



A Guide to **Family Mortgages***

The smart way to manage mortgage loans between family members.

* For Financial Advisors



How It Works



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THE LEGAL FINE PRINT

BEFORE WE GET STARTED, WE'D LIKE TO GIVE OUR LEGAL TEAM THEIR MOMENT IN THE SPOTLIGHT. The material in this guide should be used for general guidance and informational purposes only and is not geared toward any specific transaction or goal. Every transaction is unique and questions about your specific loan transaction, its circumstances, or any recent changes to the laws of your state that might affect your loan should be directed to a licensed legal or real estate professional in your state. We recommend that you consult an attorney or tax advisor before entering into a financial transaction of this nature. National Family Mortgage, LLC is not a law firm and does not provide legal advice or tax advice. National Family Mortgage, LLC is not a Lender or a loan broker and does not originate loans on behalf of other parties. The information contained herein is the sole property of National Family Mortgage, LLC, and may not be reproduced or redistributed for any purpose without the express written consent of National Family Mortgage, LLC. National Family Mortgage® does not offer a solution for every intra-family real estate situation. Please review our website "Standards" for complete restrictions.

Introduction

Are your clients providing financial support to their adult children or retired parents?



As a financial advisor, tax professional, or estate planner, you know the importance of properly documenting and formalizing intra-family financial transactions to both:

- (1) Prevent problems with the IRS AND (2) Protect family relationships

National Family Mortgage's® safe, easy, and affordable intra-family mortgage solutions ensure proper documentation, mortgage registration, tax planning and loan repayment is as simple as possible.

With National Family Mortgage® you clients can:



- Help adult children purchase, refinance, or renovate a home
- Help a retired parent with cash flow needs while protecting own financial future
- Transfer wealth between generations • Diversify their investment portfolio
- Receive a steady flow of cash payments • Protect loans to newly married children
- Lend money from a Trust or manage annual gifting

Borrowers benefit, too:



- Easier access to cash in tight credit market • Better interest rates from family
- Lower origination fees • Ability to deduct mortgage interest *
- Keep wealth in the family

National Family Mortgage® helps structure the loan, document the loan, register the mortgage with the proper government authority, and manage the repayment.



- Custom mortgage documentation for each situation and state
- Registered security and tax deductible *
- Electronic funds transfer to process payments
- Online account access to manage loans • Year end tax reports

*Borrowers can deduct their home mortgage interest on acquisition debt and substantial home improvement debt limited to no more than \$375K of acquisition debt for married individual filers, and \$750K of debt for married couples filing jointly, secured by your primary or secondary residence. As of 2018, interest payments on Home Equity loans are no longer tax deductible.

At a Glance

Loans funded to date: Over \$1 Billion

Smallest loan to date: \$11,100

Interest kept in families: Over \$500 Million

Largest loan to date: \$2,500,000

We are not a bank. We are not doing business as anyone's attorney, financial advisor, or accountant. (That's where you come in.) We are a niche online company that helps protect families who are borrowing, lending, or gifting money with relatives to purchase, refinance, or renovate a home. Our customers directly invest in and borrow from their own family, avoiding the high cost and red-tape of a broken mortgage system.

Since launching in late 2010, we've helped thousands of families in every state across the US lend over **\$1 Billion** in home loans between relatives, while keeping over **\$500 Million** of interest within families. The default rate on these loans is under 1.00%. We've been featured on the cover of USA Today, we've won some pretty big awards, and we've saved (and made) our customers a lot of money.

Real estate loans and financial gifts with relatives can be a win-win for both sides, but should be documented properly. National Family Mortgage® helps minimize the legal and federal tax consequences that can occur when family real estate loans and financial gifts are documented improperly — or not documented at all.

Mortgage Loans That Fit Your Clients

Loans and mortgages between family members reflect an age-old impulse to lend a helping hand. Family loans are typically used for big life events: to buy a home, to start a business, or to finance an education. But, mixing money and relationships can be awkward and cause tax problems. That's where we come in.

