

PExhibit A

Statement of Work under NSP NOFA for Homeownership:

Identify residential properties that are abandoned and foreclosed and available for purchase in their target area.

- Properties will be modest in design and cost
- Properties will meet affordable homeownership standards as improved
- Properties must be in good repair or repairable in a cost effective manner, given market conditions

Obtain agreements from owners to sell at a 15% or greater discount from appraised value.

Obtain appraisal of property from a NM licensed, Certified Residential Appraiser.

- Appraisal will be completed on an as-is basis and an as-improved basis
- An addendum will list all curable depreciation with estimated costs to cure
- A link to the HUD Appraisal Guidelines under NSP is at: <http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/policyguidance/index.cfm> These requirements include a 5 year sales history of the subject. MFA will be providing a Scope of Work and instructions.

Obtain or complete an Environmental Review of the property to be purchased, rehabbed and resold (This may be performed by the MFA staff pending public input).

Complete purchase agreement and purchase of the unit at the contract discount from as-is value.

- Title policy showing no encumbrances other than current year taxes and acceptable easements
- Land Survey required
- Property and flood Insurance (if required) will be in place at closing for the as-is value
- Note at 0 interest, non-amortizing to MFA
- Mortgage securing Note and future advances for rehabilitation to MFA

If home/units are occupied, take action in accordance with the Uniform Relocation Act.

Begin to market home with internal and external customers.

Prepare work write up (which will include HERS standards and sustainable materials, Lead Based Paint requirements), Bid Documents, and Advertise for bids, as applicable.

Perform pre-bid conference and bid opening (if applicable);

Perform pre-construction conference and execute construction contract (as applicable).

Perform progress inspections and final inspection.

Determine income eligibility of potential homebuyers.

All homebuyers will receive a minimum of an 8 hour homebuyer education course from a HUD Approved Counseling Agency under this NOFA. The course will include detailed guidance on financing alternatives, home selection, and shared equity as implemented in this NOFA.

Arrange Financing:

- Loan must be fixed rate 30 year term (33 for Rural Housing Servicing Direct loans), with rates at Mortgage\$aver or better.

Complete purchase agreement at the price the unit was purchased from the lender or lender's representative plus the cost of the improvements. Provide the Land Use Restriction Agreement (LURA), notes, and mortgages in form and substance which will be attached to the purchase agreement.

- A note and mortgage for price the unit was purchased from the lender will be taken by the new lender at lender's rates and terms
- A note and mortgage for the cost of the improvements will name either the sub-recipient or MFA and will be a 0 interest non-amortizing loan subject to the affordability restrictions imposed
- A minimum of \$500 in earnest money must be collected from the buyer.
- Sales agreement will include payment of normal seller closing costs from sale proceeds

NSP downpayment and closing cost loans will be arranged for under this NOFA as needed.

Close on sale and remit net proceeds (sales proceeds less seller closing costs) to MFA.