

**WELCOME HOME COMMUNITY LAND TRUST
PROGRAM GUIDE
CLARK COUNTY, NV**

July 16th, 2024

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PROGRAM GUIDE**

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WELCOME HOME COMMUNITY LAND TRUST

A. INTRODUCTION AND PROGRAM PURPOSE

This document summarizes the purpose of and program guidelines governing Clark County’s Welcome Home Community Land Trust (CLT). A community land trust is a type of homeownership program where the community owns the land underneath homes that are sold at below market prices to low-to-moderate income homebuyers. The Welcome Home CLT will create, steward, and preserve a supply of permanently affordable homes for Clark County residents. The CLT will qualify prospective buyers, guide them through the mortgage finance and homebuying process, and provide continuing homeowner support and CLT asset management. The homebuyers will own their homes, pay mortgages, and build equity, but the homeowner leases the land underneath the home from the CLT. This shared ownership model will allow Clark County to ensure that resale of the homes will be restricted only to qualified low to moderate income buyers, thereby creating a permanent supply of affordable homes for generations to come. Though the homes will be kept affordable, the homeowner will have the opportunity to build equity through the amortized payments on their first mortgage, plus potential price appreciation associated with increases in Clark County’s Area Median Income (AMI). There are many CLTs across the United States, many are non-profit organizations, and others are local governments. In this case the CLT is the County and is governed by the Clark County Board of County Commissioners (BCC). Clark County will choose developers to build and sell the homes for each planned CLT subdivision that are of the same quality and standard as market rate housing.

The BCC established the CLT in 2024 to help meet the great need for homeownership opportunities for Southern Nevada households at or below the AMI in Clark County. In 2024, the 100% AMI in Clark County was \$87,000, which, with 2024 costs for interest, insurance, taxes etc., would allow a family of four to purchase a home at \$337,000, and a family of four at 80% of AMI to purchase a home at \$265,500. At the time of writing of this Program Guide, the average home price in Clark County was \$428,928¹ far higher than the average Clark County resident, and half the households in Southern Nevada, could afford. In Clark County approximately 50% households (427,547) are at or below 100% AMI, approximately 40% of households (340,677) are at or below 80% AMI, and approximately 23% of households (200,668) are at or below 50% AMI². Additionally, in Clark County on average, 72% of all households at or below 100% AMI are cost burdened, meaning they spend more than 30% of their income on housing costs³. To help alleviate these issues, the CLT will provide starter homes to qualifying first time homebuyers who are at or below 100% AMI.

¹ Zillow, Redfin, Realtor, Rocket, RealtyTrac; Average Home Price, April 2024.

² U.S. Census Bureau - 2022 American Community Survey (ACS).

³ National Low Income Housing Coalition (NLIHC) The Gap Report, March 2024.

DEFINITIONS

Affordable Monthly Mortgage Payment: The Monthly Affordable Housing Expense minus monthly costs. See Section B.2 and Table 1, for the calculation and example.

Affordable Rent: The Owner's monthly cost of principal and interest on the First Lender Loan, and property insurance and property taxes associated with the Residence.

Affordable Sales Price: See Section B.2

Area Median Income (AMI): Determined by the United States Department of Housing and Urban Development (HUD) for the Las Vegas-Henderson-Paradise Metropolitan Statistical Area (MSA).

Building Inspection Report: An analysis, opinion or conclusion, regarding the condition of a structure, that is: 1. Provided after an inspection, in a written report, for or with the expectation of receiving compensation for the report; and 2. Designed to describe and identify the inspected systems or structural components of the structure, their physical condition, any material defect and any recommendation for evaluation by another person. (NRS 645D.070).

CLT Orientation: A required training for all potential Homebuyers at which CLT staff will discuss the CLT program, program requirements and eligibility.

Combined Loan to Value: The total Mortgage debt (minus the County Loan) on the Residence as a Percentage of the then-current Affordable Sales Price.

County Deed of Trust: A legal document that serves as security for the County Loan.

County Loan: A second mortgage that the County may provide to the Eligible Purchaser of an Affordable Housing Unit to cover a gap in the difference between the Maximum Affordable Sale Price of the home and the developer's cost to build the home.

County Purchase Option or Option to Purchase: A provision granting the County first right to buy the Residence for a price equivalent to the Maximum Restricted Resale Price.

County Note: A document wherein the borrower pledges to repay the County Loan, adhering to the terms and conditions specified within. It acts as proof of the borrower's commitment to repay the borrowed funds, encompassing the loan amount, any accrued interest, and other stipulations detailed in the note.

County Response Notice: A written communication from the County to the Homeowner, issued within sixty (60) days of receiving a complete "Owner's Notice of Intent to Transfer," and informs the Homeowner of the County's Purchase Option.

Deed Restriction: A legal agreement established by the County to safeguard its financial interests in the CLT Residence and ensure their ongoing availability and affordability to low- and moderate-income households.

Default: A failure by the Homeowner to meet their obligations or fulfill the terms of all CLT agreements and/or First Lender Loan.

Depreciation: A reduction in the value of a house with the passage of time, due in particular to wear and tear.

Designated Income Household: A household having an annual gross income at or below 100% or 80% of AMI, adjusted for Owner's household size and specific income.

Developer: The company contracted to build and develop the CLT residential units.

Downpayment Assistance: Financial aid provided to Homebuyers to help cover the initial payment required when purchasing a home, known as the down payment.

Excess Rental Proceeds: Any rental income received by the Homeowner of the Residence that exceeds the Affordable Rent specified in the Deed Restriction. Such rental income shall be required to be remitted to the County.

Excess Sales Proceeds: Any gross sales proceeds received by the Homeowner of the Residence from the new purchaser that exceeds the Maximum Restricted Resale Price specified in the Deed Restriction. Such proceeds shall be required to be remitted to the County.

First Lender: A private lender providing a first mortgage to a qualified Homebuyer who has purchased or purchasing a home.

First Lender Loan: A loan provided by a financial institution or lending entity to a Homebuyer, which meets all the requirements of Section E. It is subordinated by the County's Deed Restriction and Homebuyer Ground Lease.

Homebuyer Ground Lease or "Ground Lease": A legal agreement between the County and the Homeowner that grants the Homeowner the right to use and occupy the land on which the Residence is located for the specified period (99 years) and impose certain obligations and restrictions on the Homeowner.

Ground Lease Fee: A fee paid by the Homeowner for the Leased Premises, as required, and set forth in the Ground Lease.

Homebuyer or "Eligible Purchaser": An individual or household that is an eligible purchaser of a CLT Residence, who has been approved by the County and meets all the eligibility requirements outlined in Section C of this Program Guide.

Homebuyer Disclosure: A summary and main points of all the agreements between the Homeowner and the County. This includes the Deed Restriction, Memorandum of Ground Lease and County Deed of Trust (if any) which will be recorded against the CLT property.

Homeowner, also known as “Owner” or “CLT Homeowner”: A Homebuyer who has purchased a CLT Residence.

HUD: The United States Department of Housing and Urban Development.

HUD-Approved Counseling Agency: A housing counseling agency that is certified by HUD to offer housing counseling programs that include Homebuyer education and counseling to individuals considering the purchase of a home.

Junior Loan: Also known as a “Home Equity Loan”: A County-approved loan on a CLT Residence that is secured by a mortgage on the Residence, typically taken out by the owner after the primary mortgage (First Lender Loan), usually for refinancing or financing home repairs.

Leased Premises: The parcel of land underneath the Residence, owned by Clark County and leased to the Owner under the Homebuyer Ground Lease.

Letter of Intent (LOI): A written document expressing the preliminary understanding or agreement between two or more parties regarding a proposed transaction or business deal. It outlines the key terms and conditions that the parties intend to include in a formal contract or agreement.

Maximum Restricted Resale Price: The CLT Affordable Sales Price calculated using the formula and calculations contained in Section K.

Occupancy Standard: The household size adjustment factors used to calculate the Monthly Affordable Housing Expense for Homebuyers. Calculations are contained in Section B and Section K.

Owner’s Notice of Intent to Transfer: A written document provided by the Homeowner to the County when the owner intends to transfer or vacate the Residence.

Permitted Mortgage: A mortgage or deed of trust on the Residence that has been expressly permitted in writing by the County.

Pest Control Inspection Report: The report of inspection for the inspection, extermination, control, or prevention of wood-destroying pests (NRS 555.2667).

Preferred Lender: A mortgage lender that has agreed to provide first mortgages to CLT Homebuyers on the terms required by the County, and that has executed a Letter of Intent to that effect with the County.

Prohibited Capital Improvement: Any significant renovation, enhancement, or alteration to a Residence that is expressly forbidden by the County as noted in the County Deed Restriction and the Homebuyer Ground Lease. See Section H.4.

Proposed Purchaser: An individual or household identified by the owner of the Residence as a potential buyer who is believed to meet the eligibility criteria to qualify as an Eligible Purchaser.

Purchase Agreement: A legally binding agreement between a seller and a buyer outlining the terms and conditions of a sale transaction.

Resale Restrictions: The CLT Deed Restriction and Homebuyer Ground Lease terms that limit future resale of any Affordable Housing Unit to a Maximum Affordable Sale Price calculated based on the target AMI of the Residence and subject to the guidelines and calculations therein.

Residence or “Unit”: A single-family home located on a parcel of land owned by Clark County available for purchase by a qualified Homebuyer or owned by a CLT Owner.

Total Household Income: All sources of income of all Household members aged 18 or older that will occupy the CLT Unit, regardless of dependency status. See Section L.

Total Mortgage Debt: Equals the sum of all mortgages and liens on the Residence, excluding the County Loan.