National Family Mortgage® helps families setup their own mortgage with their own relatives. We help Lenders make loans they feel good about, that prevent tax problems, that protect relationships, and get repaid. We help Borrowers fund their dreams and stay on track with their mortgage payments.

Lenders generate a solid investment return at stronger rates than they would earn in a bond, money market, or a savings account. Borrowers get a lower interest rate and lower fees than they would with an institutional mortgage loan.

Some families use National Family Mortgage® to simply prevent IRS federal gift taxes. A National Family Mortgage® can provide the legal structure and tax benefits of a bank mortgage with an unmatched flexibility that fosters a win-win transaction for the entire family.

Best of all, a National Family Mortgage® helps families build wealth and keep money where it belongs — with their family.

Our goal is to make Family Mortgage lending and borrowing safe, easy, secure, and successful.

Hopefully, this guide will give you a high-level understanding about what we do, how we do it, and how we might help your clients!

Company Standards

In order to provide the greatest number of clients efficient, exceptional service, we target specific, common Family Mortgage transactions that allow us to offer a strong value. We sincerely believe that we're the best at what we do, but sometimes, we're simply not the right solution. Sometimes, complex real estate transactions require the expertise of a local attorney or other applicable service providers.

Please review our Standards below to help determine if your transaction falls within our service model "sweet spot."

If we're the right fit, everything you need to know is in this guide. Thank you for your time and we look forward to helping you!

The Loan Parties

We only facilitate loans between family members.

All Borrowers and Lenders must be US residents and have either a US Social Security Number or Tax ID Number. The Lender and at least one Borrower must share one of the following relationship dynamics, including adoptive and step relationships:

Grandparent <> Grandchild
Parent <> Child

Aunt/Uncle <> Nephew/Niece
Sibling <> Sibling

Spouse <> Spouse

If the Lender / Borrower is legally married, then their spouse must appear on the loan. If the Borrower is legally married, then their spouse must also appear on the title of the subject property. If the Lender / Borrower is "separated" but not legally divorced, they are still legally married. Likewise, if the Lender / Borrower is in the process of getting divorced, but the divorce isn't final, they are still legally married.

Additionally, due to various IRS tax reporting limitations and mortgage lending regulations of the Dodd Frank Act, to use our platform, Lender #1 and Lender #2 must either be, (A) a legally married couple, or (B) file a joint federal/state tax return.

Clients who wish to crowd-fund their family mortgage with pooled contributions from multiple relatives (i.e., multiple households) such as combined contributions from Grandparents, Aunts/Uncles, and siblings, will need to structure multiple Family Mortgages as 1st, 2nd or 3rd position liens.

However, our Caregiver Mortgage ®, is our sole products that can support families who wish to crowd-fund a family-funded reverse mortgage with pooled contributions from multiple relatives (i.e., multiple households), under one lien.

Loans may also be made from or to a Trust, (Family, Irrevocable/Revocable, Living, Realty), provided the Trustee of the Trust and at least one counter-party (Borrower/Lender) share one of the family relationship dynamics listed directly above.

If the Borrower's subject property is located in the state of **Colorado**, subject to the Standards above, then we can **only** facilitate loans between: **Grandparent <> Grandchild** **Parent <> Child**

If the Borrower's subject property is located in the state of **Maryland or Washington**, subject to the Standards above, then we can **only** facilitate loans between: **Grandparent <> Grandchild** **Parent <> Child** **Sibling <> Sibling**

All Borrowers must personally sign all loan documents; Borrower signature via Power of Attorney is prohibited.

International notarization of loan documents is prohibited.

We do not facilitate loans between Ex-Spouses, Cousins, Friends, Colleagues, or loans to or from family owned FPs, FLPs, LLCs, LPs, LLPs, PLLCs, S-Corps, Land Trusts, Life Estates, or Self-Directed IRAs.

