

Winter 2007-08



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Project financing



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Multiple listing service



Foreclosure updates
Legislative news



HOPE hotline
Utility survey results



New Hampshire

Housing Headlines



Updates:

Residential Rent Survey now underway

The 2008 Residential Rental Survey is currently underway. New Hampshire Housing, with the assistance of University of New Hampshire Survey Center, conducts this survey each spring to determine trends in gross rental costs within New Hampshire. The final report, along with interactive worksheets, will be available in early summer. To view the results of the 2007 Residential Rental Survey, follow this link: [Residential Rental Survey](#).

Save the date

The Home Buyer Fair will take place on Saturday, April 5, from 9 a.m. to 3 p.m. at the Radisson Hotel – Center of New Hampshire in Manchester. Don't miss this educational opportunity!

The 10th annual Statewide Housing Conference is scheduled for Tuesday, Oct. 14, at the Radisson Hotel. This year's theme will be the future of affordable housing in a changing New Hampshire economy.

The Authority honors its top 10 real estate offices



Pictured from left to right are Andrew Cadorette and Brenda Mahoney of New Hampshire Housing; Marie Mailhot of RE/MAX Omega, Manchester; Diane Kelly, RE/MAX Synergy, Goffstown; David Hennessey, Coldwell Banker Residential Brokerage, Amherst; Eve Janell, RE/MAX Connection, Concord; and Liz Lamoureux, New Hampshire Housing.

New Hampshire Housing Finance Authority honored its 2007 top ten participating real estate offices with a luncheon and special awards ceremony on Wednesday, Feb. 20, at the Puritan Backroom in Manchester. During the past calendar year these top ten real estate offices helped generate more than 548 new loans using New Hampshire Housing's Single Family Mortgage Program, accounting for approximately \$96 million in affordable mortgages to low- and moderate-income first-time home buyers.

Click [here](#) for list of top real estate offices and to see the top broker.



Top ten real estate offices:

- Coldwell Banker Residential Mortgage
- The Masiello Group Real Estate
- Prudential Verani
- Keller Williams Realty
- RE/MAX Synergy
- RE/MAX Omega
- Carlson GMAC Real Estate
- Re/Max Properties
- Century 21 Thackston & Company
- RE/MAX Connection

Top mortgage broker



Brenda Mahoney and Liz Lamoureux of New Hampshire Housing Finance Authority honor Joe Moriarty of Guardian Mortgage. Guardian was New Hampshire Housing's top mortgage broker for 2007.

New Hampshire Housing names its top 10 lenders



Pictured from left to right are Andrew Cadorette and Brenda Mahoney of New Hampshire Housing; Dan McKenney, Merrimack Mortgage; Barbara Cunningham, St. Mary's Bank; Maureen Lemay, Regency Mortgage; Gladys White, Downeast Mortgage; Bob Laguerre, First Horizon; Michelle Chretien, Wells Fargo; Justine Amereault, NE Moves; Andrea Carr, NE Moves; Diane Hooper, Citizens Bank (RBS); Liz Lamoureux, New Hampshire Housing. Not pictured are Ralph Coppola of Countrywide Mortgage and John Caglia of GMAC Mortgage.

The Authority also honored its 2007 top ten participating lenders and loan originators, and the top mortgage broker. During the past calendar year the top ten lenders closed more than 900 new loans using New Hampshire Housing's Single Family Mortgage Program, accounting nearly \$152 million in affordable mortgages to low- and moderate-income first-time home buyers. Those figures represent two-thirds of New Hampshire Housing's total calendar year loans in the program.

Click [here](#) for list of lenders and loan originators.



Top 10 lenders:

- Merrimack Mortgage
- Countrywide Bank
- GMAC Mortgage
- NE Moves
- Downeast Mortgage
- Wells Fargo Bank
- St. Mary's Bank
- Regency Mortgage
- First Horizon Home Loans
- Citizens Bank (RBS)

Top 10 loan originators:

- Meghan Merrill – GMAC Mortgage
- Andrea Carr – NE Moves
- Deb Austin Brown – Merrimack Mortgage
- Tammy Poitras – Merrimack Mortgage
- AJ Lane – GMAC Mortgage
- Gladys White – Downeast Mortgage
- Bob Godin (retired) – Downeast Mortgage
- Diane Hooper – Citizens Bank
- Carol Jordan – Merrimack Mortgage
- Irene LeBlanc – National City Mortgage



The Authority approves funding for two projects

At its recent meeting, the Board of Directors of New Hampshire Housing Finance Authority approved financing for two new construction projects in Keene and Franklin.

