043  
- 06 (Payoff) = Fidelity Tran 081 |
<p>| 5. | Run a system cycle. |</p>
<table>
<thead>
<tr>
<th>Req. No.</th>
<th>Requirement Description</th>
</tr>
</thead>
</table>
| 6.       | Apply transaction numbers allowing for the creation of detail record "02" type as follows:  
          | - 01 (Loan Setup) = Fidelity Tran 042 or 055  
          |   - 02 (Payment) = Fidelity Tran 079 or 074 and fund movement due to an effective dated 055 transaction  
          |   - 03 (Custodial) = Fidelity Tran 075 & Custodial reversal (principal only 547 – 548) displayed as negative amounts and fund movement due to an effective dated 055 transaction  
          |   - 04 (Reversal of Payment Activity) = Fidelity Tran 547 – 548 and fund movement due to an effective dated 055 transaction  
          |   - 05 (Adjust) = Fidelity Tran 043  
          |   - 06 (Payoff) = Fidelity Tran 041  
          |   - Transactions that apply to escrow or escrow only through a 076 series transaction  
          |   - Apply to investor numbers expected to appear on the NCHFA external output file, and those that should not. |
| 7.       | Run a system cycle. |
| 8.       | Apply a 951/139 request to the NCHFA investor portfolio on MSP. |
| 9.       | Run a system cycle. |
| 10.      | Review the new external output file against the PIFM, NSPP, S213, S214, S315 and P139 reports to verify reporting accuracy.  
          |   - Confirm that transactions applying only escrow or funds to suspense do not appear on the external output file.  
          |   - Confirm the funds applying to or reverting from a NCHFA reporting investor due to a loan transfer transaction 055 are reporting as expected.  
          |   - Confirm loans residing outside of the NCHFA investor do not report.  
          |   - Verify loans with a 1st Mortgage and 2nd Piggyback mortgage report as expected on the external output file.  
          |   - Verify the subtotals and trailer dollar amounts and record counts. |
| 11.      | Perform an investor cutoff with the new Optional Enhancement switch "off" to ensure external output file does not produce. |
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Non-Agency Account(s) and/or Ginnie Mae Account(s)
Web Access Registration & Authorization to Request Releases

User Access Required: [ ] New User [ ] Delete User [ ] Update User Access

Web Access will allow the ability to view collateral status/details and/or request for the release/copies of files. Signature is required to be on file in order to process a request for release of files.

- Representative completing Sec.2 needs to be different than the party in Sec.1 and be listed in the Authorized Signer List on file.
- For Ginnie Mae Account(s): The Representative listed in Sec.1 below requesting "Release/Copies" or "Administrator" level access and the Representative completing Sec.2 below must be listed in the Ginnie Mae HUD-1702.

SECTION I: REQUEST FOR WEB ACCESS BY AUTHORIZED REPRESENTATIVE

This Section I is used by an Authorized Representative of the Company to request web access and to change or otherwise update the level of access previously submitted.

Please indicate level of access required – check all appropriate boxes

[ ] View collateral status/details
[ ] Request Release/Copies of Files
[ ] Administrator (in addition to view certification and release/copy requests, access level allows user to add/change preferred courier information)

Company Name: ____________________________

Access needed for the following account(s) ____________________________

For Ginnie Mae Account include Issuer #: ____________________________

Name of Authorized Representative: ____________________________

(First Middle Initial Last)

Functional Title ____________________________ If Existing User: User ID ____________________________

Phone #: ____________________________ E-mail Address ____________________________

Fax #: ____________________________ Date ____________________________

Signature: ____________________________

*Signature is required to request the release of files (if box 2 and/or 3 above are checked).

(By affixing my signature, I certify that I am fully authorized by the Company to request for the release of mortgage documents and related files as outlined in the Custodial Agreement "CLA" and/or other governing agreement (i.e. Pools and Servicing Agreement "PSA") executed. I have complied, and will comply, with all requirements bound to the release of mortgage documents and related files. I understand that this Section I or information given in Section I may be used to generate consolidated lists of Authorized Representatives and their levels of access.)

SECTION II: PREFERRED MAILING INFORMATION

This Section II is used to provide the necessary information concerning the preferred courier of the Seller/Service/Investor or of the Authorized Representative and to change that information.

[ ] This is the Preferred Courier for all mailings by the entire Seller/Service/Investor.

[ ] This is the Preferred Courier for this Authorized Representative only.

Name of Preferred Courier ____________________________

Courier Number ____________________________

Zip Code for Courier Billing Account (Accounts payable address) ____________________________
BNY MELLON

SECTION III: REGISTRATION OF COMPANY FOR WEB ACCESS
This Section III is used to register the Company for Web Access and to change previously submitted information. The Section is also used to attest that the person identified in Section I (above) is an authorized Representative of the Company and is authorized to receive the respective access indicated in Section I.

Company Name/Seller/Servicer/Investor

Company Address

Name of Company Officer

(First Middle Initial Last)

Functional Title

Phone # E-mail Address

Fax # Date

Signature

(By affixing my signature, I certify that I am fully authorized to register the Company for Web Access to the Designated Custodian’s systems and that the above Seller/Servicer/Investor has complied, and will comply, with all requirements bound to the release of mortgage documents and related files. I also attest that the person identified in Section I is an Authorized Representative of the Company and is authorized by Company to receive access as indicated in Section I.)

Faximile, copy or pdf transmission signatures to this form shall be considered original executed counterparts.

ATTENTION BNY MELLON DOCUMENT CUSTODY WEBDCS USERS.

Please notify BNY Mellon Document Custody when authorized users fall in to the below category/scenarios.
- Access is no longer required due to role changes
- Users have left your company
- Any other reason requiring a change in employee access

Proactive notification to BNY Mellon will ensure that your account structure and access is maintained in a current state.