The Lender may not co-own the subject property with the Borrower. Meaning, we do not facilitate transactions when the Lender has a Tenant in Common interest in the subject property with the Borrower.

Standards continued >



Standards continued >

The Property Details

All intra-family loans will be secured by a residential single-family home, condominium, or townhouse located in the US. The property may be the Borrower's primary residence, secondary residence (vacation home), or an investment (rental) property.

All intra-family loans are secured by the proper state and county specific real estate lien as either a primary lien, a secondary lien, or a tertiary lien:

Deed of Trust | Mortgage | Security Deed

We do not facilitate loans secured by the following types of properties, especially when zoned as such by local authorities:

Agricultural / Farm Land	Forest, Mountain, Rural Property	Leasehold Property
Co-Operatives	Manufactured Homes	Intentional Communities
Commercial / Retail Property	Mobile Homes / Tiny Homes	
Duplex / Multi-Family Property	Relocation Properties (Corporate Relocation Package)	
Foreclosure Properties and/or Short-Sales	Vacant Land	

We do not facilitate transactions documented under the following circumstances or agreements:

Construction Loans	Leasehold Agreements	Wrap-Around Mortgages
Contract for Deed	Lease to Purchase Agreements	

The Loan Terms

We currently offer three products with four available Loan structures:

The Win-Win Mortgage ®: Amortized (Fixed payment of Principal & Interest) or Amortized with Balloon

The Gift Mortgage ®: Interest-Only

The Caregiver Mortgage ®: Reverse Mortgage Like, Family Funded Line of Credit

All intra-family loans must meet or exceed the proper IRS Applicable Federal Rate at the time the loan is made.

All intra-family loan repayment terms and/or amortization period must be between 1 – 30 years.

All intra-family loan repayment schedules require monthly payments, due on the first of every month.
(With the exception of our Caregiver Mortgage ®, as no monthly payment is required.)

All intra-family loan late payment fees charged to the Borrower shall be a minimum of 1.00% and a maximum of 4.00% of the Borrower's standard monthly payment amount.

All intra-family loans include a payment grace period of 15 days.

All intra-family loans have no pre-payment penalty.

We do not backdate documents or document transactions after-the-fact.

Standards continued >

Standards continued >

The Loan Purpose

To Purchase Property or to Seller Finance Property

We facilitate Purchase / Seller Finance loans in all 50 states. All Purchase / Seller Finance transactions are considered "Private Financing" and NFM documentation must be integrated into escrow/settlement with the local closing attorney, title company, or escrow company, that will otherwise conduct the Buyer's / Borrower's real estate settlement.

To Refinance Property, to Renovate Property, to Borrow Home Equity, to Reverse Mortgage (Family Funded Line of Credit)

We facilitate Refinance / Home Improvement / Home Equity loans in the following states:

AR, AZ, CA, CO, CT, FL, ID, IL*, IN, MI, MO, MS, NE, NH, NJ, NM, NV, OR, PA, UT, WA, WI.

(This means the Borrower's subject property is located in one of these states listed directly above.)

Participation of local closing attorney, title company, or escrow company is not required.

If you wish to Refinance Property, to Renovate Property, to Borrow Home Equity or to facilitate a Family Funded Reverse Mortgage, and the subject property is not located in one of the states listed directly above, unfortunately, we cannot help you.

* If you wish to Refinance Property, to Renovate Property, to Borrow Home Equity or to facilitate a Family Funded Reverse Mortgage and the subject property is located in Cook County, Kane County, Peoria County, or Will County, unfortunately, we cannot help you.

Loan Servicing

We only facilitate Loan Servicing for transactions generated through our software platform. If you've already documented your intra-family loan some other way, and are only interested in the Loan Servicing, we can't help you.

We do not facilitate escrow/impound accounts for the Borrower's property taxes and homeowner's insurance.