Total Qualification Income: The combined income derived from both the baseline household income and income calculated from liquid assets, as verified, and calculated by the County. See Section P for calculation.

Transfer: Any sale, assignment, or transfer, voluntary or involuntary, of any interest in the Residence.

B. PROGRAM SUMMARY

The Welcome Home Community Land Trust provides opportunities for qualified low-and moderate-income households to purchase homes in Clark County at affordable prices (Table 1). Eligible purchasers may purchase a home on land owned by the CLT and ground leased to the Homebuyer. To be eligible to purchase a home, a Homebuyer must meet the requirements outlined in Section C, including being a first-time homebuyer and having an eligible household income. CLT Homebuyers must also meet basic financial criteria, take a first-time Homebuyer education course, work with a counselor provided by a HUD-approved housing counseling agency and be a Clark County resident. Pre-screened CLT Homebuyers are then connected with a CLT Preferred Lender who is familiar with the program and has committed to provide mortgages at a competitive interest rate with little to no fees to CLT Homebuyers (Table 2). Once pre-approved for a mortgage, Homebuyers complete their CLT application process and if they qualify, they become eligible for a CLT home. Throughout this process, the Homebuyer is familiarized with the restrictions and benefits of owning a CLT home.

All CLT Homeowners must agree to certain restrictions related to their CLT Unit including a restricted resale price and resale process for their home, which are also outlined in the CLT Ground Lease and CLT Deed Restriction (both executed and recorded at sale). CLT Homeowners must also pay a monthly Ground Lease Fee. CLT homes are subject to important restrictions on the use and resale of the home to ensure that upon sale the home is well-maintained and is available to the next low to moderate income CLT Homebuyer.

CLT Homebuyers may also receive a County Loan which is a deferred-payment, 0% interest second mortgage loan provided by the County for the difference between the Affordable Sales Price on the home and the cost (paid to the developer if the home is new) of the home (Table 2).

Following the purchase of a CLT Residence, a CLT Homeowner is required to take a homeowner education class from a HUD-Approved Counseling Agency and is required to comply with the CLT rules, and resale guidelines.

This Program Guide outlines in further detail below, all the policies, procedures, and requirements of the Welcome Home Community Land Trust.

1. Ground Lease and Deed Restriction

Under the CLT, eligible Homebuyers will be required to sign a Homebuyer Ground Lease and a Deed Restriction will be placed on the property outlining the conditions that must be met by the Homebuyer. The Homebuyer will own the improvements (the Residence) and will lease the land from Clark County for a monthly Ground Lease Fee. ***The Homebuyer Ground Lease and Deed Restriction documents prohibit the Owner from doing the following:***

- a. Refinancing the first mortgage or taking out a second mortgage (except for a County Loan) or third mortgage against the property without permission from the County;
- b. Sell or transfer the Residence to any party besides an Eligible Purchaser;
- c. Sell or transfer the Residence at a price in excess of the Maximum Restricted Sales Price specified in the Homebuyer Ground Lease or Deed Restriction; or
- d. Committing another default under the Deed Restriction, County Deed of Trust and/or County Promissory Note.

Homebuyers will be able to build equity in their Residences over time as a result of the following, assuming the price of the home does not depreciate and subject to mortgage lending rates:

- a. An increase in the Maximum Restricted Sales Price due to an increase in AMI;
- b. A decrease in the remaining principal balance owed to the mortgage lender as the principal is paid down over time and the Homebuyer's equity in the home increases.

2. Affordable Sales Price and County Loan

The sales price of a CLT Residence shall be set at the Affordable Sales Price, which is based on a formula defined below in Section K and calculated using the target income level (AMI) of a

homebuyer at that income level. Clark County subsidizes the CLT Residence so that it can be sold at the Affordable Sales Price versus what the market value of that home otherwise would be. Clark County subsidizes the homes through two mechanisms:

- a. by providing or owning the land upon which the home is built, so that it is not factored into the price of the home; and
- b. by providing a subsidy to the Homebuyer in the form of a second mortgage; this County Loan, if provided to an Eligible Purchaser, is a deferred payment, no-interest, second mortgage. Upon sale of the Residence to an Eligible Purchaser, the Eligible Purchaser will be required to assume the County Loan.

Table 1
WELCOME HOME COMMUNITY LAND TRUST
FINANCING ILLUSTRATION

FAMILY INCOME AND HOUSING PAYMENTS

Buyers' Monthly Gross Income	\$5,000
Affordable Monthly Housing Expense (At 35% of gross income)	\$1,750
Less: Non-Mortgage Housing Expenses (Includes property taxes, insurance, and County Ground Lease Fee)	\$350 <hr style="width: 10%; margin-left: auto; margin-right: 0;"/>
Affordable Monthly Mortgage Payment	\$1,400

Note: This is an illustration only. Actual amounts will vary.

Table 2
WELCOME HOME COMMUNITY LAND TRUST
FINANCING ILLUSTRATION

LOANS AND PAYMENTS

	Source	Amount	Monthly Payment
First Mortgage	Private Lender	\$221,500 ⁴	\$1,400
5% Buyer Down Payment	Buyer	\$11,075	N/A
Affordable Sales Price		\$232,575	
County Loan (Deferred Payment)	Clark County	\$67,425	\$0
Total Cost to Build/Acquire Residence		\$300,000	

Note: This is an illustration only. Actual amounts will vary.

C. ELIGIBILITY REQUIREMENTS

1. First-Time Homebuyer

To be eligible for the Program, all applicants must meet the following qualifications:

- a. Must reside in Clark County at the time of application; applicants will receive a preference if they can show they have lived in Clark County for up to three years at the time of application.
- b. May not have owned a Residence for at least the preceding five (5) years (exceptions include ownership of mobile homes, timeshares, or divorced and not awarded the home); and
- c. May not have a foreclosure in the last five (5) years on their record.

⁴ Illustration assumes 30-year, fixed-rate mortgage at 6.5% interest.

2. Definition of Household

Any group of people can apply for a CLT Unit, regardless of family relations, marital status or previous living arrangement. Individuals may jointly apply to purchase a CLT Unit as long as:

- a. All applicants will live in the CLT Unit.
- b. All Household members appear on the Program application.
- c. All Household members report their income and other qualifying information.

All Household members are counted toward “Household Size” and this number is used to determine the size of the CLT Unit for which an applicant’s Household is eligible.

Exceptions or special circumstances to the rules above include:

- a. Long-term live-in assistants, as verified by the County must appear on the Program application and may be counted toward Household Size to determine the number of bedrooms for which applicants are eligible, but their incomes are not counted for purposes of determining income eligibility, and they are not added to title on a CLT Unit.
- b. Foster children, as verified through legal documentation, must appear on the Program application, and may be counted toward Household Size to determine the number of bedrooms for which applicants are eligible, and income received to care for foster children is counted toward total Household Income.
- c. A fiancé, Spouse or Domestic Partner or any other person who has any combined finances with the applicant or a member of the applicant’s Household is considered a Household member. Children not claimed as dependents on an applicant’s federal tax return may be considered part of the Household if there is a court ordered custody agreement allowing the child’s time with the applicant to be 30% or more.
- d. Unborn children are not counted into Household Size.
- e. Children under the age of six (6) will not be counted towards maximum Household Size.

3. Household Size

Households must be of an appropriate Household Size for the Residence they purchase, based on the following occupancy standards:

<u>Number of Bedrooms</u>	<u>Minimum Household Size</u>	<u>Maximum Household Size</u>
Two-Bedroom	2 Persons	4 Persons
Three-Bedrooms	2 Persons	6 Persons
Four-Bedrooms	4 Persons	8 Persons
Five-Bedroom	5 Persons	10 Persons

4. Income Limits

Under the CLT Program, Residences may be made available for sale by Clark County to households in one of two income levels:

- a. Low-income: households earning no more than 80% of AMI, adjusted for household size; or
- b. Moderate income: households earning between 81% of AMI and 100% of AMI adjusted for household size.

Income limits for CLT Program are based on Annual Median Household income figures published annually by the U.S. Department of Housing and Urban Development (HUD) for the Las Vegas-Henderson-Paradise Metropolitan Statistical Area. The size of the household equals the number of persons, including all adults and children, who will be living ten (10) or more months per year in the residence at the time of purchase. For HUD's published AMI's visit: https://www.huduser.gov/Portal/datasets/il.html#query_2024

The combined maximum income for all household members of the Proposed Purchaser shall not exceed the income for an Eligible Purchaser adjusted for household size. In the event such income determinations are no longer published by HUD or are not updated for a period of at least eighteen (18) months, the County shall provide other income determinations which are reasonably similar with respect to method of calculation to those previously published by HUD.

5. Immigration Status

Clark County does not require proof of citizenship, legal residency, or immigration status as criteria for qualifying for a CLT Unit. However, all applicants for CLT Units must qualify for first mortgage financing from a Preferred Lender and many lenders are unable to approve applicants without proof of legal immigration status. Preferred Lenders are advised to accept alternatives to traditional credit such as payment histories from utilities, rent, tuition, etc. Those requiring proof of identity must accept any government-issued identification.

6. Downpayment and Closing Costs

The County will require a downpayment equal to 5% of the Affordable Purchase Price as illustrated plus payment of typical buyer closing costs. Homebuyers must be able to make a downpayment from savings or gifts from family members in an amount equal to 3% of the Affordable Purchase Price. The Homebuyer is allowed to secure downpayment assistance for the remaining 2% of the downpayment and closing costs. Homebuyers may use grants or other assistance for closing costs.

