

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

**Single-Family Mortgage Program
Participating Lenders and Participating Originators
HFA 311**

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HFA 311

HFA 311 PART ONE: Overview, Purpose, Applicability

HFA 311.01 Overview and Purpose

- (a) New Hampshire Housing offers homeownership programs through entities approved by the Authority. These rules outline how entities can apply to work with the Authority on the Single-Family Mortgage Program as Participating Lenders and/or Participating Originators.
- (b) If approved, each Participating Lender and Participating Originator shall sign an MLPA (for Participating Lenders) and/or a POA (for Participating Originators). Participating Lenders and Participating Originators shall not conduct any business with potential borrowers or with the Authority until the MLPA and/or POA has been fully executed and the approved Participating Lender and/or Participating Originator has completed any Authority-required training.

HFA 311.02 Applicability

- (a) These rules only apply to the Single-Family Mortgage Program.
- (b) These rules do not apply to the Mortgage Credit Certificate Program. For the rules on working with the Authority on the Mortgage Credit Certificate Program see HFA 341.
- (c) The provisions of HFA 301 are incorporated in these HFA 311 rules.

HFA 311 PART TWO: Definitions

HFA 311.03 Definitions

In addition to terms defined in HFA 301, the following words or terms shall have the following meanings in these HFA 311 rules:

“Applicant” means an entity that is seeking the Authority’s approval to be a Participating Lender and/or Participating Originator.

“Application” means the application form and all Authority required supporting documents, as detailed in the Authority’s application and supporting document checklist.

“Authority” is defined in HFA 301.

“Complete Application” means an Application with all information and documents required by the Authority to apply to be a Participating Lender or Participating Originator.

“MLPA” means the Mortgage Loan Purchase Agreement and all addenda, which define the contractual relationship between the Authority and the Participating Lender.

“Participating Lender” means an entity that has been approved by the Authority to originate, process, close, and fund mortgage loans that will be eligible for purchase by the Authority.

“Participating Originator” means an entity that has been approved by the Authority to originate mortgage loans for borrowers who will be eligible for the Authority’s Single-Family Mortgage Program.

“POA” means the Participating Originator Agreement and all addenda, which defines the contractual relationship between the Authority and the Participating Originator.

“Single Family” is defined in HFA 301.

“Single-Family Mortgage Program” means the loan programs offered by the Authority as described in the Authority’s program guidelines and product sheets.

“State” is defined in HFA 301.

HFA 311 PART THREE: Requirements to Apply to be a Participating Lender and/or a Participating Originator

HFA 311.04 Request to be Participating Lender and Participating Originator

- (a) The following process shall be followed by the Applicant and the Authority:
 - (1) The Applicant contacts the Authority for the Application;
 - (2) The Authority sends the Applicant the Application and, as appropriate, the MLPA and/or POA;
 - (3) The Applicant submits a Complete Application; and
 - (4) Once the Applicant has submitted a Complete Application, the Authority reviews the Complete Application and either approves or denies the Complete Application.
- (b) An Applicant may apply to be both a Participating Lender and a Participating Originator in the same Application, provided all required information is submitted.
- (c) By submitting a Complete Application, the Applicant is certifying, under penalties of perjury, that all information, statements, reports, or other documents furnished by the Applicant to the Authority contain truthful and accurate statements and information. To the

extent the Applicant relies on third parties, the Applicant shall take steps to ensure that information, statements, reports, or other documents from third parties are true and accurate.

- (d) While the Complete Application is pending review and approval, the Applicant shall notify the Authority if anything in its Application or supporting documents materially changes or is found to be materially inaccurate.

HFA 311.05 Eligibility for Participating Lender and Participating Originator

- (a) The Authority shall establish criteria for qualifying to be a Participating Lender and/or a Participating Originator.
- (b) The Authority shall create and provide an Application packet that shall include:
 - (1) The Application;
 - (2) Participation information and criteria;
 - (3) A list of eligibility requirements; and
 - (4) A list of all required information and documents.
- (c) The Application packet shall require the Applicant to demonstrate the following:
 - (1) Due Organization. It is in good standing under the laws of the United States, the State, any applicable federal agencies, and the state of its formation or incorporation.
 - (2) Authority and Capacity to Transact Business. It is authorized to transact mortgage business in the State and possesses all requisite authority and licenses to conduct its business.
 - (3) Authority to Participate in Mortgage Programs. It has the requisite approvals, licenses, systems, and experience to perform all such program requirements and all MLPA and/or POA requirements for each mortgage program that the Applicant intends to participate in, e.g., Fannie Mae, Federal Housing Administration, Rural Development, Veterans Administration, or private mortgage insurance.
 - (4) Office, Staffing, and Systems. It has sufficient staffing and systems to perform all MLPA and/or POA requirements, including providing resumes/bios of owner and key personnel. It has a physical office in the State that is completely staffed with adequate systems to respond to borrowers, real estate professionals, and the Authority, as well as to fulfill all MLPA and or POA requirements. The Applicant may request permission to not have a physical office in the State.

- (5) Mortgage Experience. It has experience as a mortgage lender and/or mortgage originator, which will include providing information on a history of the Applicant's loan volume.
 - (6) Financial Capacity and Minimum. It has sufficient financial resources to perform all Participating Lender and/or Participating Originator requirements. Unless otherwise established by the Authority, the Applicant shall have a minimum net worth consistent with the Fannie Mae or the Freddie Mac net-worth requirement.
 - (7) No Litigation Pending. There is no action, suit, proceeding, inquiry, or investigation pending or threatened against the Applicant that, either individually or in the aggregate, would:
 - (A) Result in any adverse change in the Applicant's business, operations, financial condition, properties, or assets; or
 - (B) Draws into question the Applicant's ability to perform all MLPA and/or POA requirements.
 - (8) No Consent Required. No consent, approval, authority, or order of any court or governmental entity is required for the Applicant to operate as a Participating Lender or Participating Originator.
 - (9) No Federal or State Suspension or Investigation. It is not subject to any federal, state, or other jurisdiction debarment, suspension, or current investigation related to its lending practices or mortgage operations.
 - (10) Fidelity Bond and Errors and Omissions Insurance. In accordance with the Authority requirements, it has a blanket fidelity bond and an errors and omissions insurance policy, covering the Applicant's officers, employees, and others acting for the Applicant.
- (d) Other Requirements. The Applicant shall provide the Authority with any other documents or information requested by the Authority to evaluate the Application.

HFA 311.06 Authority Decision

- (a) The decision to grant or to deny an Application is based on several factors. Nothing in these rules or in any Authority communication or action creates any right in the Applicant or requires the Authority to approve an Application. The Authority retains its discretion and judgment when deciding on such Applications.
- (b) The Authority shall send the Applicant a written letter of denial or approval.
- (c) If the Authority approves the application, the Applicant shall, before taking any other action related to the Authority's Single-Family Mortgage Program:

- (1) Execute the MLPA and/or POA;
 - (2) Complete any Authority-required training; and
 - (3) Complete any other Authority-required action.
- (d) If the Authority denies an Application, the Applicant may seek a review of that decision by sending a request for review, stating the basis for the request, to the Authority's Executive Director. The Executive Director shall review the request and provide the Applicant with a decision. After receiving the Executive Director's decision, the Applicant may seek further review by sending a request for review to the Authority's Board of Directors.

HFA 311.07 Termination of Participation

The termination of the Authority's approval to be Participating Lender and/or Participating Originator is governed by the MLPA and/or the POA.