

**New Hampshire Housing Finance Authority  
Home Ownership New Production Initiative**

**(HFA: 325)**

HFA: 325.01 General

These rules implement the Home Ownership New Production Initiative, which will provide funding to end buyers of homes in Authority approved for-profit and not-for-profit sponsored development projects that add to the state's housing supply, either through new construction or the adaptive re-use of non-residential structures.

The Home Ownership New Production Initiative is intended to encourage development of new affordable single family home ownership units and to enable developers to build affordable housing that complies with targeting requirements, such as those placed on projects by municipalities.

HFA: 325.02 Purpose

The purpose of these rules is to outline borrower and project eligibility, the amount and type of assistance provided, repayment requirements, and program administration.

HFA: 325.03 Project Eligibility

- (a) Qualified applicants include for-profit and not-for-profit housing developers, who have experience in the development of single family housing.
- (b) Eligible properties include single family homes, condominiums, and manufactured housing (with a minimum of two bedrooms per unit). Age-restricted projects or projects that involve the conversion of rental property to home ownership units are not eligible.
- (c) A competitive allocation process will be used to identify projects to be approved for funding.
- (d) This program will support up to 50% of the units in a single project.
- (e) A maximum of 15 units per developer or 15 units per project will be eligible for funding in any funding round.

HFA: 325.04 Allocation Process

- (a) Projects will be accepted for review as determined by New Hampshire Housing Finance Authority.
- (b) Projects will be reviewed by a team of qualified staff from New Hampshire Housing Finance Authority.
- (c) Preference, in order of importance, will be given to projects that:
  - 1. Include barrier-free units, such as those incorporating universal design, visitability, full accessibility and Easy Living certified.
  - 2. Encourage conservation of resources through thoughtful site planning (e.g. maximize solar access, minimize paved area), use of Energy Star rated lights and appliances, super-insulation of foundation, attics and walls etc.
  - 3. Demonstrate readiness to proceed by having complete plans and all local/state approvals in place.
  - 4. Create affordable housing in counties where the median price of newly constructed homes exceeds the statewide median price of newly constructed homes, as published by New Hampshire Housing Finance Authority.
  - 5. Are mixed-income family projects, including both market rate units and units targeted to low income buyers.
  - 6. Demonstrate community support, which may include funding by other agencies and community partners or other evidence of local support, such as density bonuses awarded, etc.
  - 7. Have targeted units that are architecturally compatible with other units in the project.

HFA: 325.05 Terms of Commitment to the Developer

- (a) Funds must be used within 24 months of project approval. In extraordinary circumstances, an extension may be approved by the Authority's Executive Director.
- (b) Funds will be available only to buyers of targeted units who are using a New Hampshire Housing first mortgage.
- (c) Marketing materials, including press releases and advertising, using New Hampshire Housing Finance Authority's name or logo must conform to Authority guidelines, which may be obtained from the Authority's Communications Administrator.

- (d) Although New Hampshire Housing Finance Authority will not perform ongoing inspections, it reserves the right to inspect construction quality. If the project fails to meet minimum quality standards, the Authority reserves the right to suspend funding.
- (e) Targeted units must appraise at or above the actual Selling Price and be eligible for funding under the New Hampshire Housing Finance Authority Home Ownership New Production Initiative.

HFA: 325.06 Borrower Eligibility

Eligible borrower(s) must obtain a first mortgage through New Hampshire Housing Finance Authority's Single Family Mortgage Program. In addition, eligible borrower(s) must:

- (a) Have an annual household income which does not exceed 100% of Statewide Median Income for a four person household (regardless of family size).
- (b) Complete a first-time home buyer education course acceptable to New Hampshire Housing Finance Authority.
- (c) Have no more than \$5,000 in liquid assets after payment of down payment and closing costs. Liquid assets do not include money held in retirement or educational vehicles recognized by the Internal Revenue Service, such as IRAs or 401k accounts, or funds held in special savings accounts such as Individual Development Accounts of Plans to Achieve Self Support through Social Security.

HFA: 325.07 Amount and Terms of Program Assistance

- (a) The maximum subsidy amount that will be made available is \$20,000 per affordable unit.
- (b) Assistance will be in the form of a 0%, non-amortizing Rider or other lien to the home buyer, due on sale or refinance or if the property is no longer owner occupied.
- (c) No specific long-term affordability restrictions apply to the Home Ownership New Production Initiative. Any resale/recapture restrictions placed on the property by the Municipality or developer will require prior approval by New Hampshire Housing Finance Authority.
- (d) Loans must close within 24 months of project commitment.

- (e) Assistance may not be combined with any other New Hampshire Housing Finance Authority-funded subsidy as determined by the Authority.

HFA: 325.08 Program Administration

- (a) Funding commitments will be made by the Home Ownership Committee based on the results of the staff review process.
- (b) Continued operation of the Home Ownership New Production Initiative is subject to availability of funds. The Authority's decision regarding project eligibility is final.
- (c) Home Ownership New Production Initiative funds for home buyers in Authority approved projects will be reserved by the participating lender at the time first mortgage funds are reserved.
- (d) At its sole discretion and for good cause, the Home Ownership Committee may waive any provision of these rules.