It is a violation of Policy to use a User ID or Password not assigned to you or to allow anyone else to know your password.
North Carolina Housing Finance Agency
Loan Modification Capitalization
Reimbursement Request

Servicer name:
Mortgagor(s):
Property Address: ___________________________
NCHFA # ___________________________
SVR # ___________________________

Escrow Advances $0.00
Escrow Shortages $0.00

Capitalized Fees
Legal Fees $0.00
Property Inspections $0.00
Other (specify) $0.00
TOTAL $0.00

Borrower Contribution
Suspense account $0.00
Other (specify) $0.00

Total Capitalization Requested $0.00

Attached to this request should be (in this order):
- Executed Loan Modification Agreement
- Loan Modification Worksheet
- Loan History showing last positive escrow balance and subsequent advances
- Escrow Analysis to show shortage capitalized
- Legal invoices
- Property inspection invoices
- Any other expense invoices

Signature/Title ___________________________
Date ___________________________
Short Sale Transmittal Summary

To: North Carolina Housing Finance Agency
   Cle Newsom (cnewsom@nchfa.com)
   Ginny Willey (gawilley@nchfa.com)

From: ______________ (Name) ______________ (Servicer)

Date: ______________

NCHFA Loan Number: ______________
Servicer Loan Number: ______________
Mortgagor’s Name: ______________
Property Address: ____________________________________________
Insurer: ______________________________________
Due Date: ______________
Appraised Value: $____________
Offer Price: $____________
Total Payoff Amount: $____________

Please include the following documents:

1. Short Sale Transmittal Form
2. Insurer Approval Letter and supporting documentation
3. Offer to Purchase Contract signed by buyers
4. Copy of buyer’s pre-qualification letter for financing or proof of funds availability for cash sales
5. Recent Appraisal or BPO
6. Current Payoff Quote through settlement date from OTP
7. Preliminary Closing Disclosure
8. Any other pertinent documentation

Short Sale Transmittal Summary
Revised October 2019
# Servicer’s Securing Notice

## NCHFA REO Properties

**To:** Allen Tate Real Estate, LLC  
Thom Perkins (thom.perkins@allentate.com)

North Carolina Housing Finance Agency  
Ginny Willey (gmwilley@nchfa.com)  
Cle Newsom (cenewsom@nchfa.com)

<table>
<thead>
<tr>
<th>From: (Name)</th>
<th>(Servicer)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date:</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>NCHFA Loan Number</th>
<th>Servicer Loan Number</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Borrower Name(s):</th>
<th>Property Address:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>City/Zip</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Loan Type: (Conv. or USDA)</th>
<th>MI Company Name</th>
<th>MI Coverage Percentage</th>
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<table>
<thead>
<tr>
<th>Foreclosure Sale Date:</th>
<th>Foreclosure Confirmation (Redemption) Date:</th>
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</table>

<table>
<thead>
<tr>
<th>Notice to Vacate Expiration Date:</th>
<th>Notice to Vacate Expiration Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(if applicable)</td>
<td>(if applicable)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Last Property Inspection Date:</th>
<th>Date Property FIRST Verified as Vacant:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Notes:</th>
</tr>
</thead>
</table>

**Attachments:**  
Foreclosure Appraisal  
Screen shots showing amount of Corporate and Escrow Advances  
Recorded Trustee Deed
North Carolina Housing Finance Agency
Foreclosure Expense Reimbursement Request

<table>
<thead>
<tr>
<th>Service</th>
<th>Requested</th>
<th>Approved</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
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<td></td>
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<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Statutory Expenses</th>
<th>Requested</th>
<th>Approved</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attorney/Trustee Fee</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Eviction Fees</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Publication Fees</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Recording Fees</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Court Fees</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Sheriff’s Fees/Service Fees</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Title Policy/Exam Fees</td>
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</tr>
<tr>
<td>Certified/Courier Fees</td>
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<td>$0.00</td>
</tr>
<tr>
<td>Revenue Stamps</td>
<td>$0.00</td>
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</tr>
<tr>
<td>Bankruptcy Fees</td>
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<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Other:</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>SUBTOTAL</strong></td>
<td><strong>$0.00</strong></td>
<td><strong>$0.00</strong></td>
<td><strong>$0.00</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property Preservation Expenses</th>
<th>Requested</th>
<th>Approved</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appraisal/BPO</td>
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<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Utilities</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Trash/Ground Maintenance</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Repairs</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>HOA dues</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Property Inspections</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Other:</td>
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<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>SUBTOTAL</strong></td>
<td><strong>$0.00</strong></td>
<td><strong>$0.00</strong></td>
<td><strong>$0.00</strong></td>
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</table>

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<th>Escrow Expenses</th>
<th>Requested</th>
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<tbody>
<tr>
<td>Real Estate Taxes</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Hazard/Flood Insurance</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Mortgage Insurance</td>
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<td>$0.00</td>
</tr>
<tr>
<td><strong>SUBTOTAL</strong></td>
<td><strong>$0.00</strong></td>
<td><strong>$0.00</strong></td>
<td><strong>$0.00</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>HUD Debenture Interest CLAIMED</th>
<th>Requested</th>
<th>Approved</th>
<th>Difference</th>
</tr>
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<tbody>
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<td>$0.00</td>
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<td>$0.00</td>
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</table>

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<th>Adjustments</th>
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</thead>
<tbody>
<tr>
<td>Hazard Insurance Refund</td>
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<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>GW/MGC MI Prem. Refund</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Unapplied Funds</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Last Positive Escrow Balance</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Interest Cessation</td>
<td>$0.00</td>
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<tr>
<td>NCHFA Interest Penalty</td>
<td>$0.00</td>
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<tr>
<td>HUD Part B Claim Funds REC'D</td>
<td>$0.00</td>
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</tr>
<tr>
<td>Other:</td>
<td>$0.00</td>
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<tr>
<td><strong>SUBTOTAL</strong></td>
<td><strong>$0.00</strong></td>
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<table>
<thead>
<tr>
<th>TOTALS</th>
<th>Requested</th>
<th>Approved</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

| TOTAL DUE SERVICER | $0.00 | $0.00 | $0.00 |

Rev: 4/01/11
North Carolina Housing Finance Agency

Servicing Policy Waiver Request

_________________________ (Servicer Name)

NCHFA Policy: (Section ______________________, page _____)

_________________________

Reason for Servicer Waiver Request:

_________________________

Servicer Suggested Alternative Process:

_________________________

Signed:

Servicer Staff Name: ____________________________ Date
Servicer Staff Position: ____________________________
Servicer Staff Phone Number and email address: 

Approved:

NCHFA Staff Name ____________________________ Date
NCHFA Staff Position ____________________________
North Carolina Housing Finance Agency
Assumption Submission Package Checklist

Original Borrower: ____________________________________________

Assumer(s): __________________________________________________

Property Address: ______________________________________________

For all Loan Types:

______ Submission Package Checklist (Form A-001)
______ NCHFA Transmittal Summary for Assumption
______ Typed and executed Residential Loan Application (Fannie Mae 1003/Freddie Mac 85)
______ Verification of Employment
______ Borrower’s recent pay stub (within 30 days of closing)
______ Other income documentation
______ Credit Report
______ Rental Verification for the previous three years
______ Executed Purchase Agreement
______ Signed federal income tax returns for the previous three years and any schedules, if applicable
______ Affidavit of Compliance (Form A-002) (Original)
______ Seller Affidavit (Form A-003) (Original)
______ Preliminary Notice to Applicants of Potential Recapture of Federal Subsidy (Form A-004)
______ Executed original of the Deed of Trust Assumption Agreement with Substitution of Liability (Form A-014) (NA for USDA)
______ Any other information deemed necessary by NCHFA