Federal HOME Investment Partnership Program funds in the amount of \$450 thousand were committed to the Railroad Square Senior Apartments construction project in Keene. The project sponsor, Southwestern Community Services Inc., has had 17 loans financed through the Authority. Featuring 24 units of affordable housing for low-income households, Railroad Square Senior Apartments will be built near the Keene East Side Senior project in downtown Keene. Monadnock Collaborative, a local licensed home health care agency, will provide assisted living services. The construction of Railroad Square Senior Apartments is part of a city-sponsored development program.

Through the Special Needs Housing Program, Community Action Program Belknap-Merrimack Counties Inc. received a commitment of \$650 thousand in Federal Home funds for the construction of Bow-Glen Housing in Franklin. The project requires the demolition of an existing derelict apartment building to create four units of transitional housing for homeless families in the same footprint. Bow-Glen Housing will also yield six units of affordable rental housing in a separate townhouse-style building located on the property.



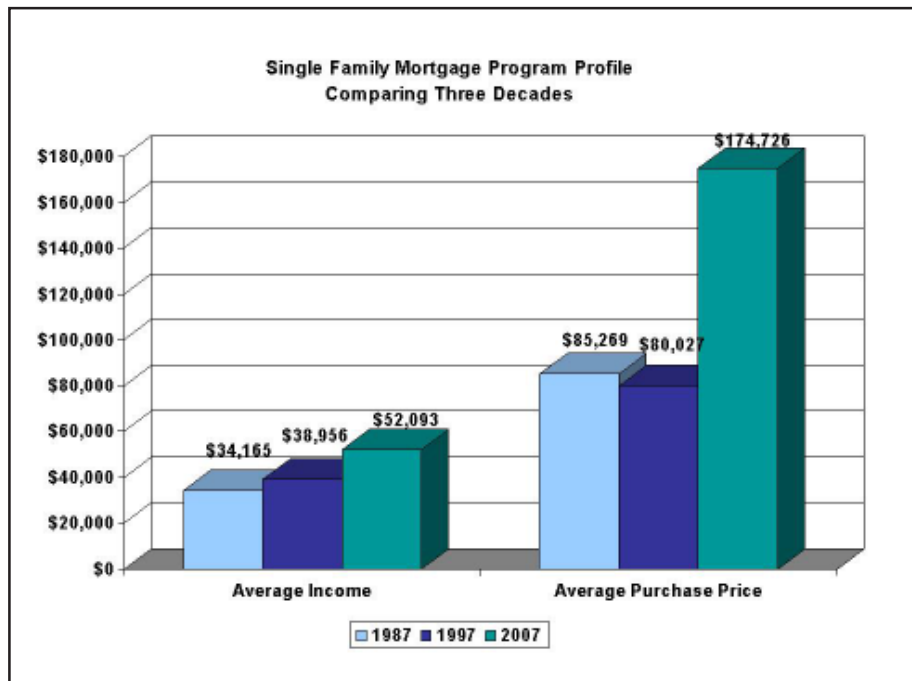
Single Family Rehabilitation Program receives green light

The Board of Directors of New Hampshire Housing Finance Authority recently approved financing for a statewide low-income home owner rehabilitation program. Federal HOME Investment Partnership Program funds in the amount of \$1.1 million were committed to the Authority's HOME Single Family Rehabilitation Program. This is the only statewide rehabilitation program offering assistance to low-income home owners, though there are existing programs for low-income renters and first-time home buyers.

The rehabilitation program, initiated in 1993, focused on the Belknap and Merrimack counties during its first year. Since demonstrating success with securing resources for low-income home owners in need of assistance, the program was expanded in 1994 to statewide coverage with services delivered by the Community Action Program agency network. The Authority has committed \$18.12 million in Home Funds since the program's inception.