7. Creditworthiness

Primary Purchaser and/or Co-Signer must also be accepted as creditworthy by mortgage lenders (First Lender) approved by the County for participation in the Program. This determination of

credit worthiness will be made by the First Lender after initial screening by County staff. Homebuyer must have a minimum credit score of 640. Alternative documentation of income, such as the Homebuyer's history of timely rent and utility payments, is permitted.

8. Loan and Title Requirements

At least one household member (main applicant) must qualify for a First Mortgage. Co-applicants are accepted, as long as they meet all other program requirements. All applicants who qualify for a First Mortgage loan must appear on the title. A spouse or domestic partner of an applicant must also appear on the title.

9. Certifications and Documents

Homebuyers must be willing to sign the Homebuyer Disclosure, Deed Restriction, the CLT Ground Lease and the County Deed of Trust and County Note if applicable, prior to closing; these documents contain, but are not limited to, the following requirements, to which Homebuyer must agree:

- a. Intent to occupy the Residence as principal place of residence throughout ownership term.
- b. Understanding and acceptance of all provisions of the Homebuyer Ground Lease and Deed Restriction Agreement, particularly of the resale restriction and restrictions on occupancy, leasing, and financing for the Residence.
- c. The CLT home sale shall be closed in accordance with the terms of the sales contract and other documents submitted to and approved by the County.
- d. Intent to comply with all requests by County for information needed for monitoring or compliance.

D. PROCESS FOR QUALIFYING CLT HOMEBUYERS AND SALE OF CLT HOMES

1. Intake and Pre-Screening Process for CLT Homebuyers

All interested or potential CLT Homebuyers must complete the following prior to application for a CLT home (all of the following may be accessed through the CLT website):

- a. A CLT Orientation session provided by the County.
- b. A Homebuyer education course provided by a HUD-Approved Counseling Agency.
- c. Attend at least one financial counseling session with a Counselor from a HUD-Approved Counseling Agency or a County approved agency.
- d. A CLT Homebuyer Intake Application.
 - i. Interested Homebuyer will be attesting that they meet all of the Program requirements.

Intake applications will be reviewed by the County CLT staff. CLT Homebuyers will submit completion certifications for the Orientation, Homebuyer education class and counseling session during the application process.

2. Lender Referral

Following successful completion of the Intake Application an interested CLT Homebuyer will be referred to a Preferred Lender for loan pre-qualification. Lender underwriting will require a minimum 640 credit score, proof of income, and evidence of savings or subsidies needed for downpayment and all closing costs.

Homebuyers may use a lender of their choice; however, the loan must be provided, and lender must agree to, the terms outlined in Exhibit A, including, but not limited to the required non-subordination of the Homebuyer Ground Lease and Deed Restriction.

CLT Homebuyer will submit lender pre-approval letter during the application process.

3. Final Application and Homebuyer Selection

Following successful pre-screening and Lender pre-qualification, and as CLT homes become available, the County will inform all homebuyers that applications are being accepted for a defined period of time. Applications must be completed within the allotted time in order to be eligible, as no exceptions will be made once the application deadline has passed.

When applications open, pre-screened and pre-approved Eligible Purchaser may apply to purchase a CLT home priced for their income level. As a part of the application, the applicant will submit documentation to verify requirements such as residency, income and household size. Following the application deadline for the home(s) County staff will notify applicants of any missing information or documentation and all applicants will be given the same opportunity to cure any missing or incorrect application information. If a homebuyer's application is approved, the applicant will be notified and entered into the lottery for the home(s). If an application is denied, the applicant will be notified. All application requirements are quantitative, so that any denials will be well-documented and based on objective criteria.

4. Lottery

To guarantee a fair selection process for qualifying homebuyers, Clark County will utilize a lottery system. As CLT homes become available and following successful application qualification, approved Eligible Purchaser will be entered into a lottery to purchase a qualifying CLT home. Eligible Purchaser with an approved application will receive an application number, and it is that number that will be entered into the lottery.

The lottery selection may be made available to be viewed live. During the lottery selection, a computerized system will conduct a true randomized selection and will rank each application number.

The selection and rank of application numbers will be available on the CLT website. The rank of the application number will determine whether that applicant will be eligible for a home contingent on final Lender approval. For example, if there are five (5) homes available for

purchase, homebuyers with lottery numbers 1-5 will be eligible for those homes. Lottery preference may be given to applicants who have resided in Clark County for up to three (3) years. Those selected will receive an email with next steps, including for selection of a home/lot and process for entering into a sales contract and escrow for the home.

If a Homebuyer is found not eligible by the Lender, the CLT team will select the next application in order of lottery ranking.

5. Sale Process

Upon acceptance of CLT Homebuyer's application by the County, and the Developer if applicable, a Purchase Agreement in the form accepted by the County and Developer shall be executed. Within three (3) business days of the execution of the Purchase Agreement, the CLT Homebuyer shall make a deposit and open escrow. The Purchase Agreement will be conditional on the CLT Homebuyer obtaining an official loan approval from their chosen Lender. Prior to close of escrow, Clark County shall have final approval of the Purchase Agreement and shall ensure that Homebuyer Disclosure and Homeowner Ground Lease is executed at closing. The Homeowner Ground Lease and Deed Restriction shall be recorded first, prior to any Notes or Deeds of Trust, including for the First Mortgage.

If the sale is a resale, all requirements of the Homeowner Ground Lease and Deed Restriction shall be met, and any repairs made pursuant to Section J below.

6. Realtors

The purchase or resale of a CLT does not require a realtor. Homebuyer can obtain a realtor if they desire, but the Homebuyer's realtor's commission shall be paid by the Homebuyer.

E. SELECTION OF WELCOME HOME CLT PREFERRED LENDERS

The County will select lenders willing to provide first mortgages on CLT Residences at the terms outlined in Exhibit A, Preferred Lender Terms, and willing to execute a Letter of Intent with Clark County agreeing to provide a certain number of first mortgages. These lenders shall be selected as Preferred Lenders and shall be the Lenders that CLT Homebuyers are referred to after successfully completing the CLT Homebuyer's Intake Application.

F. APPRAISAL

Each Lender is responsible for using an appraiser that has an understanding of the Welcome Home CLT ownership structure and deed restrictions, including the resale restrictions on the homes and the Ground Lease. Lenders are encouraged to provide training to the appraisers in their pools. The County will make materials available for training as requested.

CLT home appraisal follows the Fannie Mae guidelines where possible (see Table 3). Fannie Mae’s four-step appraisal process is as follows:

1. Determine the fee simple market value of a home;
2. Determine the capitalization rate;
 - i. Use alternative low risk investment rates to determine a risk-less or safe rate; or
 - ii. If there are enough sales, determine the capitalization rate by dividing the non-CLT annual ground rent by the difference in sales price;
3. Determine the lease fee value;
4. Determine the leasehold value.

Table 3
WELCOME HOME COMMUNITY LAND TRUST
APPRAISAL ILLUSTRATION

Fee Simple Value of the Property	\$350,000
Annual Ground Lease	\$600
Current Capitalization Rate (Current Low Risk Investment)	2%
Lease Fee Value (Annual Ground Lease/Cap Rate)	\$30,000
Final Leasehold Value (Fee Simple Value – Lease Fee Value)	\$320,000

Note: This is an illustration only. Actual amounts will vary.

G. COUNTY LOAN AND HOMEBUYER FINANCIAL ASSISTANCE

Clark County may provide second mortgages to CLT Homebuyers to fill the gap between the Affordable Sales Price and the market cost to develop or purchase the CLT Residence. The County Loan, if provided to an Eligible Purchaser, is a deferred payment, no-interest, second mortgage. As long as the Owner remains in compliance with all requirements of the Homebuyer Ground Lease, Deed Restriction, County Note and County Deed of Trust, payments will be deferred. Principal on County’s Note will become due upon any of the following events:

- a. Taking out any mortgage against the property without approval of the County;
- b. Sale or transfer of the Residence to any party besides an Eligible Purchaser;
- c. Sale or transfer of the Residence at a price in excess of the Maximum Restricted Sales Price; or
- d. Other default of the Owner under the Homebuyer Ground Lease, Deed Restriction, County Deed of Trust and and/or County Note.

Regardless of whether the County Loan is repaid, all of the requirements of the Deed Restriction and Homebuyer Ground Lease will remain in place for the 99-year term of the Ground Lease.

The County may also provide downpayment assistance and assistance with closing costs to Homebuyers; the total of any such assistance provided to a Homebuyer may be added to the amount of the County Loan.

Upon sale of the Residence to an Eligible Purchaser, the Eligible Purchaser will be required to assume the County Loan.

H. OCCUPANCY AND MAINTENANCE REQUIREMENTS

All CLT Homeowners must adhere to the following requirements. For further information and necessary forms, please refer to the Homebuyer Ground Lease and Deed Restriction.

1. Ground Lease Fee

The Owner will be required to pay a monthly Ground Lease Fee to cover the costs of common area maintenance and program administration. The Ground Lease Fee will be factored into the Affordable Purchase Price, as illustrated in Table 2. The initial Ground Lease Fee is \$50 per month. The fee may be adjusted periodically (but not more than once per year) to cover increases in Clark County maintenance and operating costs for the CLT.

2. Principal Residence; No Renting or Leasing

The Owner shall be considered as occupying the Residence if the Owner is living in the unit for at least 10 months out of each calendar year. The Owner must provide an annual written certification to the County, in the Form of Annual Owner Occupancy Certification shown in the Homebuyer Ground Lease, that the Owner is occupying the Residence as his or her principal place of residence.

The Owner shall not lease the Residence to another party, unless such lease is first approved in writing by the County and all of the following conditions are met:

- a. the Owner demonstrates to Clark County's reasonable satisfaction that the Owner will incur substantial hardship if he or she is not permitted to lease the Residence to a third party; allowable hardships include military deployment and divorce.

