

New Hampshire Housing

Spring
2011





Who is New Hampshire Housing?

- ***New Hampshire Housing*** is a non-profit public benefit corporation established by the state legislature. The Authority operates a broad range of programs designed to assist low and moderate income persons and families obtain safe decent and affordable housing.



What New Hampshire Housing looks for in a borrower

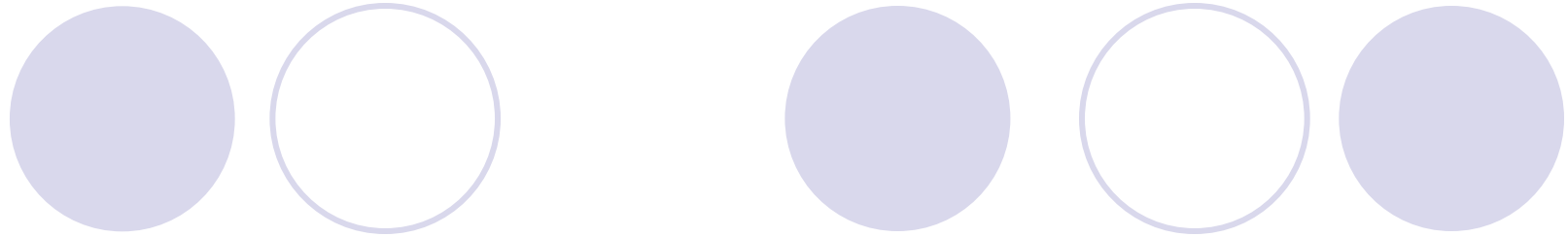
- **1st time home buyer – or buying in a targeted area**
 - Never owned a home they can buy anywhere in the state
 - Owned a home in the past 3 years they need to purchase in a targeted area
- **Verifiable income that does not exceed our Income limits and at the same time makes sense! (all household income)**
- **Purchase price on home that does not exceed our limits**





The Steps

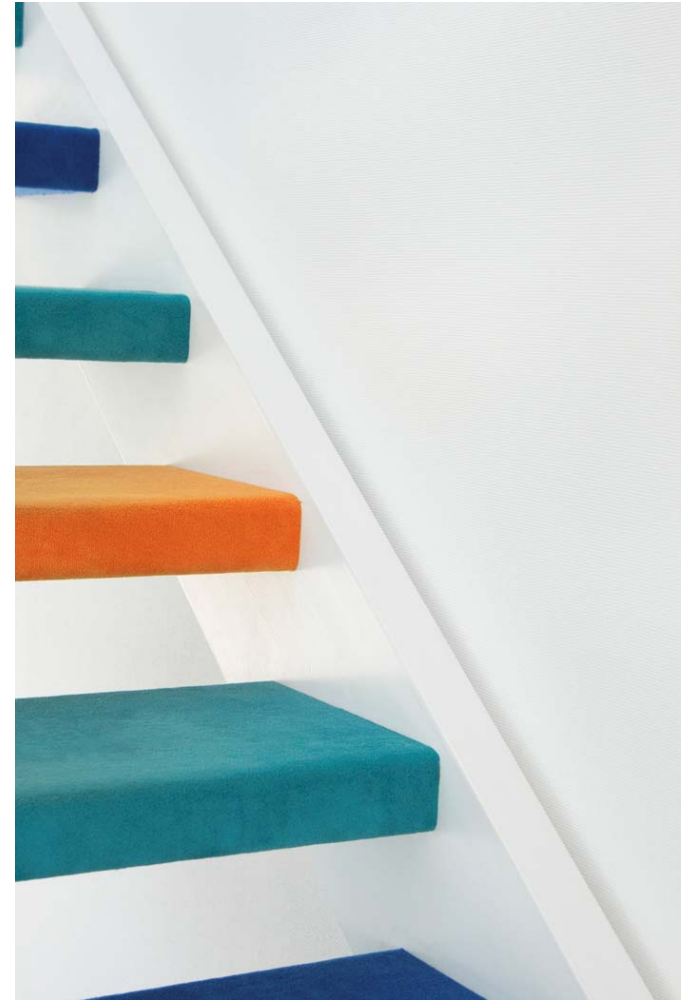
- Check *all* **household income**..
 - This is really important make sure to count everyone
 - This is for the max income limit
 - You can use a different number to qualify
- Do they have at least 1% of their *own* money....
 - Borrower needs to be contributing at least 1% of their own funds into the transaction (not gift funds)
- **Borrowers affidavit** needs to be *explained* and completed
 - Please make sure to read this over first so you can explain it to the borrower
 - Please do not hand it to them blank for them to fill in.