If applicable:
______ Recorded separation agreement and/or recorded/filled divorce decree (Copy), if applicable
______ Recorded power of attorney (Copy), if applicable
______ Mobile Home Certification (A-006) (Original), if applicable
______ Trust Certification for Loan Application (A-008) (Original), if applicable
______ Calculation of Business Use Worksheet (A-007) (Original), if applicable

FHA LOANS
With Release of Liability
______ Request for Credit Approval of Substitute Mortgagor (HUD Form 92210)
______ Evidence of assumption approval by FHA DE Underwriter or FHA
______ Signed Mortgage Credit Analysis Worksheet

VA LOANS
With Release of Liability
______ Evidence of assumption approval by VA Automatic lender or VA

USDA LOANS
Without Release of Liability
______ Evidence of assumption approval by USDA
______ Executed original of the Deed of Trust Assumption Agreement without Release of Liability (Form A-015)

CONVENTIONAL LOANS
With Release of Liability
______ Typed and executed Underwriting and Transmittal Summary (Fannie Mae 1008/Freddie Mac 1007)
______ Evidence of assumption approval by Primary mortgage insurer, if active MI

Form A-401
June 2012
Assumption Affidavit of Compliance

☑ Authorization to Release Information

I understand I am assuming a Mortgage Loan and/or Mortgage Credit Certificate (MCC) through a North Carolina Housing Finance Agency (NCHFA) program. As part of the mortgage process, I understand NCHFA or its authorized representatives may need to verify information contained in my loan application and any other documents required in connection with the mortgage loan, pursuant to NCHFA Program requirements, investor requirements, or as part of a Quality Control program. By signing below, I authorize the servicer or lender to release any and all information, records, and documentation that NCHFA may request. Such information may include non-public personal information including, but not limited to social security number, employment history and income; bank, money market, and similar account balances; and copies of income tax returns for the three years prior to mortgage closing.

I, the undersigned, as part of my application to assume a Mortgage Loan and/or Mortgage Credit Certificate (MCC) offered by NCHFA, and as a material inducement for NCHFA to approve an assumption of a Mortgage Loan or an MCC, and to verify conformity with state and federal requirements, I attest to the following:

1. PROPERTY ADDRESS: The Residence being purchased is a single-family property located in the State of North Carolina at:

   Street Address ____________________________  County ______________________________

   ____________________________  City ____________
2. **OCCUPANTS:** The number of occupants in my household, including me and **ALL other** persons who intend to occupy the Residence as a principal residence, is (enter total number living in property).

I certify that all occupants of property being purchased are listed here. All occupants who will be mortgagor(s) including any other person who is expected to both live in the residence being financed and become secondarily liable on the mortgage must furnish all required income documentation (VOE, paystub, tax returns and sign all our documents) and must meet all Program Guidelines (e.g., income not over county limit and cannot have owned a principal residence in the last three years). Secondarily liable on the debt shall include someone who acts as a surety or guarantor if they also intend to live in the residence being financed. For purposes of this program, a spouse must provide all required income documentation as well as any titleholder who resides in the subject property.

Gross Annual Income (base + OT + other)

Borrower Name: $__________________________

__________________________ Spouse Name:

__________________________ $__________________________

__________________________ Co-Borrower Name:

__________________________ $__________________________

__________________________

Titleholder Name: $__________________________

__________________________

*(print additional forms if more space needed)*

**Non-Borrowing Occupants (must be listed below):**

<table>
<thead>
<tr>
<th>Occupant Name (non-borrower)</th>
<th>Age</th>
<th>Relationship to borrower(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>

3. **OCCUPANCY CERTIFICATION:** The Residence will be occupied and used as my principal residence within 60 days after the date of loan closing. The Residence will not be used as an investment property, vacation home, or rental home and not more than 15% of the area of the Residence will be used in a trade or business. I understand and agree that:

(a) I have been duly notified that if the Residence ceases to be my principal residence that the
Mortgage Credit Certificate (MCC) will be automatically revoked and I will no longer be entitled to claim the credit.

(b) The land appurtenant to the Residence does not provide a source of income to the Borrower. No land can be separated from the land being financed and offered for sale as a separate residence without permission of NCHFA.

(c) As a Non-Borrower Occupant, I agree to execute all documents required by the North Carolina Housing Finance Agency (NCHFA). I certify that I will not have ownership of the property or intend to have ownership of the property.

(d) I will notify NCHFA immediately, in writing, if the Residence ceases to be my principal residence or in the event that I vacate the Property, and to keep NCHFA informed of my current mailing address.

4. COMPLIANCE INCOME CERTIFICATION: I have enclosed as part of my application evidence of ALL family income for the mortgagor(s) including any other person who is expected to BOTH live in the residence being financed and become secondarily liable on the mortgage. The income used in determining the total annual family income will be the income of the mortgagor(s) (including titleholders) and any other person who is both expected to live in the residence being financed, and who will become secondarily liable for the mortgage. For purposes of this program, a spouse must provide all required income documentation.

a. I understand I AM NOT eligible for a mortgage loan and/or MCC if my annual family income exceeds the Income Limits authorized by NCHFA under rules and regulations set by federal and state entities. Income limits are subject to change and can be found on our website at www.nchfa.com. Please complete all questions below:

A. I attest, as a Borrower that I do or do not receive child support.
   - [ ] I Do (If I do, the amount received per month is $____________________)
   - [ ] I Do Not

B. I attest, as Spouse that I do or do not receive child support.
   - [ ] I Do (If I do, the amount received per month is $____________________)
   - [ ] I Do Not

C. I attest, as a Titleholder or Co-Borrower that I do or do not receive child support.
   - [ ] I Do (If I do, the amount received per month is $____________________)
   - [ ] I Do Not

Documentation Attestation: I have enclosed as part of my application evidence of all income. (e.g., Alimony, Child Support, Award Letters, Part-time Jobs, Pay Stubs, Self-Employment, etc.). Check one.

D. This is to attest I, as Borrower am NOT providing a copy of divorce /separation / child support documents because. Check one.
   - [ ] Does not apply
   - [ ] Never Married
   - [ ] Other Reason ______________________________________________________

E. This is to attest I, as Spouse am NOT providing a copy of divorce /separation / child support documents because. Check one.
   - [ ] Does not apply
F. This is to attest I, as a Titleholder or Co-Borrower am NOT providing a copy of divorce/separation / child support documents because. Check one.

