

HELP NYC HOMEOWNERS APPLY FOR FORECLOSURE PREVENTION GAP LOANS!

Community Advocates:

NEDAP IS ACCEPTING APPLICATIONS FOR ITS NYC FORECLOSURE PREVENTION GAP LOAN PROGRAM. Low interest Gap Loans up to \$25,000 are available to low income NYC homeowners facing foreclosure.

TO APPLY, A HOMEOWNER MUST WORK WITH A FORECLOSURE PREVENTION COUNSELOR, ATTORNEY OR OTHER ADVOCATE. The advocate will work with the homeowner to ensure that the Gap Loan is part of a sustainable mortgage plan, compile required documentation, and communicate with NEDAP through the loan approval and closing process. Loan terms are flexible and will be determined based on each borrower's circumstances and capacity to repay.

Gap Loans may be used, for example, to:

- Make an up-front payment needed to qualify for an affordable loan modification;
- Close a gap to enable a senior citizen to pay off an unaffordable mortgage with a reverse mortgage;
- Pay off a high-interest second mortgage, in order to facilitate an affordable loan modification;
- Pay off arrears on a primary mortgage loan, where a borrower has fallen behind due to hardship but has the ability to afford the mortgage moving forward.

THE GAP LOAN PROGRAM IS DESIGNED TO COMPLEMENT OTHER FORECLOSURE PREVENTION EFFORTS IN NYC. Please see attached Program Guidelines. For more information or to request an application, contact Alexis Iwanisziw at (212) 680-5100, x209 or alexis@nedap.org, or visit www.nedap.org.

[3/09]



Neighborhood Economic Development Advocacy Project
176 Grand Street, Suite 300, New York, NY 10013
Tel: (212) 680-5100 / Fax: (212) 680-5104 / www.nedap.org

NYC FORECLOSURE PREVENTION GAP LOAN PROGRAM GUIDELINES

The NYC Foreclosure Prevention Gap Loan Program is an initiative NEDAP has launched to assist low and moderate income New York City homeowners facing foreclosure. NEDAP is pleased to partner with the Lower East Side People's Federal Credit Union (LESPFCU) to offer affordable Gap Loans to homeowners working with foreclosure-prevention advocates.

To determine if your client is eligible for a gap loan, please consult the following guidelines.

GAP LOAN CRITERIA

1. The applicant must:
 - Live within the five boroughs of New York City;
 - Have a low or moderate-income or other demonstrated need;
 - Work with a foreclosure prevention counselor and/or attorney;
 - Be able to afford all mortgage, Gap Loan, and other debt payments going forward;
 - Have a concrete plan, developed with a counselor or advocate, that documents this affordability;
 - Have reliable and verifiable source(s) of income (see reverse); and
2. The home must be the applicant's primary residence.

If your client meets all of the above criteria, please fill out NEDAP's pre-application form with your client. If your client meets preliminary eligibility criteria for a Gap Loan, NEDAP will send you a LESPFCU loan application to fill out with your client.

QUESTIONS & ANSWERS ABOUT THE LOAN FUND

Loan Fund General Information

Q. Does the Program provide refinance loans?

A. No. Loan amounts will generally not exceed \$25,000. In most cases, the Gap Loans will supplement, or make the homeowner eligible for, an affordable loan modification or refinance loan. The LESPFCU does provide refinancing independently of the Program; to apply, contact the LESPFCU directly.

Q. Must a homeowner be in default on a mortgage to qualify for a loan?

A. No. Homeowners current on their mortgages may apply if they can demonstrate that they risk falling behind on their mortgage payments or losing their home without this assistance. These homeowners must demonstrate that they will be able to afford both their mortgage and Gap Loan payments, as Gap Loans may not be used to keep a homeowner current on an unaffordable mortgage.

Q. What is the term of the loan?

A. The term of the loans will not exceed 15 years.

Q. How will a homeowner's credit information affect loan eligibility?

A. The credit union will examine an applicant's credit history using the credit union credit score, which includes non-traditional payment history, such as payment of utilities and property taxes. The credit union will consider whether negative credit information results from an abusive loan.



Neighborhood Economic Development Advocacy Project

176 Grand Street, Suite 300, New York, NY 10013

Tel: (212) 680-5100 Fax: (212) 680-5104 www.nedap.org

NYC FORECLOSURE PREVENTION GAP LOAN PROGRAM GUIDELINES

Q. Can a homeowner with an Individual Taxpayer ID Number (ITIN) apply for a loan?

A. Yes. Homeowners with ITINs may be eligible for loans.

Q. Does a homeowner have to join LESPFCU to apply for a loan from the Program?

A. Yes. Under federal regulations credit unions may make loans only to members. Loan applicants must join the Lower East Side People's Federal Credit Union (LESPFCU) by opening a share (savings) account at the credit union with a minimum deposit of \$75 (the minimum deposit for seniors is \$25). There is a \$5 annual fee for LESPFCU membership during the term of the loan.

Q. Are there any other fees associated with the Program?

A. No.

NEDAP's Pre-Application Process

Q. Why are there two applications?

A. The pre-application ensures that the Gap Loan Program is the right loan for the applicant's situation. If she or he does not qualify, we can suggest other organizations that might be able to help. The loan application itself allows the LESPFCU to determine if the loan will be affordable to the applicant and to set up appropriate loan terms.