- Affirmation at Loan Closing – as an LO you may not be required to know about this form but it is one of our most missed forms. Make sure it gets to the closing table.
- Sellers Affidavit – this is another often missed form. This form is not needed on a foreclosed property.
- We need copy of broker checks and proof on a bank statement of their withdrawal.

More steps

- Your underwriter needs to review the file
 - Is this a loan your company would make? If not chances are we won't either.
 - If your underwriter has questions we will be glad to help.
- Loans need to be insured - *currently* we accept FHA/VA/ RD
- Most recent 3 years tax returns **SIGNED**



How about *ratios, credit scores, etc.*

- **Credit Scores**

- 620 this is new please be careful.
- Any derogatory credit issues must be explained

- **Alternative Credit**

- For no credit only, not for bad credit

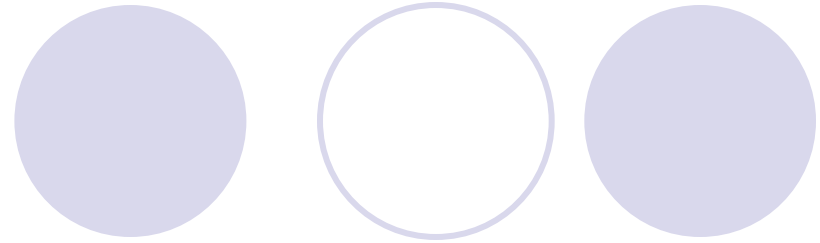
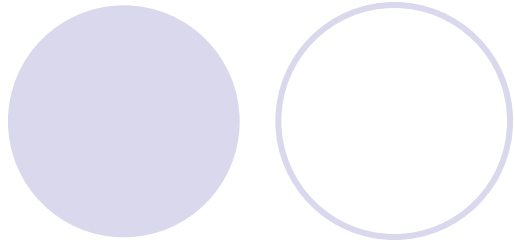
- **No Asset Limitation**

- Except on specific programs

- **Ratios – 33/50**

- 20% minimum housing ratio





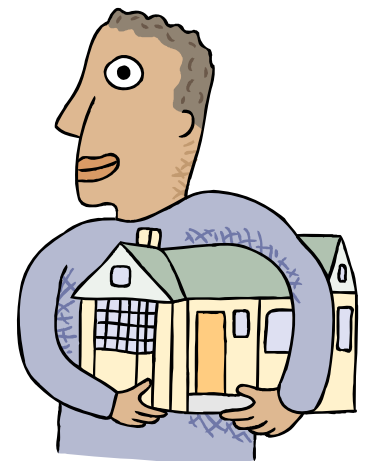
- Collections.....

- **\$250 per item max \$1,000**
- Medical, anything over \$900 needs to be pre-approved with a letter of explanation



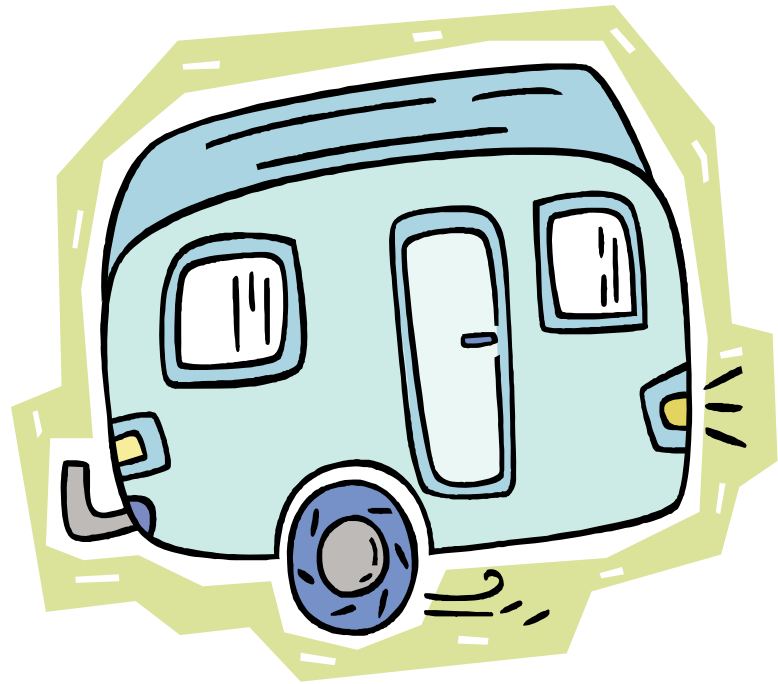
Property stuff.....