□ Never Married
□ Other Reason ________________________________

□ Does not apply
□ Never Married
□ Other Reason ________________________________

5. FIRST-TIME HOMEBUYER CERTIFICATION: Check the statement that applies (check one):

□ (a) I individually, or together with another person who will be liable on the mortgage, have not had an ownership interest in a principal residence within 36 months from the closing date. For this purpose, a principal residence includes a single-family residence; condominium, stock held by a tenant stockholder in a housing corporation; or any manufactured home (including a mobile home). Prior ownership interest in a manufactured home, which is not permanently fixed to a foundation and was not taxed as real estate is acceptable. For this purpose, an ownership interest means any ownership, whether outright or partial, including property subject to a mortgage or other security interest. The term ownership interest means a fee simple ownership interest, a joint ownership interest by joint tenancy, tenancy in common or tenancy by the entirety, a tenant-shareholder interest in a cooperative, an ownership interest in trust, a life estate interest, and purchase by contract for deed (or similar transaction).

□ (b) The preceding section (a) is not required because the Residence is located in a Targeted Area (as defined and listed on the NCHFA website).

□ (c) I am exempt from the three-year non-ownership requirement because this mortgage qualifies for the one-time exception to the “First-Time Homebuyer” requirement for Veterans who purchase a home using the proceeds from a Qualified Mortgage Revenue Bond. I certify that I am a veteran defined as a person who served in active duty of the United States Armed Forces or Reserves and who was discharged or released under conditions other than dishonorable. I further certify that I have not previously used this one-time exception for a Mortgage Revenue Bond Tax Exempt financing or Mortgage Credit Certificate assisted loan. List person claiming exempt status ________________________________.

6. TAX RETURNS CERTIFICATION: Check and complete the following section(s) that apply:

□ (a) I am required to provide and hereby authorize the lender and/or NCHFA to request official IRS tax transcripts or true and complete copies of my signed federal income tax returns for the prior three tax years as may be acceptable to NCHFA and the Servicer or Lender.

□ (b) I am exempt from the three-year non-ownership requirement because the Residence is located in a Targeted Area. I am required to provide and hereby authorize the lender and/or NCHFA to request official IRS tax transcripts or complete copy of last year’s signed federal income tax returns filed with the IRS.

Complete section 6(c) only if you were not required by law to file federal income tax returns for any year during the preceding three years.

□ (c) I certify that I was not required by law to file a federal income tax return for the following year(s):
for the reason(s) stated below:

(Borrower, year)

(Co-Borrower/Spouse, year)

(Additional Mortgagor(s), year)

Check section (d) only if closing for the MCC-assisted loan (Mortgage Credit Certificate) or applicable Mortgage Loan will occur between January 1st and February 15th, and you have not filed your federal income tax return for the prior year.

☐ (d) I certify that if Mortgage closing is occurring between January 1 and February 15 and I have not yet filed my federal income tax return for the prior year. I further certify that when I file my federal tax return for the prior year, I will neither be entitled to, nor claim deductions for real estate taxes or interest on indebtedness with respect to a principal residence for that year.

7. **PURCHASE PRICE CERTIFICATION:** I certify that the total cost of acquiring the Residence as a completed residential unit is equal to or less than the amount shown on the [www.nchfa.com](http://www.nchfa.com) website.

The total acquisition cost of the land and the completed Residence includes:

(a) Other amounts paid by me to the seller and not in the contract price (such as money for extra work, allowance overages, or reimbursement of any seller-paid points not in the contract price) or paid by a person related to me or for the benefit of me, to the seller or a person related to or acting on behalf of the seller.

(b) A reasonable cost estimate of completing or repairing the Residence must be included in the acquisition cost, whether or not the construction is completed. A cost estimate of completing the Residence at closing, includes such construction items as, labor, materials, commissions, builder's fees, hook-up and tap-on fees, permits, architectural fees, site improvements, subcontracted items, construction loan interest, etc.

(c) ☐ Check here, if Residence purchased is subject to ground rent or a leasehold.

(d) No side deal or agreement, either verbal or written, is presently contemplated for the completion of the Residence or an addition to the Residence.

8. **TARGETED AREA CERTIFICATION:** I acknowledge that, if requested, a list of Targeted Areas has been made available to me prior to the execution of the Assumption Affidavit of Compliance.

9. **ELIGIBILITY CHANGES CERTIFICATION:** I understand and agree that changed conditions in acquisition costs, income and/or program requirements may disqualify me at closing from assuming the Mortgage Loan and/Mortgage Credit Certificate (MCC) although I was eligible at the time of application.

10. **HOLD HARMLESS CERTIFICATION:** I understand that the Servicer or Lender and NCHFA will determine my eligibility to receive a mortgage loan and/or MCC. NCHFA will not inspect the property.
for defects. I agree to hold NCHFA harmless from any action or inaction on the part of the Servicer, the Lender, the Seller, the contractors or other involved parties.

11. MCC ASSUMABILITY CERTIFICATION: I understand that if an MCC-assisted mortgage loan is to be assumed by the undersigned Assumer, the MCC may be issued to the undersigned Assumer under certain guidelines. The new acquisition cost and income limits must not exceed the NCHFA limits in effect at the time of the loan assumption. The new Assumer(s) must occupy the unit as a principal residence within 60 days of the assumption, and must be a first-time homebuyer, unless the home is in a Targeted Area or the Assumer(s) is eligible for the Veteran’s Exemption mentioned in section 5(c). The new MCC will be issued in the same credit amount as for the original MCC. Additionally, the new MCC must comply with any changes in federal, state, or NCHFA policies that have amended the MCC requirements. There will be a non-refundable MCC processing fee.

12. MCC ONLY – TRANSFERABILITY CERTIFICATION: I understand and agree that if an MCC assumption is approved for me, it is not transferable to another person or property. I also understand that an MCC issued to me may be re-issued only once as a result of a refinance of my existing mortgage, but only if the mortgage being refinanced is from a fixed-rate mortgage into another fixed-rate mortgage. The re-issued MCC will expire on the final payment date of the original mortgage loan. The request for a re-issued MCC must be completed no later than two years after the date of the refinance, and must be made in writing to the Agency with copy of Closing Disclosure.

MCC ONLY – TAX ADVICE CERTIFICATION: I have been advised by the Servicer or Lender to consult a tax accountant or to calculate federal tax consequences as a result of participation in the MCC program and not to rely solely on any statements made by the Servicer or Lender or NCHFA. I have been advised that use of the MCC will reduce my mortgage interest deduction for federal tax purposes and that the MCC does not offer any state income tax credit. I understand that the maximum annual value of the credit is $2,000 or the applicable tax credit amount, whichever is less. I acknowledge that depending on my individual tax situation, the MCC may not always provide a benefit to me in any given year.

13. RECAPTURE TAX: As an Assumer, I may receive benefits from the Mortgage Loan or MCC such as a tax credit that may reduce my federal income tax liability. As a result, pursuant to Section 143(m) of the IRS Code, I may become subject to a special “recapture tax” for federal income tax purchases.