- b. the term of the lease is not greater than 12 months and cannot be extended without Clark County approval;
- c. the lease requires the tenant to maintain the Residence and Leased Premises in good condition and prohibits subleasing;
- d. the tenant is a low (80% AMI or below) or moderate (80% to 100% AMI) income household as determined by the County;
- e. the rent for the Residence does not exceed the lesser of:
 - i. thirty percent (30%) of the income of the tenant household that is renting the Residence, adjusted by the Occupancy Standard for the number of bedrooms in the Residence, less the monthly utility allowance appropriate for the Residence as published by the Southern Nevada Regional Housing Authority, or its successor index, or
 - ii. the Owner's monthly cost of principal and interest on the First Lender Loan, and property insurance and property taxes associated with Residence (the "Affordable Rent").

Any lease of the Residence in violation of the Deed Restriction is prohibited and shall be a default under the Deed Restriction and the County Deed of Trust.

- a. any excess rents paid to the Owner by any lessee of the Residence over the Affordable Rent ("Excess Rental Proceeds") shall be due and payable to the County immediately upon receipt thereof by the Owner.
- b. such Excess Rental Proceeds shall be considered a recourse debt of the Owner to Clark County, as evidenced by the County Note, which Clark County may collect by legal action against the Owner and/or by foreclosure under the County Deed of Trust.

3. Maintenance and Insurance Requirements

- a. Owner shall maintain the Residence and Leased Premises, including landscaping:
 - i. in good repair and in a neat, clean, and orderly condition (and as to landscaping, in a healthy condition); and
 - ii. in accordance with all applicable laws, rules, ordinances, orders, and regulations of all federal, State, County, municipal and other governmental agencies.
- b. Owner hereby assumes responsibility for furnishing all services or facilities on the Leased Premises, including but not limited to heat, electricity, air conditioning and water. CLT is not required to furnish any services or facilities or to make any repairs to the Residence.
- c. The Owner shall maintain a standard all risk property insurance policy equal to the replacement value of the Residence (adjusted every five (5) years; by appraisal if requested by the County), naming the County as an additional insured.

- d. The Owner covenants that the Owner shall not repair automobiles, other motor vehicles or any other heavy machinery in the parking area, garage, driveway, or any other portion of the Property.
 - i. not more than three (3) automobiles shall be parked on a permanent basis in the parking area, garage, driveway, or any other portion of the Property.
 - ii. vehicles or heavy machinery shall be immediately removed from the Property if they become inoperable for more than five (5) calendar days.
- e. The Owner shall comply with all other restrictions on use of the Residence and Leased Premises as outlined in the Homebuyer Ground Lease and Deed Restriction,

4. Restriction on Improvements to the Residence

The Owner may not perform any of the following improvements, construction, or additions to the Residence:

- a. Room addition;
- b. Addition of additional square footage to the Residence primary building, and garage, if present;
- c. In-ground swimming pool or spa;
- d. Accessory dwelling unit; and
- e. Any other structures.

These are deemed to be “Prohibited Capital Improvements”.

The Deed Restriction and Ground Lease also provide criteria for minimum standards for maintenance and restrictions on other improvements including:

- a. Satellite dishes and antenna’s.
- b. Signs, banners, posters, etc;
- c. Accumulated rubbish/debris;
- d. Sheds/tents;
- e. Solar panels;
- f. Party Walls.

I. RESTRICTIONS ON TRANSFERS, MORTGAGES AND LIENS ON THE PROPERTY

All CLT Homeowners must adhere to the following requirements. For further information and necessary forms, please refer to the Homebuyer Ground Lease and Deed Restriction

1. Transfers

- a. Any Transfer of the Residence that does not satisfy the provisions of the Deed Restriction and Homebuyer Ground Lease shall constitute a default and is subject to the County Purchase Option.

- b. “Transfer” means any sale, assignment or transfer, voluntary or involuntary, of any interest in the Residence, including, but not limited to, a fee simple interest, a joint tenancy interest, a life estate, a leasehold interest (other than as permitted pursuant to the Deed Restriction, summarized in Section H.2 of this Program Guide), a mortgage, and a deed of trust (other than a Permitted Mortgage approved by the County).
- c. A Transfer shall not include the following transfers, provided, however, that Owner shall provide written notice of not less than (30) calendar days prior to the effective date of all such proposed transfers to County:
 - i. To an existing spouse or domestic partner;
 - ii. By an Owner to a spouse or domestic partner where the spouse or domestic partner becomes the co-owner of the Residence;
 - iii. Between spouses as part of a marriage dissolution proceeding;
 - iv. To an existing spouse or domestic partner of Owner by devise or inheritance following the death of Owner;
 - v. By Owner into an inter vivos revocable trust in which Owner is the beneficiary;
 - vi. Refinance of the First Lender Loan approved by Clark County pursuant to the Homebuyer Ground Lease; or
 - vii. Junior Loan approved by Clark County pursuant to the Homebuyer Ground Lease
- d. If Owner dies (or if the last surviving co-owner of the Residence dies), the executor or personal representative of Owner’s estate shall notify County within ninety (90) days of the date of the death. Upon receiving such notice CLT shall consent to a transfer of the Residence and Owner’s rights to the Leased Land to one or more of the possible heirs of Owner listed below:
 - i. the spouse of the Owner; or
 - ii. the child or children of the Owner; or
 - iii. member(s) of the Owner’s household who have resided in the Residence for at least one year immediately prior to Owner’s death, and who are either a legal heir or a first-degree consanguinity.

Any other heirs, legatees, or devisees of Owner, in addition to submitting Letters of Agreement and Attorney’s Acknowledgment as provided in Exhibit F to the Deed Restriction, must demonstrate to Clark County’s satisfaction that they are a Designated Income Household. If they cannot demonstrate that they are a Designated Income Household, they shall not be entitled to possession of the Residence but must transfer the Residence in accordance with the provisions of the Deed Restriction and the Homebuyer Ground Lease or Clark County may exercise its Option to Purchase the Residence. Such heirs will have 12 months to provide a Notice of Intent to Transfer to the County.

1. Financing

- a. The Owner may mortgage or lien the Residence only with the written permission of Clark County (“Permitted Mortgage”).
- b. All First Lender Loans, initial and refinancings, must be fully-amortizing, fixed-interest rate mortgages.
- c. The initial First Lender Loan must have an amortization period of not less than 30 years.
- d. Refinancing of the First Lender Loan (which is allowed until 12 months after purchase) must be approved in advance by Clark County. The amortization period on refinancings may be shorter than 30 years as long as they meet all of the other conditions for a Permitted Mortgage.

Owners may submit a request to the County to refinance their first mortgage for the following purposes:

- i. Lower interest rate;
- ii. Shortened first mortgage loan term; or
- iii. Lower monthly payment.

When requesting approval to refinance, Owners must:

- i. Use a Preferred Lender or a lender who has agreed to the Preferred Lender Terms in Exhibit A, for a first mortgage on a CLT Residence;
- ii. Be in compliance with the Deed Restriction, the Homebuyer Ground Lease; and, if present, the County Loan;
- iii. Pay an administrative fee posted on the CLT’s website;
- iv. Have no delinquent mortgage payments, property taxes, Ground Lease Fees, unauthorized loans, or liens; and
- v. Satisfy any other requirements outlined in the Homebuyer Ground Lease or Deed Restriction.

Cash equity withdrawals on the Residence are allowed only under the following circumstances, must be accompanied by documentation supporting the expense, and must be pre-approved in writing by Clark County:

- i. Capital improvements (other than Prohibited Capital Improvements) to the Residence; and
- ii. Funds required to implement a marriage dissolution agreement or domestic partnership dissolution agreement.

Documentation supporting the expense will be required. Under no circumstances can the new loan amount exceed the original loan amount, and the Combined Loan to Value cannot exceed 95% of the Affordable Sales Price.

- i. Clark County will NOT approve 1) refinancing of a First Lender Loan or 2) a home equity loan (“Junior Loan”) for home repairs or other uses if the loan increases

Total Mortgage Debt to an amount greater than 95% of the then current Affordable Sales Price, as calculated by Clark County. Home equity lines of credit (HELOCs) are strictly prohibited.

- ii. Any Permitted Mortgage shall remain subordinate and inferior to Lessor's right and interest in the Leased Premises and reversionary interest in the Leased Premises.
- iii. Upon acquisition of the Residence by any First Lender foreclosing on the First Lender Loan, the foreclosing First Lender or its successor's rights to the Residence shall be subject to the terms and provisions of the Homebuyer Ground Lease and Deed Restriction.
- iv. All mortgages and liens, including but not limited to letters of credit, second or third mortgages, and deeds of trust EXCEPT Permitted Mortgages are prohibited and constitute a Default under the Deed Restriction and the Homebuyer Ground Lease.

J. PROCESS FOR RE-SALE OF THE RESIDENCE

When an Owner decides to sell the Residence, the following rules and process will be adhered to. For further information and necessary forms, please refer to the Homebuyer Ground Lease and Deed Restriction

1. Notice of Intended Transfer, Preparation of the Property for Sale

- a. All Transfers and sales are restricted to the Maximum Affordable Sales Price.
- b. If Owner intends to Transfer or vacate the Residence, Owner shall give Clark County the Owner's Notice of Intent to Transfer at least 30 days prior to notifying realtor or lender of Owner's intent to Transfer the Residence and prior to listing of the Residence on the Multiple Listing Service.
 - i. The County will manage resales upon receipt of Owner's Intent to Transfer.
 - ii. Owner may retain a realtor on its own behalf at Owner's expense. Clark County will recommend that the Owner may not wish to contract with a realtor to sell the Residence until Owner has received County Response Notice, as services of realtor will not be required if Clark County exercises Option to Purchase and in such event no realtor commission will be paid to a third party.
- c. Following delivery of Owner's Notice of Intent to Transfer, the Owner shall prepare the residence for sale as follows, including making all repairs to the property deemed necessary:
 - i. Within 30 days, Owner shall hire at Owner's sole expense 1) a building inspector with a current Home Inspector license from the Department of Business and Industry Nevada Real Estate Division to assess the condition of the Residence, including the interiors, and prepare a written report of the condition ("Building Inspection Report") and 2) a licensed structural pest control operator to inspect the Residence and prepare a current written report of the condition ("Pest Control

Inspection Report”) and Owner shall deliver such reports to Clark County. The Owner shall cooperate fully with the inspection.

