

Informational Memo

You have applied for a North Carolina Housing Finance Agency (NCHFA) Mortgage Credit Certificate (MCC) assisted loan. These programs have federal regulations with regard to total household income. In order to comply with these regulations, lenders must ask borrowers to disclose their current base income (before any payroll deductions). Current base income includes income from primary and part-time jobs and also all other income that borrowers receive. Child support is one category of specific “other income” that will be included in calculating income to determine eligibility for the program.

If the marital status section of the Uniform Residential Loan Application verifies you are separated, you will need to furnish a copy of a Separation Agreement. This document will be reviewed to verify other possible sources of income (i.e., alimony, child support, separate maintenance, etc.). The document will also be reviewed to verify that you are able to purchase the real estate without intervention of the other party to obtain clear title to the property. An unrecorded Separation Agreement, signed by all parties, combined with a separate Free Trader Agreement may also be acceptable on a case-by-case basis.

If the marital status section of the Uniform Residential Loan Application verifies you are unmarried/divorced you will need to furnish a copy of the divorce agreement. If there is no Divorce Decree you will need to supply a copy of a Separation Agreement. This document will be reviewed to verify other possible sources of income and your ability to purchase real estate to obtain clear title to the property.

If the marital status section of the Uniform Residential Loan Application verifies you are unmarried/single and have dependents (including dependents that have another surname) or currently married and have dependents with another surname, you will need to furnish a copy of Divorce Decree if you were previously married. A copy of a voluntary payment agreement (if applicable) is acceptable if you were not previously married. This document will be reviewed to verify other sources of income.

In the event that there is no Separation Agreement or other legal agreement verifying child support, the issue of child support must be addressed by reviewing bank statements, obtaining certification from the Clerk of Court (if possible) indicating that no payments are being made, and submitting a signed and notarized statement that you receive no child support from any source and that there is no legal agreement existing for child support.