

For many years NeighborWorks® has only required a \$500 out of pocket contribution from the borrowers who use our programs. We have a maximum Combined Loan To Value (or Total Loan to Value) requirement of 105%. Because of recent RESPA regulatory changes, increasing risk factors on 2<sup>nd</sup> mortgages, changes in the market, etc. we have had to revisit the minimum cash requirement.

Our Board of Director's have decided that we need to increase our MINIMUM cash requirement to \$1,000.00 beginning with applications received after July 1, 2010. Lenders and borrowers must be aware that this is a **minimum**, due to the need to comply with the CLTV maximum. As a result, sometimes borrowers will need to contribute more than \$1000.00. All borrowers should be informed that the borrower out of pocket requirement is a minimum of \$1,000 but may be more if needed to bring the CLTV down to 105%.