14. MATERIAL MISSTATEMENT CERTIFICATION: I acknowledge and certify this affidavit is being made under penalties of perjury and will be relied on for purposes of determining my eligibility for an assumption of an MCC and/or Mortgage Loan. Fraudulent Statements - Any fraudulent statement will result in (i) the revocation of the MCC or Mortgage Loan, and (ii) a $10,000 penalty under Section 6709 of the Internal Revenue Code. Material Misstatements Due to Negligence - Any material misstatement due to negligence on my part will result in a monetary penalty under Section 6709(a) of the Internal Revenue Code. Other Remedies - In addition, any material misstatement due to negligence or misstatement due to fraud that is discovered before the assumption of an MCC and/or Mortgage Loan will result in denial of my application for an MCC and/or Mortgage Loan. If an MCC has been assumed prior to the discovery of a fraudulent statement, then any MCC assumed will automatically become null and void without any need for further action by NCHFA. If a Mortgage Loan provided under an NCHFA program has been assumed prior to the discovery of a fraudulent statement, the fraudulent misstatement will constitute an event of default and will entitle the holder of the Mortgage to accelerate the Note and, among other remedies, to institute foreclosure.

SIGNATURES REQUIRED (print additional forms if more space needed)

Date: __________ / __________ / ________
<table>
<thead>
<tr>
<th>Signature of Assumer</th>
<th>Signature of Assumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature of Assumer</td>
<td>Signature of Assumer</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Signature of Titleholder (not a borrower)</th>
<th>Signature of Titleholder (not a borrower)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature of Adult Occupant, Non-Owner</td>
<td>Signature of Adult Occupant, Non-Owner</td>
</tr>
</tbody>
</table>

**Servicer Certification:**

The Servicer, after verifying all borrower and occupant documentation, certifies that the information set forth above was obtained directly from the Assumer(s) by an employee or agent of the Servicer and is accurate and true to the best of the Servicer's knowledge, information, and belief.

_____ / _____ / _____

Date

________________________

Print Name of Servicer Representative

________________________

Signature of Servicer Representative

________________________

Title of Servicer Representative
Sellar Affidavit

Mortgage Revenue Bond/MCC Assumption Program

I, the undersigned, as a participant in an application for an assumption of a Mortgage Loan and/or Mortgage Credit Certificate (MCC) being submitted by

(Asser’s name), which may be approved or issued by the North Carolina Housing Finance Agency (NCHFA) in connection with the Assurer’s purchase from the undersigned of a single-family property (“Residence”), state the following:

1. I certify that I am the legally authorized Seller of the Residence.

2. I certify that the Residence being purchased is a single-family residence located in North Carolina at this address:
   
   Address __________________________
   City __________________________
   County __________________________
   Zip Code __________________________

3. The contract sales price of the Residence is $ ____________ (required). The total contract sales price includes the cost of the land on which the Residence is located and all other costs of the completed Residence. In making this certification:
   
   (a) Any other amounts paid to me and not disclosed in the contract sales price (such as money for extra work, allowance overages, or reimbursement of any seller-paid points not disclosed in the contract sales price) or paid to a person related to me or for the benefit of me, by the Assurer or a person related to or acting on behalf of the Assurer, which is $ ____________.
   
   (b) The contract sales price includes the cost of any labor or materials needed to complete the Residence for habitation.
   
   (c) The Residence is not subject to ground rent as a leasehold, land trust, or similarly held property.
   
   (d) I certify that the total cost of acquiring the property (“Residence”) as a fully completed residential unit does NOT exceed the acquisition limit shown on the www.notta.com website. If a sale arrangement or agreement, either verbal or written, is presently contemplated for the completion of the Residence or an addition to the Residence, unless the estimated cost of the completion and/or addition is included in the acquisition cost.

4. I understand that this affidavit will be relied on for determining Assurer’s eligibility for an assumption of the Mortgage Loan and/or Mortgage Credit Certificate (MCC).

5. I certify that the price of the residence with respect to which the assumption of the Mortgage Loan and/or MCC was issued is no higher than it would be without an assumption of the Mortgage Loan and/or MCC.

6. I acknowledge and understand that this affidavit is being made under penalties of perjury and will be relied on for purposes of determining the Borrower’s eligibility for a Mortgage Loan and/or MCC. Fraudulent Statements - Any fraudulent statement will result in (i) the revocation of the MCC and (ii) a $10,000 penalty under Section 6709 of the Internal Revenue Code. Material Misstatements due to Negligence - Any material misstatement due to negligence on my part will result in a monetary penalty under Section 6709(a) of the Internal Revenue Code. Other Remedies - In addition, any material misstatement due to negligence or misstatement due to fraud that is discovered before the assumption of an MCC and/or Mortgage Loan will result in denial of the application. If an MCC has been assumed prior to the discovery of a fraudulent statement, then any MCC assumed will automatically become null and void without any need for further action by NCHFA.

Date __________________________

Signature of Seller __________________________

Signature of Seller(s) __________________________

Company Name (Seller) __________________________

Title, if applicable __________________________

June 2022

Form - A-003

63
Preliminary Notice to Applicants of Potential Recapture of Federal Subsidy

I am applying for an assumption of a Mortgage Loan and/or Mortgage Credit Certificate (MCC) issued by the North Carolina Housing Finance Agency (NCHFA). I understand that there is a potential repayment ("recapture") of a portion of the interest savings that I may receive as a result of the assumption of an MCC or Mortgage Loan funded through proceeds of tax-exempt bonds issued by the North Carolina Housing Finance Agency. The recapture is accomplished by an increase in your federal income tax due for the year in which you dispose of your Residence.

You should consult with your tax advisor at the time you sell or transfer the Residence to determine the amount, if any, of such tax liability.

Therefore, I certify that I may owe recapture tax to the Internal Revenue Service if all three of the following occur:

1. I sell (or dispose of) my Residence prior to the ninth anniversary date of the closing date, AND
2. I make a profit on the sale, AND
3. My household income for the year in which the sale occurs exceeds the Federal Threshold Income Limits.

A Notice to Mortgagors of Potential Recapture of Federal Subsidy will be provided by NCHFA within 90 days after closing. The form pertains to the "recapture" provisions imposed by the Internal Revenue Code of 1986, as amended. I understand that I will be required to file federal tax form (IRS Form 8923) along with my federal income tax returns for the year in which the residence is sold or otherwise disposed of in some other manner. The maximum recapture tax payable, if any, is the lesser of 0.25% of the loan amount, or 50% of the gain on the sale.