The Online Application

Either the Borrower or the Lender may submit our online Application and submit our one-time setup fee, with the following exceptions:

- (1) If the Borrower's subject property is in Kentucky, Maryland, Pennsylvania, or Virginia, (subject to our Standards above) then the Borrower must submit our online Application and submit our one-time setup fee.**
- (2) If the Lender lives in North Carolina, then the Borrower must submit our online Application and submit our one-time setup fee.**

Each individual Lender and Borrower must have their own, unique email address.

The setup fee must be paid by either the Lender or the Borrower and cannot be paid by some related third party (like another family member or an advisor.)

The Application should be submitted no more than three weeks before the projected loan issue / loan closing date.

THESE STANDARDS ARE NOT ALL INCLUSIVE AND YOUR UNIQUE OR UNUSUAL CIRCUMSTANCE MAY NOT BE SUPPORTED BY OUR PLATFORM. WE DON'T MAKE ANY EXCEPTIONS TO THESE STANDARDS. IF YOUR SPECIFIC, UNIQUE TRANSACTION IS NOT SUPPORTED BY OUR PLATFORM, PLEASE CONSULT A LOCAL ATTORNEY OR OTHER APPLICABLE SERVICE PROVIDER FOR HELP.

What Does This Cost?

Loan Size	\$1,000,000+	\$501K - \$1M	\$301K - \$500K	\$201K - \$300K	\$101K - \$200K	\$1 - \$100K
One-Time Fee	\$2,100	\$1,725	\$1,425	\$1,075	\$875	\$725

What Does This Fee Include?

We help families and their advisors take the simple, often overlooked steps that make sense when borrowing or lending money with a family member. Mortgage loans can be especially tricky. What's the secret to our success? Experienced, friendly, and reliable support from our team — every step of the way!

- ✓ Dedicated Family Mortgage Advisor assigned to each family
- ✓ Loan Documentation: Promissory Note & Mortgage
- ✓ Coordination of government Mortgage registration with Borrower's closing attorney, title company, or escrow company

We proudly offer a 90 day, full-refund, money-back, guarantee.

Optional Loan Servicing - Powered by FCI Lender Services, Inc.

The monthly servicing fee for loans up to \$400K is \$15.00, paid by either the Borrower or Lender.

- Email payment reminders and monthly statements
- Annual IRS tax forms: Borrower 1098 | Lender INT-1099
- Electronic payment processing and no pre-payment penalties
- Online account access / Customer support

Founded in 1982, our partner, FCI Lender Services, makes it easy and convenient to keep your Family Mortgage on track. Monthly email statements to both Borrowers and Lenders, electronic payment processing, and annual IRS tax forms help eliminate awkward conversations and set clear repayment expectations for both parties. FCI is a nationally licensed mortgage loan servicer, managing over \$5 Billion in mortgage debt for its channel partners, including Hedge Funds, Insurance Funds, Pension Funds, Credit Unions, and small Banks.

Lenders can view their loan's status and payment history by logging into their secure online account. Borrowers can also control their monthly payments and view their payment history by logging into their secure online account. Annual IRS tax forms will ensure that Borrowers maximize their annual mortgage interest deduction and help Lenders properly report earned interest income.

The monthly servicing fee for loans over \$400K up to \$1M is an additional \$10.00/month per \$100K.
 \$500K = \$25.00 | \$600K = \$35.00 | \$700K = \$45.00 | \$800K = \$55.00 | \$900K = \$65.00 | \$1M = \$75.00

Loans over \$1M, add \$20/month, per million. Ex: \$1.5M = \$95.00 per month | \$2.5M = \$115.00 per month

Once the loan is activated for servicing, should the loan parties wish to amend any basic loan terms, there is a \$55.00 data entry fee. There is no pre-payment penalty.