Single Family Mortgage Program comparison

This comparison of the program in 1987, 1997 and 2007 demonstrates not only how dramatically purchase prices have risen during the last decade, but how changes in the lending industry and in New Hampshire Housing's Single Family Mortgage Program – such as automated underwriting and more generous loan-to-value allowances – have increased the buying power of first-time home buyers. The Authority's mortgage programs seek to maximize the ability of low- and moderate-income buyers to purchase a home, yet provide products that minimize the risk to the borrower.

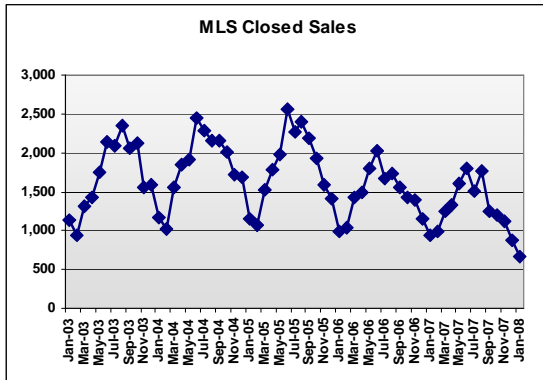




Multiple Listing Service

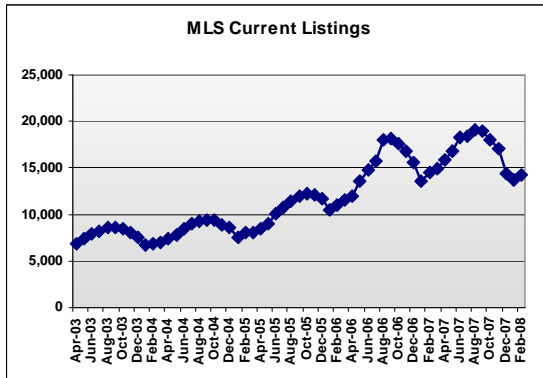
Residential Real Estate Statistics

These charts and analysis are based on information from the [Northern New England Real Estate Network](#) for towns in New Hampshire for the period January 2003 through December 2007.



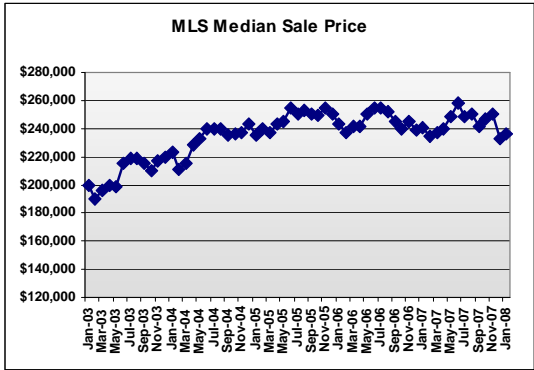
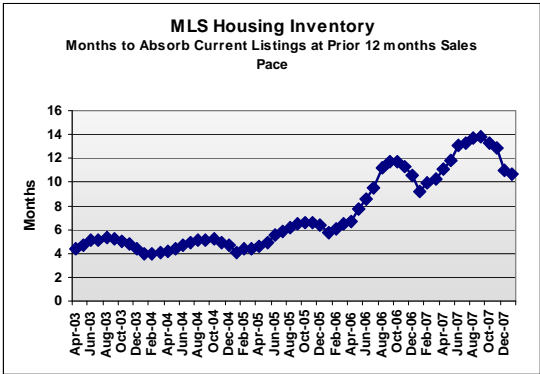
Closed Sales

The pace of residential real estate sales in New Hampshire in 2007 is down nearly 12% on a cumulative basis when compared with 2006 and down 28% since 2005. These monthly numbers exhibit significant seasonal fluctuation, with peaks in June, July or August, and troughs in January and February. A decline in the pace of sales is evidence of weakness in this market, and 2008 is not predicted to improve.