- ii. Within the sooner of 60 days from delivery of Owner’s Notice of Intent to Transfer or 2 weeks prior to close of escrow, Owner shall bear the full cost to repair all damage and make any necessary replacements noted in the Building Inspection Report and Pest Control Inspection Report including damage caused by infestation or infection by wood-destroying pests, as well as remediate any environmental contamination caused by Owner’s occupancy and use of the Property.
- iii. Owner shall bear the full cost of all necessary repairs and replacements. However, upon Owner’s written request, the CLT may allow the Owner to pay all or a portion of the repair costs after transfer, from Owner’s proceeds of sale, if Owner cannot afford to pay such costs prior to the transfer. In such event, either 1) 150% of the unpaid estimated cost of repairs or 2) 100% of the unpaid cost of completed repairs shall be withheld from Homeowner’s proceeds of sale in a CLT-approved escrow account.
- iv. If vacant, the Owner shall maintain utility connections until close of escrow.
- v. Allow Clark County approved Eligible Purchaser or his/her designee to perform final walk-through in the final three (3) days prior to escrow.
- vi. In the event of Clark County purchase, allow Clark County or its designee to perform final walk-through in the final three (3) days prior to close of escrow.

2. Clark County Response to Owner’s Notice of Intended Transfer

- a. Clark County shall respond in writing within (60) sixty days of Clark County receipt of Owner’s Notice of Intent to Transfer that includes all required information including pest control and any Residence inspection report (if any).
- b. Clark County’s Response Notice shall inform Owner of Clark County’s election to proceed under one of the following two alternatives:
 - i. Clark County may elect to exercise the County Purchase Option or assign its right to 1) a public agency, 2) a nonprofit organization or 3) an Eligible Purchaser to purchase the Residence at the Maximum Restricted Resale Price.
 - ii. Clark County may elect not to exercise the County Purchase Option, in which case Clark County will be responsible for marketing and resale of the Residence. In this event, Clark County’s notice will include: 1) the maximum income, adjusted for household size, for an Eligible Purchaser; 2) certifications required of an Eligible Purchaser; and 3) the Maximum Resale Price the Owner may receive for the Residence.

3. Owner Acknowledgement of Clark County Response Notice

No later than (14) fourteen days following the date of the County Response Notice, the Owner shall complete the Form of Owner Acknowledgement of County Response Notice (Exhibit D of the Deed Restriction) to acknowledge receipt of the County Response Notice and confirm intention to Transfer the Residence.

4. Eligible Purchasers

Eligible Purchasers must meet all the requirements in Section C.

5. Sale Process

A proposed purchaser (“Proposed Purchaser”) who the Owner believes will qualify as an Eligible Purchaser may be referred to the County or their designee for an eligibility determination. Otherwise, the County will determine an Eligible Purchaser to become a Proposed Purchaser, along with a First Mortgage lender, through the process and eligibility requirements outlined in Section I above.

- a. First-Time Homebuyer. The Proposed Purchaser shall certify that they qualify as a first-time Homebuyer (see Section C).
- b. Intent to Owner Occupy. The Proposed Purchaser shall certify that they will occupy the Residence as their principal place of residence throughout their ownership.
- c. Agree to sign Buyer Disclosure Statement and Homebuyer Ground Lease and to Cooperate with the County. The Proposed Purchaser shall agree to sign a Deed Restriction and Homebuyer Ground Lease restricting future resale of the Residence and shall agree to cooperate fully with Clark County in promptly providing all information requested by the County to assist Clark County in monitoring the Proposed Purchaser’s compliance with the Ground Lease and Deed Restriction.
- d. Agree to Assume County Second Mortgage Promissory Note and Deed of Trust, if Applicable. If there is a County Loan on the Residence being purchased, the Proposed Purchaser shall agree to sign the documents necessary to assume the County Promissory Note and Deed of Trust at the same terms.
- e. Income Eligibility. The combined maximum income for all household members of the Proposed Purchaser shall not exceed the income for a Designated Income Household, adjusted for the Proposed Purchaser’s household size. In the event such income determinations are no longer published by HUD or are not updated for a period of at least eighteen (18) months, Clark County shall provide other income determinations which are reasonably similar with respect to the method of calculation to those previously published by HUD.
- f. The Owner does not need to retain the services of a realtor; however, if they do it will be at Owner’s expense

6. County Purchase Option

- a. Clark County shall have Option to Purchase the Residence at the Maximum Restricted Resale Price or assign it to 1) a public agency, 2) a nonprofit organization or 3) an Eligible Purchaser.
- b. Owner may be required to pay Clark County a transaction fee equal to Clark County’s reasonable costs associated with the exercise of the Option if Clark County (or its assignee) exercises the County Option and purchases the Residence; provided, however

that such transaction fee shall not exceed three percent (3%) of the sales price of the Residence.

- c. Clark County or its assignee shall purchase the Residence within (90 days) of the County Response Notice.

K. MAXIMUM RESTRICTED RESALE PRICE

The Maximum Restricted Resale Price shall be the LESSER of the Affordable Sales Price or the Fair Market Value of the Residence at the time of resale.

1. Affordable Sales Price

The Affordable Sales Price shall be calculated as follows:

- a. “Monthly Affordable Housing Expense” shall be calculated as one-twelfth of 35% of Area Median Income for the Las Vegas-Henderson-Paradise MSA as published by the United States Department of Housing and Urban Development (“HUD”), or successor index, for the year of sale adjusted by household size according to the number of bedrooms in the unit as listed below (“Occupancy Standard”) using the following HUD household size adjustment factors (1 person=0.7, 2 persons=0.8; 3 persons=0.9; 4 persons=1.0; 5 persons=1.08) multiplied by the percent of Area Median Income of the targeted Homebuyer (e.g. 80%).

Studio unit: household size of two persons

One-bedroom unit: household size of two persons

Two-bedroom unit: household size of three persons

Three-bedroom unit: household size of four persons

Four-bedroom unit: household size of five persons

For example, the HUD 2024 Area Median Income in the Las Vegas-Henderson-Paradise MSA is \$87,800. Monthly Affordable Housing Expense for a household at 80% AMI purchasing a two-bedroom unit is calculated as follows: \$76,150 multiplied by 35% multiplied by 1/12 multiplied by 0.9 multiplied by 80% equals \$1,599.

- b. The following monthly costs will be deducted from Monthly Affordable Housing Expense as calculated or estimated by Clark County at the time of sale:
 - i. Property taxes;
 - ii. Property insurance;
 - iii. Owner association dues and/or landscape maintenance district fees, if applicable; and
 - iv. Owner Ground Lease Fee Homebuyer Ground Lease.

- c. The result of the calculations in this section G.1 (subsections a. through b. above) will be the Affordable Monthly Mortgage Payment (“Affordable Monthly Mortgage Payment”) (see Table 1). The Affordable Mortgage (“Affordable Mortgage”) will be determined based on the Affordable Monthly Mortgage Payment and prevailing interest rates at the time of sale for a 30-year, fixed interest-rate mortgage. Prevailing interest rates shall equal the Freddie Mac Primary Mortgage Market Survey weekly average at the time of the calculation or other successor index selected by Clark County.
- d. The Affordable Sales Price will equal the Affordable Mortgage plus a 5% Owner down payment.
- e. In the event such income limits are no longer published by HUD or have not been updated for a period of at least eighteen (18) months, Clark County may use or develop such other reasonable method as it may choose in order to determine the median yearly income in Clark County.

2. Fair Market Value (FMV)

In certain circumstances, it may be necessary to determine the fair market value of the Residence without taking account of the resale restrictions imposed by this. These circumstances include where the parties wish to determine if the Affordable Sales Price exceeds the FMV.

- a. FMV will be determined by a certified Member Appraisal Institute (MAI) or other qualified real estate appraiser approved in advance by Clark County.
- b. The appraisal shall be based (to the extent possible) upon the sales prices of comparable properties sold in the market area during the preceding three- (3) month period.
- c. The cost of the appraisal shall be split between Clark County and the Owner, unless the appraisal is obtained from and paid by a new purchaser.
- d. Owner and Clark County may establish FMV by mutual written agreement in lieu of an appraisal.

L. DELINQUENT FIRST MORTGAGE PAYMENTS; CONDITIONS OF DEFAULT; REMEDIES

Preferred Lenders will agree to notify Clark County whenever a loan becomes delinquent. Both the loan servicer and Clark County will immediately contact the delinquent borrower to provide needed counseling and loan resolution. If needed, Clark County will create a foreclosure mitigation program that may assist CLT Owners with payments or through purchase of the Residence.

The following are of default and remedies under the Homebuyer Ground Lease, Deed Restriction, County Note and Deed of Trust.

1. Illegal Lease of the Residence

Any lease of the Residence, except as permitted in Section H.2 of this Program Guide is prohibited and shall be a default under the Deed Restriction and the County Deed of Trust.