Date
Signature of Assumer
Print Name

Date
Signature of Co-Assumer
Print Name

See www.nchfa.com for detailed Recapture Tax information including potential reimbursement of tax paid to IRS, applicable to Mortgage Loans only. (Reimbursement does not apply to MCC).

Form – A-004
Rev: June 2022

Customer Should Retain a Copy of This Signed Form
North Carolina Housing Finance Agency
Mortgage Revenue Bond/MCC Assumption Program

Trust Certification for Loan Application

The North Carolina Housing Finance Agency has received an application from ____________________________ for an assumption of a Mortgage Loan and/or Mortgage Credit Certificate (MCC).

According to information provided by the assumer, the assumer is beneficiary to a Trust for which ____________________________ is the Trustee.

When a loan assumer is the beneficiary of a Trust, the income from that Trust must be included in the calculation of the household’s income, or, if the Trust is not currently producing income, it must be counted as a non-income producing asset to which a certain amount of income will be attributed.

Please provide the following information with respect to the trust:

1. Name(s) of person(s) who established the Trust (and relationship to applicant).
   ____________________________

2. List the names and addresses of all Trustees.
   ____________________________  ____________________________  ____________________________

3. List the Beneficiaries and their respective interests in the Trust.
   ____________________________  ____________________________

4. Is the Trust revocable? yes ______ no ______  If “yes,” by whom and under what conditions?
   ____________________________  ____________________________

5. Under what conditions does the Trust terminate? In the event of termination, how will the Trust corpus be distributed?
   ____________________________  ____________________________
8. Under what circumstances do the Beneficiaries receive distributions from the Trust? State the exact wording contained in the Trust Agreement as to the time and amount of distributions to be received by the beneficiaries. 

9. What is the current dollar value of the Trust corpus attributable to the applicant beneficiary? 

9. Can the assessor beneficiary require or compel distribution of income or Trust corpus?  
   yes ______ no ______. If "yes," under what conditions and at what time? 

______________________________

Date                                      Trustee's Signature

State of North Carolina  
County of ________________________________ 

On this ___________ day of __________________________, 20 __, before me personally came  
________________________________________; to me known who, being by me duly sworn, did and that  
he/she signed his/her name to the above affidavit. 

________________________________________

Notary Public in and for the  

(Apply Notary Seal)  

My Commission Expires __________________________

June 2022
Calculation of Business Use Worksheet
(What % of House Is Used for Business)

To calculate the percentage of square footage used for business activities in the subject property (the house you are buying):

Step 1: Calculate the total square footage of the subject property (house being purchased).

Example:
Total square footage of property:  
\[
\text{Actual (use this space for your calculation):} \quad 30' \times 40' = 1200 \text{ total sq. ft. of property}
\]

Step 2: Calculate the total square footage of the area used exclusively for business activities

Example:
Business Use Area (what % is used for the business activity in relation to the total sq. ft of house):
\[
\text{Actual (use this space for your calculation):} \quad 10' \times 10' = 100 \text{ sq. ft. of business use}
\]

Step 3: (Final calculation; tells you if business use is over or under 15%)
Calculate the percentage of area used exclusively for business activities (result of Step 2) to the total square footage of the property (result of Step 1).

Example:
\[
\frac{100 \text{ square feet}}{1200 \text{ total square feet}} = 8.4\%
\]

In this example, less than 15% of the area (8.4% from example) in the property is used for business activities, so the property would qualify for NCHFA financing.

Final %: \[
\frac{\text{(Business Use Sq. ft. from Step 1)}}{\text{Total Square Footage from Step 3)}} \times 100 = \text{Business Use Percentage (If % exceeds 15%, loan is not eligible.)}
\]

This form must be prepared by customer, not lender:

(Sign Name): ____________________  (Print Name): ____________________

Form A-007  Rev. June 2022
North Carolina Housing Finance Agency

Closing Package Checklist

Original Borrower: ______________________________________
Assumer(s): ____________________________________________
Property Address: _______________________________________

For all Loan Types

_____ Closing Package Checklist

_____ Borrower Closing Affidavit (A-009) (Original)

_____ Lender Closing Affidavit (A-010) (Original)

_____ Deed of Trust Assumption Agreement with Substitution of Liability (A-014) (Original, Recorded)

(NA for USDA)

_____ Closing Disclosure (Copy)

_____ A corporate check for applicable fee payable to NCHFA

FHA LOANS

With Release of Liability

_____ Mortgage Record Change (HUD Form 92080) (Copy)

USDA LOANS

Without Release of Liability

_____ Deed of Trust Assumption Agreement without Release of Liability (A-015) (Original, Recorded)

TO BE COMPLETED BY NCHFA

Our records have been changed to finalize the assumption for the above-referenced assumer.

Name ___________________________________________________ Date ___________________
Title _____________________________________________________

______________ Date sent to assumer: “Notice to Mortgagors of Federally-Subsidized Amount and Family Income Limits” for loans closed after December 3, 1990.
Lender Closing Affidavit – Form 102

I, the undersigned state the following: Lender has accepted and reviewed the Mortgage Loan and/or Mortgage Credit Certificate (MCC) application for:

Borrower __________________________________________________________

Co-Borrower ______________________________________________________

Property Address

_______________________________________________________________

City_________________________ Zip______________ County

______________________________

1. The Lender has closed a 1st lien mortgage loan in the amount of $____________________________on this day
   __________________________(date of actual loan closing).

2. The Lender has received the signed Borrower Closing Affidavit (Form-101).

3. The Lender has received and examined true, complete, signed copies of the Borrower's federal income tax returns for the three (3) year period prior to loan closing, or such other verification as is acceptable to NCHFA. Said tax returns or other verifications have been submitted previously. This is not applicable if the Residence is located in a Targeted area.

4. After reasonable investigation, the Lender hereby certifies that the borrower has not had an ownership interest in a principal residence at any time during the three (3) years prior to loan closing or the property is located in a Targeted area.

5. After reasonable investigation, the Lender is not aware of any material change in the circumstances on which it relied in executing Mortgage Affidavit and Borrower Certification (Form-016). All statements contained in the Mortgage Affidavit and Borrower Certification remain valid and true except as noted below. (If no changes noted below, I agree everything remains the same.)
6. Based on reasonable investigation, neither the Lender, the Borrower, nor the Seller of the Residence has made any negligent or fraudulent material misstatements in connection with the Borrower’s application for a Mortgage Loan and/or MCC.

7. The Lender agrees that it will immediately notify NCHFA of all information which it may receive during the term of the Mortgage which indicates that the Borrower may have made a misrepresentation in applying for a Mortgage Loan, or that may affect the Borrower's continued eligibility for an MCC.

8. The Lender has completed and submitted to NCHFA via the Online Lender Services (OLS) system or Reservation Request Form (Form-010) which the Lender certifies is correct to the best of its knowledge.