The Caregiver Mortgage ® — \$2,500

	Institutional Reverse Mortgage	The Caregiver Mortgage ®
Cost	\$2,500 - \$6,000	\$2,500
Monthly Service Fee	\$25 - \$35	\$0
Age Requirements	Must be at least 62 years old	None
Property Requirements	Must be primary residence	Primary / secondary residence
Interest Rate	May be fixed or variable	Fixed as chosen by family
Home Disposition	Home is sold or debt repaid	Home can remain within the family
Disbursement Schedule	Usually 1 - 3 preset options	Flexible for life of loan
Financial Counseling	Mandatory HUD requirement	Not required
Initial Mortgage Insurance Premium	1/2 % - 2.05% of loan balance	None
Annual Mortgage Insurance Premium	1.25% of loan balance	None

What Does This One-Time \$2,500 Fee Include?

We help families and their advisors take the simple, often overlooked steps that make sense when borrowing or lending money with a family member. Mortgage loans can be especially tricky. What's the secret to our success? Experienced, friendly, and reliable support from our team — every step of the way!

- ✓ **Dedicated Family Mortgage Advisor assigned to each family**
- ✓ **Loan Documentation:**
 - 1) Promissory Note
 - 2) Deed of Trust / Mortgage / Security Deed
 - 3) Joint Lender's Agreement
- ✓ **Coordination of Mortgage registration with proper government authority**

We also proudly offer a 90 day, full-refund, money-back, guarantee.

In addition to our one-time setup fee, the following states require various Deed of Trust / Mortgage / Security Deed taxes be paid at the time of document recording with the proper government authority. It is the client's responsibility to pay all required local government document recording taxes. These taxes only apply when the Borrower's home is in one of the states listed below. National Family Mortgage ® will invoice the client for any applicable document recording taxes and forward these taxes to the relevant government authority when we register your loan.

Florida: Intangible Tax: \$0.20/\$100 | Documentary Stamp Tax: \$0.35/\$100

The Caregiver Mortgage ® Manager

Our award winning, patented, Caregiver Mortgage ® Manager helps Lenders track their loan:

- Annotate disbursements
- Upload and attach images, receipts, or bank statements
- Individual and group reports
- Individual annual tax reports
- Federal Patent No. US D788,142 S

What Does This Cost?

State Recording Taxes

In addition to our one-time setup fee, the following states require various Deed of Trust / Mortgage / Security Deed taxes be paid at the time of document recording with the proper government authority. It is the client's responsibility to pay all required local government document recording taxes. These taxes only apply when the Borrower's home is in one of the states listed below. National Family Mortgage® coordinates the government registration of your loan with the Borrower's closing attorney, title company, or escrow company, who will collect the required taxes at settlement. While we strive to keep the following estimated recording taxes up to date, please confirm current tax rates with the Borrower's closing attorney, title company, or escrow company.

