

Bond programs

Single family

In 1974, the United States Congress passed legislation allowing states (including New Hampshire) to sell tax-exempt Mortgage Revenue Bonds (MRBs). NHHFA first began issuing MRBs in 1976. Since then, we have built a successful, nationally recognized bond program that uses bond proceeds (the money generated by bond sales) to make low-interest mortgage loans for first-time New Hampshire home buyers. A first-time home buyer is anyone who has not owned a home in the previous three years, and who will occupy the NHHFA-financed home as their primary residence.

While we strive to provide bond-financed mortgages with competitive interest rates, our ability to provide down payment and closing cost assistance through the issuance of premium bonds can make it significantly more affordable for families to purchase their first home. Further, offerings such as home buyer education help first-time buyers safely achieve their dreams.

As of December 2008, NHHFA had issued more than \$3.5 billion in single family bonds to support mortgages for more than 37,000 families and individuals purchasing their first home.

Multi-family

NHHFA also makes below-market interest rate loans to developers and nonprofit sponsors of affordable multi-family developments, for both families and seniors. At least 20 percent of the units in an NHHFA-financed development must be rented to very low-income individuals and families.

NHHFA has permanently financed approximately 7,160 new units of affordable multi-family rental housing in more than 90 developments across New Hampshire, as of December 2008. Multi-family bonds issued for these developments total over \$645 million.

“Thank you for caring!”

-- NHHFA client

New Hampshire Housing

is a self-supporting, nonprofit corporate body. NHHFA's mission is to promote affordable housing opportunities to New Hampshire's low- and moderate-income citizens. NHHFA uses no state funds or state employees to support its operations.



Facts
about bonds



New Hampshire Housing
Bringing You Home

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Our mission

When the Housing Finance Agency – the predecessor to New Hampshire Housing Finance Authority (NHHFA) – was first established in 1975, families across the state were having a difficult time finding affordable housing. Our mission was to create programs that would meet the needs of those families in New Hampshire.

Three decades later, our mission is unchanged. We continue to expand New Hampshire's affordable housing opportunities through our programs and services. Every day, we help hard working New Hampshire citizens afford quality housing.

We do this, in part, by issuing single family and multi-family housing bonds. These two bond programs put housing costs back within reach of lower-income individuals and families seeking to buy their first home or rent quality housing affordable for their income level. Throughout the years, we have helped thousands of individuals and families take advantage of affordable housing opportunities through the two bond programs.



New Hampshire Housing bonds

Housing bonds defined

NHHFA sells bonds to investors to raise capital. Bonds are marketable securities backed by mortgage loans on residential and multi-family properties. NHHFA bond issues are lower-risk investments because, in addition to a mortgage on the property being financed, the bond issue requires cash reserves and other safeguards, giving the investor or bondholder additional assurance that the bond issuer (NHHFA) will repay the loan.

New Hampshire Housing's role

Basically, NHHFA manages the bond process. We are responsible for overseeing bond sales, purchasing the mortgage loans, collecting the mortgage loan payments and repaying bond investors through our bond trustees.

How bond issuance works

NHHFA's bonds are available through public offerings within the municipal housing capital markets and are marketed through a team of nationally recognized underwriting firms. NHHFA does not compete with private lenders, but works directly with them. For the residential loan, a participating lender makes the loan to a borrower. Once the low-interest loan is made and the paperwork is complete, NHHFA purchases the loan from the lender using bond funds.

For multi-family loans, NHHFA or a conventional lender makes the construction loan for the development. Once construction is complete, the loan is paid off by a permanent loan through a bond issued by NHHFA.

NHHFA fills a niche by helping first-time home buyers purchase their first home and by helping sponsors of multi-family developments create more affordable rental housing.

The NHHFA housing bond buyer

While the majority of our typical bond buyers are large investors, such as mutual funds, about 20 percent of NHHFA bond buyers are individual investors purchasing through the retail bond market. New Hampshire bond buyers receive an additional benefit when purchasing our bonds, since they are exempt from New Hampshire's interest and dividends tax for the interest paid on the bond amount.

An asset for New Hampshire

NHHFA is a tremendous asset for the taxpayers of New Hampshire. We are completely self-supporting and use no state tax dollars in our operations.

NHHFA notes and bonds are not general obligations of the state. We generate all revenues necessary to cover the cost of our operations through fees for work performed.