Listings

The number of listings of residential property for sale in New Hampshire continues to follow a seasonal pattern, but reached an all time high in August 2007 at just over 19,000 listings. This number is only slightly higher than the peak in 2006, but more than 55% higher than the previous peak of about 12,200 listings reached in October 2005. As of October 2007, listing are about 2% higher than the same month in 2006. The number of listings is expected to climb again in early 2008.



Housing Inventory

The inventory of available housing as depicted here is a measure of the months required to absorb the number of current listings at the prior 12 months sales pace. Until 2006, this measure had not exceeded 6.6 months. With a declining pace of sales and an increase in the number of active listings, this measure of housing inventory increased to more than 10 months by August 2006 and more than 13 months in June 2007. An inventory of less than six months indicates a sellers market. At about six months supply the market is considered in balance. Above a six months supply signals a move into a buyers market, and as we move into the 10 plus months supply territory, there is increased pressure on sellers to reduce prices to affect a sale.

Median Sales Price

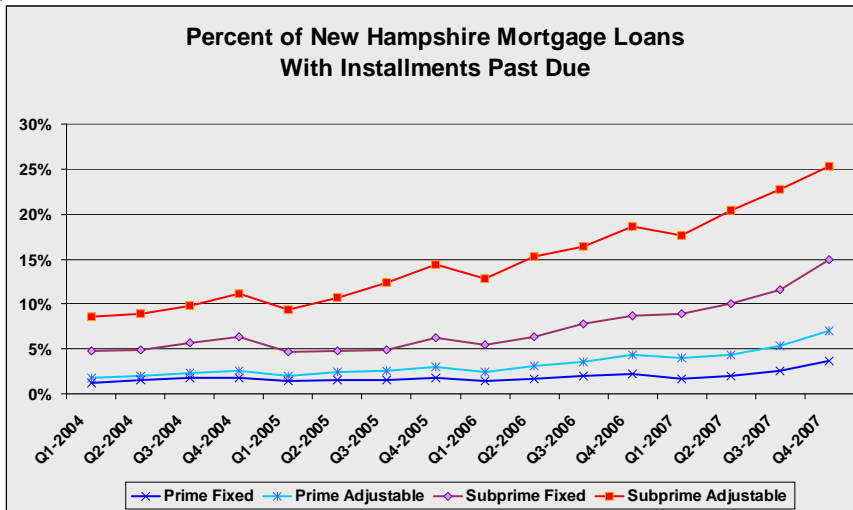
The median sales price reached a peak in July 2006 at \$255,000. This is the same as the high point in November of 2005. Between July 2006 and February 2007 prices declined slowly to about \$235,000.

Despite the current excess in housing inventory, prices climbed again in May and June of 2007 to a new high of \$258,000. While down from the peak, prices showed little sign of significant weakening through November 2007. However, the December median price is down to \$233,000 and, in light of economic conditions and the excess of housing, inventory prices are expected to decline through the first half of 2008.

Mortgage Delinquency, Foreclosures and Subprime Lending in New Hampshire

The mortgage crisis in New Hampshire has deepened during the past six months. The pace of foreclosure deed recordings continues to increase over prior years, and is now well above earlier projections.

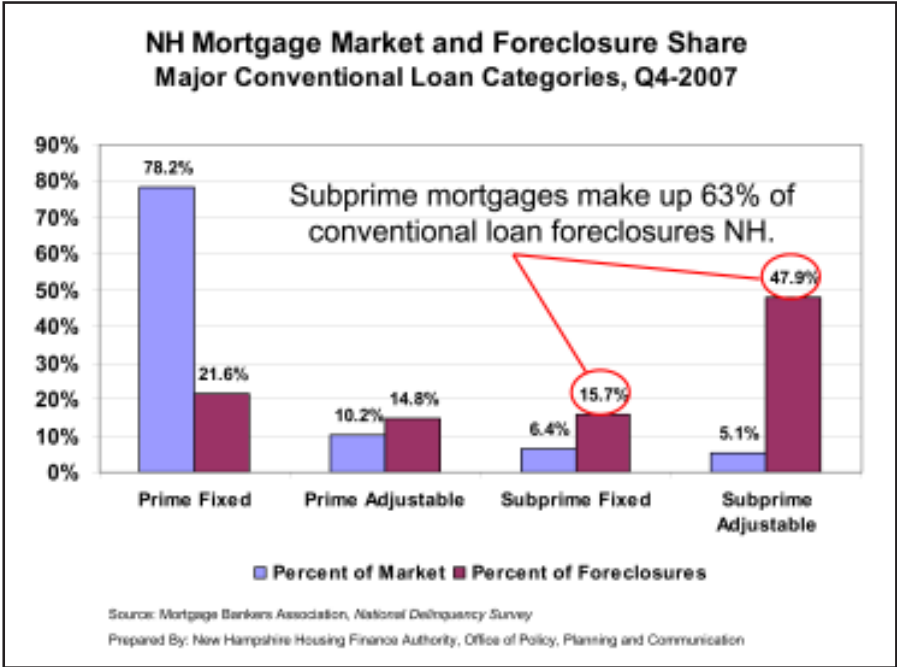
Recorded foreclosures have exceeded 200 in five of the past six months, and at this pace will approach 2,800 in the current year.