Alabama

\$0.15/\$100

Hawaii

Hurricane Trust Fund Fee: \$0.10/\$100

Georgia

\$0.015/\$100

Florida

Intangible Tax: \$0.20/\$100

Documentary Stamp Tax: \$0.35/\$100

Minnesota

\$0.23/\$100

Hennepin and Ramsey Counties: \$0.24/\$100

New York

Albany County	\$1.25/\$100	Herkimer County	\$1.00/\$100	Saratoga	\$1.00/\$100
Allegany	\$1.00/\$100	Jefferson	\$0.75/\$100	Schenectady County	\$1.25/\$100
Broome County	\$1.00/\$100	Lewis County	\$1.00/\$100	Schoharie County	\$1.00/\$100
Cattaraugus County	\$1.25/\$100	Livingston	\$1.00/\$100	Schuyler	\$1.00/\$100
Cayuga	\$1.00/\$100	Madison	\$0.75/\$100	Seneca	\$1.00/\$100
Chautauqua County	\$1.25/\$100	Monroe	\$1.00/\$100	St. Lawrence	\$0.75/\$100
Chemung	\$0.75/\$100	Montgomery	\$0.75/\$100	Steuben County	\$1.25/\$100
Chenango	\$0.75/\$100	Nassau	\$1.05/\$100	Suffolk County	\$1.05/\$100
Clinton	\$1.00/\$100	Niagara	\$1.00/\$100	Sullivan County	\$1.00/\$100
Columbia County	\$1.25/\$100	Oneida	\$1.00/\$100	Tioga	\$0.75/\$100
Cortland County	\$1.00/\$100	Onondaga	\$1.00/\$100	Tompkins	\$1.00/\$100
Delaware	\$1.00/\$100	Ontario	\$1.00/\$100	Ulster	\$0.75/\$100
Dutchess	\$1.05/\$100	Orange	\$1.05/\$100	Warren County	\$1.25/\$100
Erie	\$1.00/\$100	Orleans	\$1.00/\$100	Wayne County	\$1.25/\$100
Essex County	\$1.25/\$100	Oswego	\$1.00/\$100	Westchester County	\$1.30/\$100
Franklin	\$1.00/\$100	Otsego	\$0.75/\$100	Wyoming County	\$1.25/\$100
Fulton	\$1.00/\$100	Putnam	\$1.05/\$100	Yates County	\$1.00/\$100
Genesee County	\$1.25/\$100	Rensselaer County	\$1.25/\$100	Yonkers (City)	\$1.80/\$100
Greene County	\$1.25/\$100	Rockland County	\$1.30/\$100		
Hamilton County	\$1.00/\$100				

New York City Counties of New York, Bronx, Kings, Queens, and Richmond:

All mortgages securing less than \$500K: \$2.05/\$100

Mortgages of 1, 2, or 3-family houses and individual residential condominium units, securing \$500K or more: \$2.175/\$100

When the loan is from an individual, NY state grants a discount of \$0.25/\$100 on the taxes referenced above, provided a 253 (A) Natural Person Affidavit is submitted for recording with the Mortgage. National Family Mortgage® will coordinate the generation of this document with the Borrower's closing attorney or title company.

Oklahoma

Mortgage term 5 years or more: \$0.10/\$100

Mortgage term 4 - 5 years: \$0.08/\$100

Mortgage term 3 - 4 years: \$0.06/\$100

Mortgage term 2 - 3 years: \$0.04/\$100

Mortgage terms less than 2 years: \$0.02/\$100

Virginia

State tax: \$0.25/\$100

City/County tax: 1/3 of state tax amount

Tennessee

\$0.115/\$100

IRS Applicable Federal Rates

Please visit our website to review current IRS AFRs

Know The IRS Applicable Federal Rates

Each month, the IRS publishes an interest rate index called the Applicable Federal Rates (AFRs). These interest rates are determined by a variety of economic factors, and are used for various purposes under the Internal Revenue Code — including the calculation of imputed interest on below market loans between family members.

(We'll explain what "imputed interest on below market loans" means in a moment.)

When it comes to family loans — especially loans above \$10,000 — the IRS Applicable Federal Rates represent the absolute minimum market rate of interest a Lender should consider charging a Borrower in order to prevent unnecessary tax complications.

There are three AFR tiers based on the repayment term of a family loan:

- (1) Short-term rates, for loans with a repayment term up to three years.
- (2) Mid-term rates, for loans with a repayment term between three and nine years.
- (3) Long-term rates, for loans with a repayment term greater than nine years.

A Lender should assess two main factors when selecting the appropriate IRS Applicable Federal Rate for a family loan:

- (1) The length of the agreed upon repayment term of the loan.**
- (2) The IRS Applicable Federal Rate for that repayment term during the month in which the loan is made.**

The IRS Applicable Federal Rates change monthly and are usually made available on the IRS' website during the third or fourth weeks of the preceding month. However, loan parties are effectively "locked in" at whatever appropriate AFR is in effect at the time the loan is made. Generally speaking, these rates are significantly lower than market rates offered by a bank.