- Must meet basic living requirements
- 600 sq. ft. minimum
- **1-4 family owner occupied homes**
 - Be careful 75% of rental must be added to income, make sure to watch the income limits
- **Manufactured housing** on its own land – newer than 1976 with HUD seal – no seal, no deal!
- **Condos** must be approved by NHHFA as well as insurer.
- ALL appraisals need interior and exterior pictures.
- **Bank owned property** – requires a home inspection with necessary repairs being addressed. We do not want to see the inspection just our form.



Now there is a limit.....

- Post and piers on stick built homes are **not** considered permanent foundations
- Wells and septic that are shared and not on the property be financed
- Mobile homes built prior to 1976
- Studio condos
- Homes without heating systems
- Excess acreage, we allow 3 acres



Closing Table



- Once your file makes it to the closing table make sure all our forms are included
 - Borrowers Affidavit
 - Affirmation at Loan Closing
 - Sellers Affidavit
- If taxes are due within 60 days of closing they must be paid
- Hazard insurance deductible is \$500.00
- Will make an exception for \$1,000 deductible if they have more than \$2500 in assets at closing.

Current Loan Products



- **0-point**
- **1-point**
- **2-point**

All programs require 1% into the transaction

Cash Assistance Option

- **0-point + up to 2% or 4% grant (grant amount determined off base loan amount)**
- **Money can be used for down payment and or closing costs**
 - Money can not be used to buy down the rate
- **1% down payment (borrowers own money)**
- **Rider added to mortgage for repayment of grant**
 - 4 year payback after that it is forgiven.



Purchase Rehab



- Up to \$40,000 for repairs, renovations and improvements designed to address obsolescence, improve energy efficiency, improve safety and extend the useful life of the property.
- Appraisal must be made as is and as complete
- Added on to the loan – just one loan
- You close the loan send rehab money with closed package- your work is done!
- This program is currently only being utilized with the RD insurance.
- This loan is a 97% LTV even when combined with RD.
- ***This product can only be combined with RD.***

FHA 203ks

A decorative graphic at the top of the slide features the text 'FHA 203ks' in green, underlined font. To the right of the text are two overlapping circles: a solid light purple circle on the left and a white circle with a light purple outline on the right. Further to the right, there are three more circles in a row: a solid light purple circle, a white circle with a light purple outline, and another solid light purple circle.

- Max \$35,000 (including contingency and fees)
- Repairs can not be structural
- Borrower can not do work must have a contractor
- Added all together one loan
- If you are interested in becoming a lender approved to utilize this program, please contact Christine Hager @ 310-9244.

New Production Initiative (NPI)



- Income – 100% statewide median
- \$5,000 liquid asset limit
- \$20,000 to be used towards downpayment or closing costs
- 0% rider added to mortgage due on sale, refinance or non-owner occupied.
- See web site for developments

The logo features the word "VAMO" in orange, followed by the text "voucher assisted mortgage option" in black. This text is positioned above a horizontal row of five circles. The first, third, and fifth circles are filled with a light purple color, while the second and fourth circles are hollow with a light purple outline.

VAMO

voucher assisted mortgage option

- Mortgage that lets you apply the Housing Choice Voucher for qualifying
- Any approved lender can participate
- If you have never done one please do not try it on your own – please call, we will help you through it!
- FHA and RD only at this point
- Voucher amount is added to income
- Must have a home inspection even on a regular buy/sell transaction.