Based on the most recent Mortgage Bankers Association National Delinquency Survey, the rate at which foreclosure initiations (properties entering the foreclosure process, not the same as recorded foreclosure deeds) were taking place in New Hampshire at the end of 2007 increased to 0.67%, or

During the past two quarters the delinquency rate for all conventional mortgage loan types (not just subprime loans) has increased significantly.

about one in every 150 mortgage loans. This rate is now similar to the rate of foreclosure initiation in New Hampshire during the early 1990's, during the region's last real estate recession.





Due to their undesirable nature, subprime adjustable rate loans now make up a slightly smaller portion of the market, but they continue to be the largest share of foreclosures.

problem appeared to be confined to the subprime market. Since that time however, delinquency rates (loans with installments past due) for all conventional mortgage loan types, not just subprime loans have increased significantly.

Based on our calculations, as of the fourth quarter of 2007, the number of mortgage loans in New Hampshire with payments past due was more than 18,000. This number has increased by more than 40% since the second quarter, and 80% of that increase has been in the prime loan category.

Of equal concern, the foreclosure initiation rate for the United States is now at 0.88%, or about one in every 110 loans. This national rate has reached historic highs in each of the past five quarters. During the past six months the rate of foreclosure initiation has increased in each of the New England states, but the rate in New Hampshire remains lower than that in three other states in the region, and better than New England and the United States on average. In September of last year, the majority of the mortgage delinquency and foreclosure



Also, the number of loans with foreclosure started during the fourth quarter is estimated at just less than 2,000, an increase of more than 50% over the second quarter of last year. The larger share of this increase has been in the prime loan category. On a brighter note, nearly 94% of mortgage loans in New Hampshire remain current.

The mortgage foreclosure and delinquency problem in New Hampshire is ongoing and not confined to subprime lending. Further, while not addressed here, a declining real estate market, tightening credit, increases in energy costs and a darkening overall economic outlook only contribute to this worsening problem.

To view a copy of the white paper, "Mortgage Delinquency, Foreclosure and Subprime Lending in New Hampshire," issued in December 2007, visit [this link](#).

HB 1472 passes House

House Bill 1472 passed after an hour-long floor debate on Wednesday, March 19, with a vote of 176 to 150. At the time of this writing, two bills that mirror the content of HB 1472 are pending in the Senate.

For years, the state has been faced with a severe shortage of housing for low- and moderate-income families who are the backbone of the state's labor force. New Hampshire's local officials recognize that they have a legal responsibility to provide the opportunity for the development of reasonably-priced housing. This has been the clear law of the state since 1991's *Britton v. Chester* court decision.

But since that time, municipalities have had limited help on how to meet that law. HB 1472 provides guidance with important definitions, such as "affordable," and "workforce housing," and with a statutory framework for municipalities to meet their existing legal responsibility to provide reasonable opportunities for the development of workforce housing.

New Hampshire Announces HOPE for citizens facing foreclosure

New Hampshire Housing and the New Hampshire Bankers Association recently announced they have partnered in a campaign to bring awareness of the national HOPE Hotline initiative to New Hampshire citizens. Joining the two organizations, Senator John Sununu and Congressman Paul Hodes joined with representatives from New Hampshire's nonprofit housing and banking communities to kick-off the campaign aimed at early intervention to prevent foreclosures. The HOPE Hotline offers free, confidential counseling service for home owners and can be reached by dialing 1-888-995-HOPE (4673).