Any excess rents paid to the Owner by the lessee over the Affordable Rent (“Excess Rental Proceeds”) shall be due and payable to Clark County immediately upon receipt thereof by the Owner. Such Excess Rental Proceeds shall be considered a recourse debt of the Owner to Clark County, as evidenced by the County Note, which Clark County may collect by legal action against the Owner and/or by foreclosure under the County Deed of Trust.

2. Violation of Maintenance or Insurance Requirements

The Owner must comply with the following items:

- a. The Owner is responsible for maintaining the Residence and landscaping in good condition according to all applicable laws and regulations. Failure to do so constitutes a default.
- b. The Owner must maintain property insurance equal to the replacement value of the Residence, with Clark County named as an additional insured. Flood insurance is required if the Residence is in a flood plain. The insurance must cover hazards like fire, earthquakes, winds, and floods as required by the First Lender. The Owner may choose the insurance carrier, subject to approval, and policies must be acceptable to Clark County.
- c. The Owner agrees not to repair automobiles or heavy machinery on the Property and limits permanent parking to three automobiles. Inoperable vehicles must be promptly removed.
- d. Hazardous substances are prohibited on the Property, except for those used in normal home maintenance. The Owner must promptly notify Clark County of any issues related to hazardous substances and comply with all environmental laws. If remediation is required due to Owner’s actions, the Owner is responsible. Clark County will certify the Property’s clean condition if needed.

In the event that the Owner breaches any of the covenants above and the default continues for a period of ten (10) days after written notice from Clark County with respect to graffiti, debris, waste material, general maintenance, automobiles or heavy machinery or thirty (30) days after written notice from Clark County with respect to landscaping and building improvements), then Clark County, in addition to whatever other remedy it may have at law or in equity, shall have the right to enter the Residence and perform or cause to be performed all such acts and work necessary to cure the default.

Clark County may assess the Residence, or attach a lien on the Residence, in the amount of the expenditures arising from such acts and work which amount shall be promptly paid by the Owner

to Clark County, plus an administrative charge equal to ten percent (10%) of the cost of such work upon demand.

3. Illegal Sale or Transfer of the Property

Any Transfers made in violation of Section I or Section J, or false or misleading statements made in any documents or certification submitted to Clark County shall be a default.

In the event that a Transfer produces Excess Sales Proceeds, the Owner shall pay the Excess Sales Proceeds to Clark County. Excess Sales Proceeds shall mean one hundred percent (100%) of the amount by which the gross sales proceeds received by the Owner from the new purchaser exceeds the Maximum Restricted Resale Price for the Residence. The County shall utilize the Excess Sales Proceeds for the Welcome Home CLT program.

Clark County shall have the right to foreclose on the Residence and any costs and legal expenses shall be borne by the Owner and/or the Proposed Purchaser; Clark County and its designee shall be held harmless. Clark County will provide notice and will collaborate with the First Lender.

4. Other Events of Default

- a. Clark County determines that the Owner has made a misrepresentation to obtain the benefits to purchase the Residence or in connection with its obligations under the Deed Restriction.
- b. A notice of default is issued under the First Lender Loan.
- c. Owner declares bankruptcy or makes an assignment of assets for the benefit of creditors.
- d. Owner makes Prohibited Capital Improvements to the property.
- e. Owner fails to occupy the Residence as their principal residence and such failure continues following written notice by Clark County and 30 days opportunity to cure following the date of such notice.
- f. The Owner otherwise fails to comply with the requirements of the Deed Restriction Agreement, the Homebuyer Ground Lease, the County Note, or the County Deed of Trust (if present) and such violation is not corrected to the satisfaction of Clark County within ten 10 days after the date of written notice by Clark County to the Owner of such violation.

5. Remedies

Upon a declaration of default by Clark County under the Homebuyer Ground Lease or Deed Restriction, Clark County may:

- a. Declare the County Loan and all Excess Sales Proceeds and/or Excess Rental Proceeds immediately due and payable without further demand, declare a default

- under the County Note, and may invoke the power of sale under the County Deed of Trust;
- b. Apply to a court of competent jurisdiction for such relief at law or in equity as may be appropriate;
 - c. Declare a default under the County Note and County Deed of Trust and pursue all County remedies under the County Deed of Trust;
 - d. Exercise the County Purchase Option; and/or
 - e. Terminate the Homebuyer Ground Lease.

6. Notice of Default and Foreclosure Under First Lender Loan

A request for notice of default and any notice of sale under the First Lender Loan encumbering the Residence shall be recorded by the Office of the Recorder of Clark County for the benefit of Clark County.

Clark County may declare a default under the Deed Restriction upon receipt of any notice of default on the First Lender Loan given to Clark County.

In the event of default and foreclosure, Clark County shall have the same right as the Owner but not the obligation to cure defaults and redeem the Residence prior to the foreclosure sale.

7. Notice and Cure

Upon default or a violation of any of the provisions of the Deed Restriction, Clark County may give written notice (except for the violations listed in Section L of this Program Guide in which case no notice to Owner is required).

If not corrected within a reasonable period of time not longer than 30 days, Clark County may make a declaration of default.

M. MARKETING OF CLT HOMES

Clark County aims to promote equitable access to affordable housing opportunities through targeted outreach efforts. The goal of these efforts is to reach historically disenfranchised communities, including but not limited to those based on race, ethnicity, gender, and underserved groups in the current housing market. The goal is to ensure that income-qualified households from these communities are informed about and have access to the affordable housing options provided by the County CLT.

1. Marketing of New Homes

A CLT Marketing Plan will be developed in compliance with Fair Housing law and include:

- a. An outline of the process for pre-screening and intake for eligible CLT Homebuyers including orientation and required HUD first-time Homebuyer counseling.
- b. The establishment of relationships with available HUD-Approved Counseling Agencies.
- c. A website and online portals for:
 - i. pre-screening potential CLT Homebuyers
 - ii. development-specific applications
 - iii. description of Welcome Home CLT program
- d. An outreach plan targeting minority demographics in Clark County, including those that historically may have been denied access to Homeownership.
- e. Outreach and advertising materials.
- f. Clear delineation of responsibilities between Clark County and Developer.
- g. Training on the CLT for Developer staff and agents.

For limited English proficiency-residents, efforts will be made to ensure that all marketing materials are available in other languages.

N. ANNUAL COMPLIANCE MONITORING

Clark County staff or its designee will be responsible for performing the following compliance monitoring activities at least once per year, or more often if a complaint or other concern is raised to Clark County staff or its designee:

- a. Annual curbside inspection of all CLT Residences; interior inspections if applicable, following a 48-hour notice, or in an emergency.
- b. Determination that property taxes are current.
- c. Determination that property insurance is in place, paid for, and provides adequate coverage for replacement of the Residence.
- d. Review of title report for ineligible loans and liens.
- e. Monthly loan reporting from First Mortgage Lender.
- f. Monitor and receive default notices when issued by First Mortgage Lender.

If concerns are raised by any of the compliance monitoring activities, Clark County staff or its designee will send a written notice to Owner describing the potential violation and providing 30 days for Owner to cure (or initiate progress on a cure).

O. PROPERTY TAXES

Property taxes for CLT Homeowners will be calculated based on the market value of the land, plus replacement cost new, less depreciation, for the improvements. Depreciation is 1.5% per year (no Depreciation in year 1, up to 50 years, max 75% depreciation).

The Assessed value of the home cannot exceed the full cash value of the home. All transferable rights and deed restrictions will be considered in determining the full cash value of the home.

P. DETERMINING INCOME AND ASSETS

Calculating total Household Income is key to determining whether the applicant Household is income and assets-eligible for the CLT Program. Total Household Income consists of all sources of income of ALL Household members aged 18 or older that will occupy the CLT Unit, regardless of dependency status.

1. Income Sources

a. Income Inclusions

Income includes, but is not limited to, the following sources:

- i. Gross compensation for services, including all wages and salaries, overtime pay, commissions, fees, tips, bonuses, and similar items;
- ii. The full, gross amount of periodic payments received from social security, annuities, insurance policies, IRA distributions, retirement funds, pensions, disability or death benefits, unemployment and other similar types of periodic receipt including a lump sum payment for the delayed start of a periodic payment; include amounts received by adults on behalf of minors, or by minors intended for their own support;
- iii. Payments received from the care of foster children or adults, or adoption assistance;
- iv. Payments in lieu of earnings, such as unemployment and disability compensation, and worker's compensation;
- v. Welfare/public assistance income (excluding food stamps);
- vi. Alimony/maintenance and child support payments;
- vii. All regular pay, special pay, and allowances of a member of the Armed Forces;
- viii. Income from salaries, and other amounts derived from operation of a business or profession;
- ix. Income from the use, lease or sale of assets;
- x. Income from an interest in an estate or trust;
- xi. Interest; dividends; Capital Gains; Rents and Royalties;
- xii. Income from a Public Housing Authority in the form of vouchers for housing;
- xiii. Lottery/gambling winnings paid in periodic payments;
- xiv. Allowances paid by a non-Household member for housing, auto, food, etc.; and,
- xv. Recurring contributions or gifts regularly received from entities or from persons not residing in the dwelling.

b. Income Exclusions

The following sources of income shall be excluded from the total Household income, but may be included when calculating total assets:

- i. Income from the employment of any Household members under the age of 18 unless such income producing Household member is a borrower on the loan;
- ii. Lump sum additions to family assets (e.g., inheritances, capital gains, insurance policy, death benefit payment, stock options payout);
- iii. Medical expense reimbursement received specifically for the medical expense of a Household member;
- iv. Income of a live-in assistant; and
- v. Amounts of educational scholarships paid directly to a student or an educational institution, and the amount paid by the government to a veteran for use in meeting the cost of tuition, fees, books, and equipment.

c. Documentation

Household applicants can submit the following documents to verify income:

- i. Copies of most recent paystubs
- ii. Social Security letter
- iii. Pension Letter
- iv. Housing Assistance Payment (voucher)
- v. W-2s and/or IRS Transcript
- vi. Self-employed form
- vii. Checking account statements
- viii. Saving account statements
- ix. Child support/Spousal support court arrangement letter
- x. Statements from assets
- xi. Any other applicable documentation

d. General Income Information and Guidelines

Wages and Salary

Clark County will use the most current paystubs for applicants to determine income for the current year. The paystub must be dated no earlier than thirty (30) days prior to the application date and it must include all year-to-date (“YTD”) earnings. Additional documentation, such as verification of employment on a form approved by Clark County from the applicant’s employer, may be required.

