NIFA is announcing changes to our program compliance review process. All changes included in this Program Update apply to loan reservations dated March 1, 2019 and after.

First-Time Buyer Verification Documents
We currently require the most recent 3-year federal income tax returns or IRS tax transcripts for all Occupying Borrowers and Non-Purchasing Spouses. In addition, we will require a credit report for all Occupying Borrowers as supporting documentation to determine first-time buyer status.

Household Verification Affidavit (Form A)
The Household Verification Affidavit (Form A) helps us identify the number of persons who will occupy the property and who are employed and/or have a source of income. Please note the following changes to Form A:

- **Federal Tax Return Filings (Section III)** – Includes a check box in paragraph (a) that is completed when a federal income tax return has not been completed for the previous tax year. For example, a Borrower/Co-Borrower/Non-Purchasing Spouse that has not filed their 2018 federal income tax return should mark the applicable check box in addition to providing their 2017, 2016 and 2015 federal income tax returns or IRS tax transcripts. If there is evidence that the 2018 return was filed, our review team will condition for it.

- **Family Assets (Section IV)** – This new section applies to family assets for Occupying Borrowers and Non-Purchasing Spouses. All applicable check boxes should be marked for each asset type. All recent account statements are required in the Pre-Closing Package.

- **Signature Section** – A Non-Purchasing Occupant is no longer required to sign Form A.

Family Income Worksheet
NIFA uses the Family Income Worksheet to calculate household income for program eligibility. Please note the following added changes to the Family Income Worksheet:

- **New sections added for household members with multiple jobs.**
- **Created an interest income worksheet (tab #2) to calculate the greater of actual income from assets or imputed income from assets. Income from assets is only included when the total cash value of family assets exceeds $5,000.**
Loan Document Checklists
The Pre-Closing, HBA Closing and Post-Closing Document Checklists are revised. Please note the stacking order for some documents has changed. All staff responsible for submitting packages to our office should carefully review the revised checklists. Our review team greatly appreciates documents that are stacked in checklist order.

Signature Matrix
The Signature Matrix is now titled Signature and Documentation Guide. It has a new look and includes more information about program requirements.

Transition Timeline
Participating Lenders have the option to use the revised Form A, Family Income Worksheet and Document Checklists immediately. All documents have a revision date of 3/2019 and are available in Word or Excel format upon request.

Please note the changes and revised documents included in this Program Update are required for all loan reservations dated March 1, 2019 and after. All PDF documents will be ready for use in Lender Online by February 22, 2019.

If you have any questions, please feel free to contact anyone on the NIFA Homeownership Team. Thanks for your continued support!