Image from press event showing Senator Sununu and Congressman Hodes viewing ad.

With the financial support of New Hampshire Housing and the NH Bankers Association, the national NeighborWorks® advertising campaign promoting the HOPE Hotline will be brought to New Hampshire.



From March 26 through June 17, the national television advertisements will air on network and cable stations throughout the state to raise public awareness of its availability and the free service it provides.

“We know the best way to stop the foreclosure crisis from escalating is early intervention,” said Dean J. Christon, Executive Director of New Hampshire Housing. “Foreclosure is a complex problem for which there is no easy solution. It is clear, however, that the chances that a borrower struggling to pay their mortgage will be able to avoid foreclosure are improved if they have access to competent, independent advice about the options and alternatives available to them.”

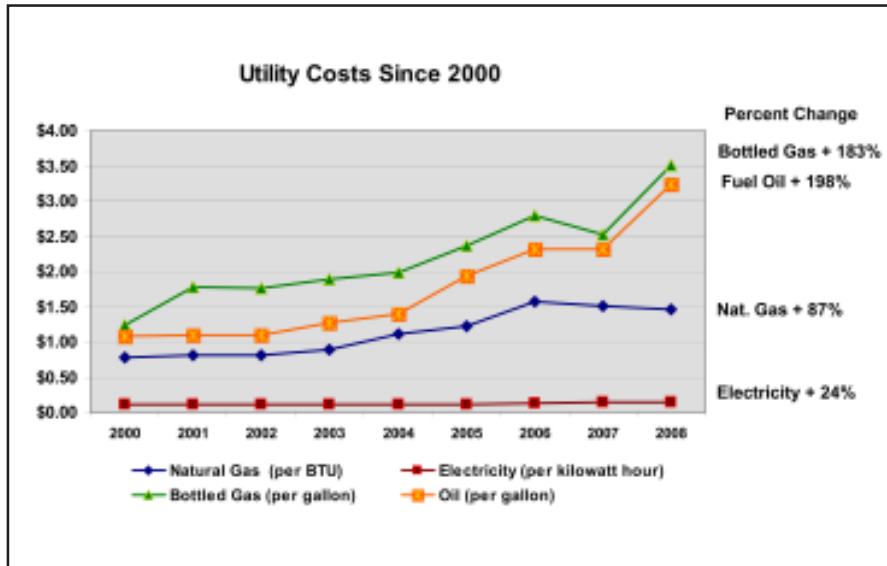
The HOPE Hotline offers home owners free, confidential and individualized counseling over the phone, and can also offer information about other assistance that may be available in New Hampshire and elsewhere. Callers may be referred for face-to-face counseling with local HUD-approved counselors.

The Homeownership Preservation Foundation, a Minneapolis-based nonprofit organization, manages the Hotline. National funders include a range of private and public entities such as Fannie Mae and the U.S. Department of Housing and Urban Development.

For more information on HOPE, visit www.foreclosurehelpandhope.org.

Housing facts: utility costs increase

Each February, New Hampshire Housing publishes an informative tool titled "The Utility Allowance Schedule." The document provides a monthly estimate for the cost of various utilities (heat, hot water, and electricity use) by utility type (oil, propane, electricity, and natural gas) for each county in New Hampshire.



Per unit costs have risen dramatically during this decade. For a typical two bedroom apartment, the average monthly cost has increased from \$95 to \$155 or 61%. For a three bedroom apartment, the average monthly cost has increased from \$127 to \$299 or 135%.

have also experienced the greatest annual increase in costs, with an approximate 40% increase (for both fuel types) from 2007 pricing.

Data is collected from utility providers from across the state during December and January. This time frame is used because utility prices are in transition; that is, utility prices have not typically reached their seasonal peak.

Increased demand, both locally and globally, have resulted in increased energy costs for New Hampshire residents. Residents heating with fuel oil and propane have seen the largest increase in cost since 2000. They