Overtime, Tips, Bonuses and Commission

When calculating income based on paystubs, overtime pay, tips, bonuses and commission will be annualized unless the applicant can provide documentation from the employer verifying that such income was a one-time occurrence. In this case, the amount will be removed from the annualization of the income and added in one time to the total annual income that is determined.

Seasonal Workers

Income for Household members employed as seasonal workers who provide a verification of employment from their employer(s) verifying that the work does not occur year-round, will not be annualized.

Child Support

Income from Child Support may be excluded with evidence that the child support is scheduled to be terminated within three (3) months of the date of application.

Government Income

For applicants receiving income from a governmental entity of any type, the income is derived by annualizing a regular monthly statement or by referring to an award letter. Government income includes, but is not limited to, government paid retirement, annuity, or pension income.

Self-employed or Income from Business

All self-employed applicants can submit documentation attesting to Clark County that they are self-employed.

If a self-employed applicant started a business after the last tax filing year, and therefore does not have tax return(s) to document business income, Clark County, in its sole discretion, may require copies of all invoices and payments made to or provided by the applicant to confirm the information provided.

A self-employed applicant receiving income other than from a sole proprietorship is required to provide copies of the three (3) most recent years of business federal income tax returns. Positive business cash flow will be added to the applicant's income for qualification.

All income from self-employment at any point over the 12-month period prior to application will be considered, even if an applicant has subsequently sold or closed a business.

Income from Capital Gains, Dividends, and Interests

Clark County will apply the income calculation standards to the income from capital gains, dividends and interests and add it to the Household's total annual income. Negative losses are not counted and will not be deducted from income.

Other Income

Any source of regular income, whether in cash or recurring deposits to a bank account over the 12-month period prior to application, will be treated as income, and may be annualized.

In the case of an applicant who is paid in cash for employment, Clark County will consider the applicant to be self-employed.

Unemployed Applicants

Clark County will require applicant to attest to their unemployment status.

Income from Commercial Property or Land Owned

The annual income or net profits from any commercial property or land owned by any applicant shall be counted toward the annual Household Income.

Public Assistance Income

When qualifying for a CLT Unit, public assistance income will be counted toward the Household's Total Annual Income. Clark County will require documentation to show the Household's receipt of public assistance income with letters or exhibits from the paying agency that state the amount, frequency, and duration of the benefit payments. Public assistance income includes, but is not limited to, Section 8 vouchers and similar local, state, or federal assistance programs.

Verification of Employment

At Clark County's discretion, an official verification of employment on a form approved by Clark County that is signed by both the applicant and the applicant's employer may be used as documentation of an applicant's income.

Employment Offers or Contracts

If the applicant is scheduled to begin employment, Clark County may use the applicant's offer letter or contract as documentation for income qualification. However, the applicant must begin employment no later than thirty (30) days of Program qualification. If the start date specified on the applicant's offer or contract occurs outside of the 30-day window, the application may be disqualified for insufficient income documentation.

Wage Reductions

Applicants whose income from employment has declined over the 12-month period prior to application must provide documentation that verifies that the applicant did not quit a job or choose to reduce hours in order to qualify.

The following are exempt from the voluntary quit provisions:

- i. Reducing hours in one job while working more hours in another job;
- ii. Quitting a job and subsequently beginning a new job with similar or better rate of pay; or

- iii. Seasonal employment.

Discontinuance of Non-Employment Income

Applicants whose income from non-employment sources (such as trust income, annuity income, capital gains, dividends, and interests, etc.) has declined or discontinued over the 12-month period prior to application must provide sufficient documentation that verifies the discontinuance of the income and demonstrates that the income is unlikely to re-occur for the foreseeable future.

Non-Taxable Income Adjustments

Clark County may give special consideration to regular sources of income that may be nontaxable, such as child support payments, Social Security benefits, workers' compensation benefits, certain types of public assistance payments.

Clark County must verify that the particular source of income is nontaxable. Documentation that can be used for this verification includes tax returns, award letters, policy agreements, account statements, or any other documents that address the nontaxable status of the income.

If Clark County verifies that the income is verified to be nontaxable, and the income and its tax-exempt status are likely to continue, Clark County may add an amount equivalent to 25% of the nontaxable income to the applicant's income for qualifying purpose.

Student Income

If a full-time student aged twenty-four (24) years or younger is a dependent, only \$480 of the full-time student's income will be counted toward total Household annual income if all of the following criteria are met:

- i. Student cannot be Head of Household, Co-head, or Spouse of Household;
- ii. The student's full-time status must be 3rd party verified by their school/college; and
- iii. Student must be claimed as a dependent, or on student's tax filings s/he must show that s/he is a dependent.

2. Calculating Baseline Household Income

The following are the two methods adopted by Clark County to calculate Baseline Household Income. Clark County will use the greater of:

- i. Current Total Annual Income from all sources projected 12 months forward; or
- ii. Total Gross Annual Income from all sources earned in the immediate past tax year.

Baseline Household Income is generally determined by one or both of the above methods. If documents provided by an applicant demonstrate that there has been a decrease in income by more than 20% from the last year (e.g. 2023) to the year before last year (e.g. 2022), Clark County may require additional documentation to analyze the income change and may average the income reflected on the immediate past 2 years of tax returns (e.g. 2022 and 2023).

Total Household Income for program qualification will be determined by the Baseline Household Income and the income calculated from assets (See Section M.4 and Section M.5).

3. Determining Assets

a. Liquid Assets

When calculating a Household's Assets, all Household Liquid Assets must be considered and documented with statements dated no earlier than forty-five (45) days from the application date. Household Liquid assets include, but are not limited to, the following: savings accounts, checking accounts, Certificates of Deposit, the total balance of any joint accounts, money market or mutual fund accounts, trust accounts (only the amount accessible with or without penalty), stocks or bonds, gifts, cash on hand, amount used or borrowed from a life insurance policy, IRA or retirement accounts, and other investments held by any member of an applicant's Household. Custodial accounts owned by a guardian for minors will also be included as Household liquid assets. Evidence that liquid assets have been transferred to another individual or into an unavailable asset account or have been spent to avoid use in the purchase may result in denial of the applicant's application.

Assets in business accounts may be considered liquid assets if one of the following criteria is met:

- Assets in business accounts are used as a source of funds for the down payment, closing costs or financial reserves; or
- The applicant is 100% owner of the business, such as a sole proprietor; or
- Assets in business accounts are comingled with personal accounts.

Clark County may require additional documentation regarding business accounts to determine an applicant's assets.

The following assets will be excluded from the calculation of liquid assets: the cash surrender value of a life insurance policy, the value of an IRA account, the value of retirement accounts (including but not limited to 401K and 403B accounts), and the value of a 529 college savings.

b. Gifts

If applicable, funds for use as down payment, closing costs or financial reserves to purchase a CLT Unit can be provided by a relative (defined as an individual who is related by blood, adoption or legal guardianship and who is not part of the Household). The minimum down payment requirement for a CLT Unit is 5% of the purchase price, of which 2% may come from

Downpayment Assistance and 3% must come from the Buyer's funds. If necessary, the entire 3% of the Buyer's funds can come from gifts.

c. Annuities

In the case of annuities, if an applicant has begun receiving annuity payments, then these payments are counted as income. If the applicant has the option of withdrawing all funds from an annuity, either with or without penalty, the annuity will be treated like any other liquid asset account. To account for income taxes and any early withdrawal penalties, sixty percent (60%) of the full value of the annuity will be counted as the cash value of the annuity and applied toward the liquid asset income calculation.

d. Lump Sum Receipts

Lump sum payments will be counted toward assets. Example of lump sum payments include: inheritances, capital gains, lottery winnings paid in one payment, cash from the sale of assets; insurance settlements; and any other amounts that are received as one-time lump sum payments.

4. Income Calculated from Assets

a. Standard Asset Test

Clark County adjusts actual Household Income based on the level of savings, investments, and other assets.

If a Household contributes twenty percent (20%) or more of a CLT Unit purchase price, the greater of the following amounts will be excluded from the liquid asset test calculation: 1) up to twenty percent (20%) of a Household's contribution of the CLT Unit purchase price towards the down payment, or 2) Clark County may limit this to the first \$60,000. Any remaining liquid assets will be multiplied by ten percent (10%) and the product will be added to Total Household Income.

If a Household contributes less than twenty percent (20%) of a CLT Unit purchase price, only the first \$60,000 of liquid assets will be excluded from the asset test calculations. Any remaining liquid assets will be multiplied by ten percent (10%) and the product will be added to Total Household Income.