Loans and Services we do directly





- **Education**

- First time homebuyer seminars

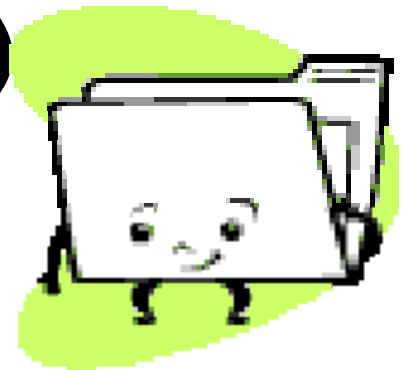
- Publications

- Continuing education and support for lenders

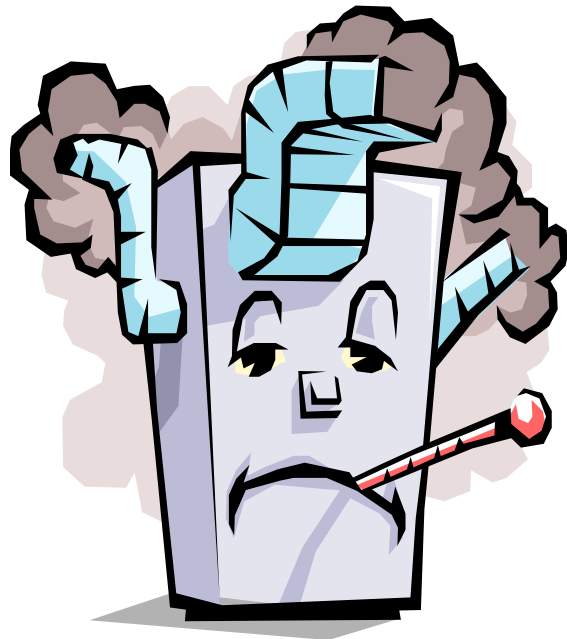
- Realtor training

- **Purchase mortgages from participating Lenders**

- **Origination (specialty programs)**



EHRL emergency home repair loan



- Must have a NHHFA loan, loans must be up to date on payments
- Property must be owner occupied
- Major emergency and other repairs that homeowners insurance does not cover
- Asset limitation of \$5,000
- No new appraisal or prequalification necessary
- Loan amount maximum of \$15,000
- Loans with pre-existing problems are not covered.

Philip S. Rader Divorced Borrower Initiative

- **Must be refinancing due to divorce agreement**
- **Have at least 1 dependant child**
- **Stay within our purchase price and income limits**



A decorative graphic at the top of the slide features the word "HomeAccess" in a black, cursive-style font. The text is positioned over a series of five circles. The first circle is solid light purple, the second is a white circle with a light purple outline, the third is solid light purple, the fourth is a white circle with a light purple outline, and the fifth is solid light purple. The circles are arranged horizontally and are of equal size.

HomeAccess

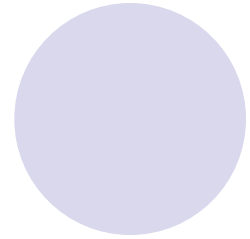
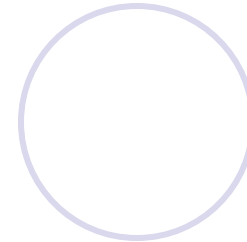
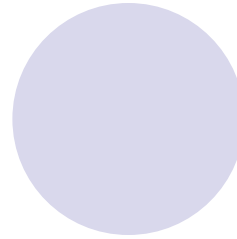
- Provide a loan to make a home handicap accessible.
- Doesn't need to be a New Hampshire Housing mortgage

Recapture Tax

- In order for Recapture Tax to apply these items need to take place

- *Under 9 years*
 - *Profit on sale*
 - *Over income limit*
- = RECAPTURE**

What is so bad about
Recapture Tax?



Reminders....



- Income – **be careful!** (you must look at all household income)
- 3 years tax returns, signed
- Hazard Insurance deductible is \$500.00
- **Please follow the correct [stacking list](#)**
 - All forms available on the WEB
- PLEASE do not forget the Borrowers Affidavit as well as the Affirmation at Loan Closing we will not fund without these.



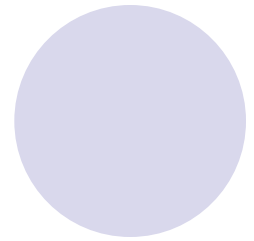
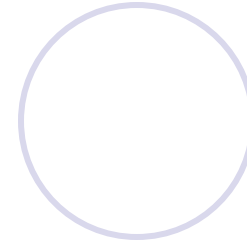
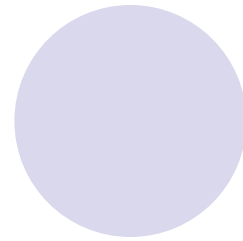
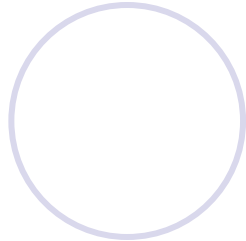
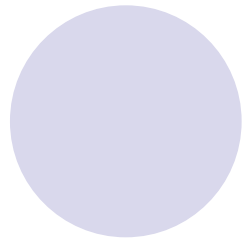
More.....

- RD loans – we will finance on purchase price or appraised value – which ever is less
- Seller concession same as secondary market 3 & 6
- We **DO NOT** participate in **MERS** – **thank goodness!!!!!!!**
- **FHA MICS** have to be assigned over to us



Important Numbers, Etc.

- www.nhhfa.org
- *Closed loans to:*
- **Connie Cote – 310.9246**
- *Reservation issues, wire requests, condos, rental questions*
- **Mim Suanet – 310.9243**
- ***Funding Analyst***
- **Patty Lazott- 310-9254**
- ***Lending Analysts***
- **Denise Beaurivage – 310.9248**
- **Brenda Wade – 310.9322**
- **Carolyn Boland – 310.9276**
- ***Mortgage Loan Coordinator***
- **Christine Hager – 310.9244**



New Hampshire Housing
Bringing You Home

▪ *Thank you*