Q. Who should I contact if I have questions about the Gap Loan Program?

A. Please contact Alexis Iwanisziw of NEDAP at 212-680-5100, or email alexis@nedap.org.

Q. Where should I send the application?

A. Please send all applications to NEDAP, by fax: 212-680-5104, or by email to Alexis at alexis@nedap.org. You may also mail the application to us at NEDAP, 176 Grand Street, Suite 300, New York, NY 10013. No walk-ins please.

Credit Union Loan Application Process

Q. What is a reliable and verifiable source of income for the LESPFCU Loan Application?

A. You should bring proof of each source of income listed on the application to your appointment at the LESPFCU. Acceptable documentation includes:

- Pay stubs (3 most recent) and/or a letter on letterhead from employer.
- Proof of Public Assistance, SSI, SSD, Pension, Child Support, or other income or benefits.
- Notarized letters from any household member(s) who contribute(s) income to the applicant.
- If the applicant is self-employed, please bring the two most recent tax returns.

Q. What other documents do I need to apply for the loan?

A. You will need to provide the following documents with the LESPFCU loan application:

- Proof of address, such as a utility bill (e.g. Con Edison, telephone or cable bill).
- Reference form that appears at the end of the LESPFCU loan application.
- Any other documentation requested by the LESPFCU.



Neighborhood Economic Development Advocacy Project

176 Grand Street, Suite 300, New York, NY 10013

Tel: (212) 680-5100 Fax: (212) 680-5104 www.nedap.org

NYC FORECLOSURE PREVENTION GAP LOAN PROGRAM PRE-APPLICATION

The **NYC Foreclosure Prevention Gap Loan Program** is an initiative to assist low and moderate income New York City homeowners facing foreclosure. To have your client considered for a gap loan, please complete this application form and send to Alexis Iwanisziw at alexis@nedap.org or fax (212) 680-5104.

If the applicant meets eligibility criteria for a gap loan, NEDAP will forward a loan application from the Lower East Side People's Federal Credit Union.

AMOUNT REQUESTED _____	Date of Application _____
------------------------	---------------------------

Is the property applicant's primary residence? YES NO

Does applicant (and co-applicant) have reliable and verifiable source(s) of income? YES NO

Will applicant(s) be able to afford mortgage and Gap Loan Fund payments? YES NO

<p>APPLICANT</p> <p>First _____ MI _____</p> <p>Last _____</p> <p>Address _____</p> <p>_____</p> <p>City/State/Zip _____</p> <p>Phone (H) _____</p> <p>Phone (W) _____</p> <p>Cell _____</p> <p>Fax _____</p> <p>Email _____</p> <p>Gross Annual Income _____</p> <p>Net Monthly Income _____</p> <p>Source(s) of Income _____</p> <p>_____</p> <p>Number of adults in household _____</p> <p>Number of dependents _____</p> <p>Birth Date _____</p>

<p>CO-APPLICANT</p> <p>First _____ MI _____</p> <p>Last _____</p> <p>Address _____</p> <p>_____</p> <p>City/State/Zip _____</p> <p>Phone (H) _____</p> <p>Phone (W) _____</p> <p>Cell _____</p> <p>Fax _____</p> <p>Email _____</p> <p>Gross Annual Income _____</p> <p>Net Monthly Income _____</p> <p>Source(s) of Income _____</p> <p>_____</p> <p>Number of adults in household _____</p> <p>Number of dependents _____</p> <p>Birth Date _____</p> <p>Relationship to Applicant _____</p>

COUNSELOR/LEGAL SERVICE PROVIDER

Name _____ Organization _____

Phone _____ Fax _____ Email _____

PROPERTY

Address _____

Do you owe outstanding property taxes? YES NO Do you owe a balance for water service? YES NO

PRIMARY MORTGAGE

Primary mortgage amount _____ Current balance _____

Loan status as of ___ day ___ mo ___ yr: FORECLOSURE DEFAULT DELINQUENT CURRENT OTHER

Original Lender _____ Servicer _____ Interest rate _____

Type of mortgage: FIXED RATE ADJUSTABLE RATE MORTGAGE PAYMENT OPTION ARM INTEREST ONLY OTHER

Other relevant mortgage terms (i.e. 2/28, balloon) _____

SECOND MORTGAGE

Second mortgage amount _____ Current balance _____

Loan status as of ___ day ___ mo ___ yr: FORECLOSURE DEFAULT DELINQUENT CURRENT OTHER

Original Lender _____ Servicer _____ Interest rate _____

Type of mortgage: FIXED RATE ADJUSTABLE RATE MORTGAGE PAYMENT OPTION ARM INTEREST ONLY OTHER

Other relevant mortgage terms (i.e. 2/28, balloon) _____

ASSETS

Please list all assets and their current values in the table below.

Assets	Dollar Value of Assets	Owner	Pledged as Collateral to a Loan (Y/N)
Home			
Total Value of Assets			



Neighborhood Economic Development Advocacy Project

176 Grand Street, Suite 300, New York, NY 10013

Tel: (212) 680-5100 Fax: (212) 680-5104 www.nedap.org

COUNSELOR/LEGAL SERVICE PROVIDER

Please describe:

1. Why current mortgage payments are unaffordable.
2. Purpose of loan (i.e. upfront payment needed to qualify for loan modification).

Attaching an estimated monthly budget is helpful but not required.



Neighborhood Economic Development Advocacy Project

176 Grand Street, Suite 300, New York, NY 10013

Tel: (212) 680-5100 Fax: (212) 680-5104 www.nedap.org