9. The Lender has advised the Borrower to consult a tax accountant or to calculate federal tax consequences as a result of participation in the MCC program and not to rely solely on any statements made by the Lender or NCHFA.

10. The lender has not directly or indirectly attempted to prohibit the Borrower from seeking financing from any other lender, nor attempted to require the Borrower to seek financing from a specific lender.

11. The Lender has charged the Borrower only those reasonable and customary fees for processing of the loan as would be charged to a borrower applying for financing not otherwise charged in connection with Mortgage Loan and/or MCC.

12. I acknowledge and understand that this affidavit is being made under penalties of perjury and will be relied on for purposes of determining the Borrower’s eligibility for a Mortgage Loan and/or MCC. **Fraudulent Statements** - Any fraudulent statement will result in (i) the revocation of an MCC, and (ii) a $10,000 penalty under Section 6709 of the Internal Revenue Code. **Material Misstatements due to Negligence** - Any material misstatement due to negligence on my part will result in a monetary penalty under Section 6709(a) of the Internal Revenue Code. **Other Remedies** - In addition, any material misstatement due to negligence or misstatement due to fraud that is discovered before the issuance of an MCC and/or Mortgage Loan will result in denial of the application. If an MCC has been issued prior to the discovery of a fraudulent statement, then any MCC issued will automatically become null and void without any need for further action by NCHFA.

Date: ____________________________  Name of Lender Representative: ____________________________

______________________________

Signed By: ____________________________  Title of Lender Representative: ____________________________

[e-signature with verification or ink signature]
North Carolina Housing Finance Agency  
Mortgage Revenue Bond Assumption Program  

Deed of Trust Assumption Agreement with Substitution of Liability  

THIS AGREEMENT, made and entered into this ___ day of_________, 20___, by and between  
_____________________, hereinafter called Seller, and  
_____________________, hereinafter called Purchaser, and  
_____________________, hereinafter called Lender/Servicer, and the  
North Carolina Housing Finance Agency hereinafter called the Agency.  

WHEREAS, Seller is obligated to Lender pursuant to the terms of a Promissory Note in the face amount of $__________, dated __________, executed by  
recorded on the _____ day of_____, in Book_____, Page_____, in the Registrar’s office of_____, County, State of North Carolina and which Note has been sold and assigned to the Agency pursuant to its Home Ownership Mortgage Purchase Program, and  

WHEREAS, Seller has sold and conveyed the real property described in said Deed of Trust to Purchaser subject to said Deed of Trust to lender, and both Seller and Purchaser have requested Lender/Servicer and Agency to consent to the sale of said premises subject to the above described Deed of Trust.  

NOW THEREFORE, Lender/Servicer and the Agency hereby consent to the conveyance of said premises subject to said Deed of Trust to Purchaser and to the assumption of said Deed of Trust and to the release of Seller from all liability under the Promissory Note and Deed of Trust by Purchaser pursuant to the terms thereof upon the following conditions, to-wit:  

1. At the time of the conveyance from Seller to Purchaser, the payment obligations due under said above described Deed of Trust and Note shall be current.  
2. Purchaser agrees to assume, pay and be liable for all the obligations and covenant in said Note and Deed of Trust, including, if applicable, prior recorded Addendum to the Deed of Trust, which provides that the Note may be accelerated and/or the interest rate increased upon rental, sale, or other transfer of the premises or in the event any statement in the applicable Assumption Affidavit of Compliance proved to be false or misrepresented.  
   It is agreed that the terms of said Addendum shall also apply to the Assumption Affidavit of Compliance, attached hereto as Exhibit A (where applicable), which has been executed by Purchaser in connection with this transaction as well as to any transfer, sale or rental by this Purchaser, it being understood that Purchaser shall notify the Lender of any such rental, sale or transfer and shall obtain the written approval of the Agency prior to any such rental, sale or transfer.  
3. Seller hereby agrees that further conveyance subject to the above Deed of Trust may be made pursuant to terms as may be set by Lender or Agency without consent to Seller.  
4. PROVIDED, HOWEVER, as conditions hereof, that nothing herein contained shall (a) affect, alter or diminish the remaining balance of the principal with interest evidenced by the Note described in and secured by said Deed of Trust, or (b) affect the said Note itself as evidencing said balance and interest or (c) affect, alter or diminish the lien or encumbrance of said Deed of Trust on the mortgaged property described therein and covered thereby, or (d) affect, alter or diminish the remedies at law or in equity for recovering on said Note and Deed of Trust the balance of the debt, whether as principal, interest or otherwise, according to the provisions of said Note and Deed of Trust, or (e) affect the other terms and provisions of said Note and Deed of Trust.  

As used in this form, words impinging the singular number shall mean and include the plural number and vice versa, as the context may require.
IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals or if Corporate, have caused this instrument to be signed in its corporate name by its duly authorized official seal, its seal to be herewith affixed by authority of its Board of Directors all as of the day and year first above written.

Borrower(s) ____________________________
State of ____________________________
County of ____________________________

I, ____________________________, a Notary Public in and for said County and State, do hereby certify that ____________________________ personally appeared before me this day and acknowledge the due execution of the foregoing instrument.

Witness my hand and Notarial Seal, this the ____________ day of ____________ 20 __

(Noteary Seal) Notary Public ____________________________
My Commission Expires ____________________________


Seller(s) ____________________________
State of ____________________________
County of ____________________________

I, ____________________________, a Notary Public in and for said County and State, do hereby certify that ____________________________ personally appeared before me this day and acknowledge the due execution of the foregoing instrument.

Witness my hand and Notarial Seal, this the ____________ day of ____________ 20 __

(Noteary Seal) Notary Public ____________________________
My Commission Expires ____________________________
Lender/Servicer ________________________________________

By ____________________________

Title ____________________________

Attest By ____________________________

Title ____________________________

State of ____________________________

County of ____________________________

I, ____________________________, a Notary Public of the County and State aforesaid, certify that ____________________________ personally came before me this day and acknowledge that he/she is ____________________________, Secretary of ____________________________, a North Carolina Corporate, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its ____________________________, President, sealed with its Corporate Seal and attested by ____________________________, as its__________________________, Secretary.