[See IRC Sec. 1274\(d\)](#)

If a Lender chooses to simply not charge a family member a rate of interest at least equal to or above the appropriate Applicable Federal Rate in effect at the time a family loan is made, the IRS may impute the interest by taxing the Lender on the difference between the Applicable Federal Rate and the interest rate the Lender actually charged.

In other words, even if a Lender charges a Borrower 0% interest and never collects a penny of income interest on the family loan, the IRS requires the Lender pay income taxes on the earned interest income they should have received, based on the AFR at the time the loan was made. [See IRC Sec. 7872\(a\) & 7872\(e\) & 7872\(f\)\(2\)](#)

In addition to holding the Lender responsible for the taxable imputed interest, the IRS also assumes that since the Borrower did not make the required interest payments, the Lender is considered to have gifted the Borrower the money to pay the interest that was due. [See IRC Sec. 7872\(f\)\(3\)](#)

By engaging in a loan with a family member below the appropriate AFR, the Lender is effectively penalized twice — once through taxation of imputed interest, and again by applying the borrower's unpaid interest towards the lender's annual \$15,000 per person tax-free gift limit.

The IRS' annual gift exclusion permits a taxpayer to gift up to \$15,000 annually to each and every family member without penalty. Effectively, an individual could gift \$15,000 to everyone they know, but once any one gift recipient receives a penny more than \$15,000 from an individual donor in the calendar year, that donor must file a gift tax return. [See IRS Publication 559](#)

Cautious financial advisors generally recommend their clients properly document loans with family members at an interest rate that either meets or exceeds the appropriate AFR for all of the reasons above.

How to Learn More

To learn more about what we do and how we do it, please re-visit our website and download one of our six comprehensive product guides designed to thoroughly explain how an intra-family mortgage can help someone:

Buy a Home



Buy a Relative's Home



Refinance a Home



Renovate a Home



Borrow Home Equity



Reverse Mortgage





The Smart Way to Manage Mortgage Loans Between Family Members

Borrowing and Lending money with relatives can be a stressful experience.

However, the source of such stress is usually a lack of setting clear expectations between the parties, and anxieties over the collection / repayment process of the loan.

When Family Loans are managed properly and professionally, the experience can be a positive win-win for both sides.

National Family Mortgage ® has successfully helped thousands of families in every state across the US lend over \$1 Billion in home loans between relatives. Our default rate is under 1.00%.

Lots of companies out there claim to facilitate "home loans" between relatives. Please remember, an unsecured promissory note does not equal a registered, tax deductible mortgage loan. The legal and tax ramifications of a poorly documented intra-family mortgage loan can be a nightmare for both Lenders and Borrowers alike.

Many money transfer companies also claim to "manage" loans between relatives. As you know, the business of mortgage loan servicing is tightly regulated by federal and state laws — even when servicing mortgage loans between relatives.

Our Loan Servicing partner, FCI Lender Services, is fully compliant with all state and federal mortgage loan servicing laws under the Dodd-Frank Act, as enforced by the Consumer Financial Protection Bureau (CFPB).

We realize the content within this guide is substantial, but we believe that all families considering an intra-family mortgage loan deserve access to thorough information to help them select the best solution for their individual needs.

We help Lenders make loans they feel good about, that prevent tax problems, that protect family relationships, and get repaid.

We help Borrowers fund their home ownership dreams, build wealth, and stay on track with their mortgage payments.

We strive to make Family Mortgage lending and borrowing safe, easy, secure, and successful.

We also strive to serve as a valued, trusted, resource for all financial professionals and their clients.

If you ever have any questions, we're always happy to help!



NATIONAL
Family Mortgage®

NationalFamilyMortgage.com | 1.888.636.1990 | 9AM - 5PM ET, M-F

Physical Address: 91 Main Street #308, Concord, MA 01742

Secure Mailing Address: 34 Walden Street #706, Concord, MA 01742

National Family Mortgage ® as featured by:

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ConsumerReports

CHICAGO
SUN-TIMES

The New York Times

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& WORLD REPORT
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