Example: Asset adjustment to Baseline Household Income with 20% down payment:

CLT purchase price = \$325,000

Household contributes 20% towards the down payment = \$65,000 ($\$325,000 \times 20\%$)

Total Household assets = \$100,000

First \$65,000 of liquid assets is excluded: $\$100,000 - \$65,000 = \$35,000$ remaining 10% of remaining \$35,000 is added to income: $\$35,000 \times 10\% = \$3,500$

Total amount added to income = \$3,500

b. Asset Exemption for Seniors

For any senior aged 62 or older who is a single household or a Head of Household, the first \$150,000 of total liquid assets will be disregarded prior to calculating income from assets. For married seniors (or in a domestic partnership) where 1) both are the only applicants for the CLT Unit, 2) both are aged 62 or older, and 3) at least one of them has been nonworking, Clark County will disregard the first \$250,000 of total liquid assets (rather than 2x the single rate) prior to calculating income from liquid assets. Balances held in retirement accounts are counted as liquid assets if the money is accessible to the Household member without a withdrawal penalty.

5. Total Qualification Income

Once the Baseline Household Income and income calculated from liquid assets are verified and calculated, Clark County will total them to arrive at the Total Qualification Income.

Example: Adding baseline household income and asset income to yield total qualification income:

Using the same examples provided above, a Household of four (4) applying for a CLT Unit shows a total annual Income of \$90,000 [Method #1: Calculating Current Total Annual Income], last year's income of \$88,000 [Method #2: Calculating Last Year's Income], and imputed asset income of \$5,000 [Asset Test – Income Calculated from Assets].

Result: The Household's total qualification income = \$95,000 (\$90,000 + \$5,000).

N. POST-PURCHASE OF A CLT HOME

1. Homeowner Responsibilities

In addition to the responsibilities outlined in previous Sections of this document, including maintenance of a CLT Residence and compliance with all terms in the CLT Homebuyer Ground Lease, following the sale of a CLT Residence the Homeowner will be responsible for the following: within one year of the closing date for the purchase of the CLT Residence, the Homeowner is required to attend at least one Homeowner education class. The County will provide referrals to classes available to meet this requirement. The Homeowner is also responsible for reaching out to Clark County if they will be unable to meet certain requirements, such as paying the Ground Lease or Mortgage. Homeowners are encouraged to reach out to Clark County, HUD-

Certified Counseling Agency or their Lender if they have questions/concerns regarding payments or assistance with resources.

2. Clark County Responsibilities

In addition to the responsibilities outlined in previous Sections of this document and the CLT Homebuyer Ground Lease, including facilitating resale of CLT homes, Clark County is also responsible for upkeep and maintenance of all common areas in CLT subdivisions. Clark County will also verify that Ground Lease Fee is paid monthly, and that the Homeowner stays up to date on their mortgage and property tax payments. Clark County will maintain communication with Homeowners to provide ongoing education about CLT program requirements and resources that may be available to CLT Homeowners.

EXHIBIT A

PREFERRED LENDER TERMS

Product: 30 Year fixed rate mortgage purchase loan (“Mortgage Loan”) for income- and resale-restricted homes (“Improvements”) located on parcels (“Property”) ground-leased by Homebuyer (“Lessee”) from the Clark County Community Land Trust (CLT: “Lessor”). Clark County CLT will own the Property. Homebuyer will own the Improvements. Mortgage Loan will finance, and be secured by, the Improvements only.

Mortgage Collateral:

Senior security interest in Improvements only. No mortgage lender security interest, lien or other encumbrance on Property.

Clark County CLT Ground Lease and Property Ownership Interest Not Subordinated to Mortgage Lender or Mortgage Loan:

Clark County CLT (Lessor) will execute a “Ground Lease” with each qualified Homebuyer (Lessee) for each Property (parcel). The Ground Lease, and related documents (Resale Restrictions, Regulatory Agreement, if any) will not be subordinated to the interests of the mortgage lender or the Mortgage Loan. The Ground Lease and all its restrictions and requirements on the Improvements will survive foreclosure or deed in lieu of foreclosure by the mortgage lender.

Clark County CLT Notice and Cure Rights:

Clark County, and/or the Clark County CLT, shall maintain notice and cure rights but have no obligation to: (1) correct any Homebuyer mortgage default; (2) purchase the Improvements from the mortgage lender in the event of foreclosure or deed in lieu of foreclosure by paying to Mortgage Lender the outstanding principal balance of any foreclosed loan; or (3) make payment(s) to keep Homebuyer current of mortgage principal and interest payments. Mortgage lender must notify Clark County and/or Clark County CLT of any default, pending foreclosure, loan modification, foreclosure, or deed in lieu of foreclosure filing by the mortgage lender or its representatives.

Term: 30-year fully amortizing

No Negative Amortization

No Prepayment Penalty

Maximum Pricing: 1/8 or 0.125% below the max pricing interest rate of 30 basis points below the Freddie Mac U.S. weekly average for 30-year Fixed Rate Mortgages.

Points: No points may be charged to the borrower.

Closing Costs: Customary single family mortgage closing costs to be paid by Homebuyer (e.g., title, escrow, appraisal, transfer tax, recording fees). Closing cost assistance may be considered from third parties, including the mortgage lender.

Loan to Value: Maximum [95 or 97] percent of the appraised value, with resale restrictions in place, of the Improvements.

Appraisals: The CLT Service Provider shall prepare a list of pre-approved appraisers experienced with the valuation of price-restricted homes for use in the Welcome Home program.

Property type: Single-family homes located on leased Property from the CLT, with income, occupancy and resale restrictions in place

Eligible borrowers: First-time Homebuyers, as defined, with maximum household income, adjusted for household size and occupancy standards, of 100 percent of Las Vegas-Henderson-Paradise NV MSA Area Median Income (“AMI”) current at time of purchase.

Affordable Purchase Price:

The maximum sales price (the "Affordable Sales Price") shall be calculated as follows:

1. “Monthly Affordable Housing Expense” shall be calculated as one-twelfth of 35% of 100% of Area Median Income (AMI) in the year of sale multiplied by the HUD household size adjustment factor according to the number of bedrooms in the unit listed below (1 person=0.7, 2 persons=0.8; 3 persons=0.9; 4 persons=1.0; 5 persons=1.08;)

Studio unit:	household size of two persons
One-bedroom unit:	household size of two persons
Two-bedroom unit:	household size of three persons
Three-bedroom unit:	household size of four persons
Four-bedroom unit:	household size of five persons

2. The following monthly costs will be deducted from Monthly Affordable Housing Expense as calculated or estimated by the County at the time of sale:
 - a. Property taxes
 - b. Property insurance
 - c. Clark County CLT Ground Lease fee, including homeowner association dues, if any, landscape maintenance fee, if any
3. The result of the calculation in 2. above will be the “Affordable Monthly Mortgage Payment”. The “Affordable Mortgage” will be determined based on the Affordable Monthly Mortgage Payment and prevailing interest rates at the time of sale for a 30-year, fixed interest-rate mortgage. (See “Maximum Pricing” above.)
4. The Affordable Sales Price will equal the Affordable Mortgage plus a 5% Homebuyer down payment.
5. The Affordable Sales Price will not exceed the Fair Market Value of the home at the time of resale. Fair Market Value means the value of the home *not* taking into account resale restriction. Fair Market Value will be determined by appraisal.
6. Buyers may be required additionally to pay closing costs on the finance and Transfer of the Residence above the Affordable Sales Price.

Credit score: Minimum representative FICO scores of [640]; [alternative credit allowed for borrowers with thin files].

Maximum Housing and Total Debt-to-Income Underwriting Ratios:

At closing, maximum housing and debt to income ratios are [33/38] with housing ratio exceptions allowed up to [36] percent and debt ratios of up to [40] percent at closing. Mortgages shall meet FHFA Ability to Repay/Qualified Mortgage (ATR/QM) standards.

Down Payment Requirement:

3%-5% of Affordable Sales Price from Homebuyer’s own funds;

Down Payment Assistance:

Permitted

Points:

No points may be charged Homebuyer by mortgage lender or any other third party

Subordinate liens:

Clark County may provide second mortgage, deferred payment financing to income-eligible Homebuyers (“Second Mortgage Financing”). Second Mortgage Financing terms will include zero interest, deferred principal payment to the earliest of maturity, sale, refinance or default on first mortgage financing, ground lease and/or Second Mortgage Financing. County may require that, upon default, second mortgage interest shall accrue at 3% simple interest rate. Resale restrictions to income-eligible buyers at Affordable Purchase Price. May be assumable by income-eligible new Homebuyer, at County’s discretion. Second Mortgage Financing may be subordinate to Mortgage Loan.

Pre-purchase homebuyer education:

Borrower must have successfully completed a homebuyer education course certified by the CLT Service Provider contracted to the County. Approved courses must follow a standardized curriculum.

Post-purchase homebuyer education:

As a condition of closing borrower must complete an approved in-person post-purchase education program within 12 months of closing, provided or certified by CLT Service Provider contracted to the County. Approved courses must follow a standardized curriculum.

Delinquency counseling and intervention:

CLT Service Provider contracted to the County is notified online via online system whenever a loan becomes delinquent. The CLT Service Provider immediately attempts contact with the delinquent borrower to provide needed counseling and loan resolution.

Loan origination:

Mortgages are originated by participating lenders on standardized documents in accordance with current Clark County CLT program guidelines and documents, including Clark County CLT Ground Lease, Resale Restriction, Regulatory Agreement, Second Mortgage Finance

documents (Note, Deed of Trust, Loan Agreement, Resale Restriction, collectively “CLT Documents”.)

Loan Servicing:

Servicing is retained by the originating lender. An electronic report containing property address, mailing address, unpaid principal balance, next payment due date, default status, and payment in full date must be submitted to Clark County CLT and CLT Service Provider on a monthly basis. A master servicer may be added to the program at a later date.