Witness my hand and official stamp or seal, this ____________________________ day of ____________________________, 20 ______

Notary Public ____________________________ My commission expires ____________________________

__________________________

AGREED AND ACCEPTED by the North Carolina Housing Finance Agency

By ____________________________

Title ____________________________

Attest By ____________________________

Title ____________________________

State of North Carolina of Wake

This the ____________________________ day of ____________________________, 20 ______, ____________________________ personally came before me, who being duly sworn, says he/she is Assistant Secretary of the North Carolina Housing Finance Agency, and that the seal affixed to the annexed instrument in writing is the seal of the North Carolina Housing Finance Agency, and that the said writing was signed by ____________________________, Director of Home Ownership Programs, attested by ____________________________, as Assistant Secretary, and Sealed by him/her in behalf of the North Carolina Housing Finance Agency by its authority duly given. And the said Assistant Secretary acknowledged the said writing to be the act of the North Carolina Housing Finance Agency.

(Notary Seal) ____________________________ Notary Public; ____________________________ My commission expires ____________________________
North Carolina Housing Finance Agency
Mortgage Revenue Bond Assumption Program

Deed of Trust Assumption Agreement without Release of Liability

THIS AGREEMENT, made and entered into this ___ day of_________, 20___, by and between

__________________________________________ (hereinafter called Seller), and

__________________________________________ (hereinafter called Purchaser), and

__________________________________________ (hereinafter called Lender/Servicer), and the North Carolina Housing Finance Agency hereinafter called the Agency.

WHEREAS, Seller is obligated to Lender pursuant to the terms of a Promissory Note in the face amount of $________, dated ____________, executed by _____________________________ which said Note is secured by a Deed of Trust dated _____________________________ recorded on the _____________ day of _____________ in Book _____________ in the Registrar’s office of _____________ County, State of North Carolina and which Note has been sold and assigned to the Agency pursuant to its Home Ownership Mortgage Purchase Program, and

WHEREAS, Seller has sold and conveyed the real property described in said Deed of Trust to Purchaser subject to said Deed of Trust to lender, and both Seller and Purchaser have requested Lender/Servicer and Agency to consent to the sale of said premises subject to the above described Deed of Trust.

NOW THEREFORE, Lender/Servicer and the Agency hereby consent to the conveyance of said premises subject to said Deed of Trust to Purchaser and to the assumption of said Deed of Trust and to the release of Seller from all liability under the Promissory Note and Deed of Trust by Purchaser pursuant to the terms thereof upon the following conditions, to-wit:

1. At the time of the conveyance from Seller to Purchaser, the payment obligations due under said above described Deed of Trust and Note shall be current.

2. Purchaser agrees to assume, pay and be liable for all the obligations and covenants in said Note and Deed of Trust, including, if applicable, prior recorded Addendum to the Deed of Trust which provides that the Note may be accelerated and/or the interest rate increased upon rental, sale, or other transfer of the premises or in the event any statement in the applicable Assumption Affidavit of Compliance proved to be false or misrepresented.

It is agreed that the terms of said Addendum shall also apply to the Assumption Affidavit of Compliance, attached hereto as Exhibit A (where applicable), which has been executed by Purchaser in connection with this transaction as well as to any transfer, sale or rental by this Purchaser, it being understood that Purchaser shall notify the Lender of any such rental, sale or transfer and shall obtain the written approval of the Agency prior to any such rental, sale or transfer.

3. Seller will in no way be relieved from his/hers obligation under said Note and Deed of Trust to Lender but shall continue to be liable to Lending Institution or its assignees in accordance with the terms thereof. Specifically, Seller shall continue to remain liable in the event of a legal landing extension of time, and release of the Purchaser from liability on the obligation or release of any property from the Deed of Trust.

4. Seller hereby agrees that further conveyance subject to the above Deed of Trust may be made pursuant to terms as may be set by Lender or Agency without consent to Seller.

5. Said consent shall in no way constitute a release of any of the Seller’s obligations under said Note and Deed of Trust and the real property and the whole thereof described in said Deed of Trust and nothing...
contained or done pursuant herein shall affect or be construed to affect the lien, charge, or encumbrance of said Deed of Trust or the priority thereof over other liens, charges, or encumbrances.

6. PROVIDED, HOWEVER, as conditions hereof, that nothing herein contained shall (a) affect, alter or diminish the remaining balance of the principal with interest evidenced by the Note described in and secured by said Deed of Trust, or (b) affect the said Note itself as evidencing said balance and interest or (c) affect, alter or diminish the lien or encumbrance of said Deed of Trust on all and singular the mortgaged property described therein and covered thereby, or (d) affect, alter or diminish the remedies at law or in equity for recovering on said Note and Deed of Trust the balance of the debt, whether as principal, interest or otherwise, according to the provisions of said Note and Deed of Trust, or (a) affect the other terms and provisions of said Note and Deed of Trust.

As used in this form, words imputing the singular number shall mean and include the plural number and vice versa, as the context may require.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals or if Corporate, have caused this instrument to be signed in its corporate name by its duly authorized official seal, its seal to be herewith affixed by authority of its Board of Directors as of the day and year first above written.

Borrower(s) ________________________________
State of ________________________________
County of ________________________________

I, ________________________________, a Notary Public in and for said County and State, do hereby certify that ________________________________ personally appeared before me this day and acknowledge the due execution of the foregoing instrument.

Witness my hand and Notarial Seal, this the __________ day of __________ 20___

(Noteary Seal) Notary Public ________________________________
My Commission Expires ________________________________

Sellers(s) ________________________________
State of ________________________________
County of ________________________________

I, ________________________________, a Notary Public in and for said County and State, do hereby certify that ________________________________ personally appeared before me this day and acknowledge the due execution of the foregoing instrument.

Witness my hand and Notarial Seal, this the __________ day of __________ 20___

(Noteary Seal) Notary Public ________________________________
My Commission Expires ________________________________

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June 2022
Lender/Servicer

By

Title

Attest By

Title

State of

County of

I, _______________________, a Notary Public of the County and State aforesaid, certify that ________________________ personally came before me this day and acknowledge that he/she is ________________________, Secretary of ________________________, a North Carolina Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _________________________ President, sealed with its Corporate Seal and attested by _________________________ as its _________________________ Secretary.

Witness my hand and official stamp or seal, this __________ day of __________, 20 __________

Notary Public _________________________ My commission expires _________________________

AGREED AND ACCEPTED by the North Carolina Housing Finance Agency

By

Title

Attest By

Title

State of North Carolina of Wake

This the __________ day of __________, 20 __________ personally came before me, who being duly sworn, says he/she is Assistant Secretary of the North Carolina Housing Finance Agency, and that the seal affixed to the annexed instrument in writing is the seal of the North Carolina Housing Finance Agency, and that the said writing was signed by _________________________, Director of Home Ownership Programs, attested by _________________________ as Assistant Secretary, and Sealed by him/her in behalf of the North Carolina Housing Finance Agency by its authority duly given. And the said Assistant Secretary acknowledged the said writing to be the act of the North Carolina Housing Finance Agency.

(Notary Seal) _________________________

Notary Public _________________________ My commission expires _________________________

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June 2022