

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

**Emergency Home Repair Loan (EHRL)
HFA 331**

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HFA 331

HFA 331 PART ONE: Overview, Purpose, Applicability

HFA 331.01 Overview and Purpose

- (a) The Authority encourages all buyers to have adequate inspections performed before buying a home. Additionally, all homeowners should: perform continuous upkeep and maintenance to keep homes in good repair, and save money to cover repairs. Nonetheless, the Authority understands that homes can have conditions not discoverable with normal inspections, and can have conditions that arise due to emergencies or due to other situations.
- (b) The EHRL program is an Authority-direct loan program that helps Eligible Homeowners pay for Eligible Repairs to their homes when an emergency or other event occurs that affects the home's livability, safety, or energy efficiency. The EHRL program aims to help pay for such Eligible Repairs using EHRL funds so the Eligible Homeowner may use their own funds to remain current on their first mortgage.
- (c) These rules outline:
 - (1) Borrower eligibility;
 - (2) The loan terms;
 - (3) The steps to obtain an EHRL; and
 - (4) Program administration.

HFA 331.02 Applicability

- (a) The EHRL program is only available to Eligible Homeowners who currently have an Authority first mortgage. Non-Authority borrowers are not eligible.
- (b) The provisions of HFA 301 are incorporated into these HFA 331 rules.

HFA 331.03 Program Limits and General Standard

- (a) EHRLs are only available when the Authority has allocated funds to the EHRL program.
- (b) The Authority may use various sources of funds for the EHRL program, which may impact the eligibility requirements and the other loan terms, depending on the funding source.

- (c) Applicants are not entitled to an EHRL. The decision to grant or deny an EHRL application is based on several factors. Nothing in these rules or in any Authority communication or action creates any right in a borrower or requires the Authority to grant an EHRL request. The Authority retains its discretion and judgment when deciding on EHRL requests.

HFA 331 PART TWO: Definitions

HFA 331.04 Definitions

In addition to terms defined in HFA 301, the following words or terms shall have the following meanings in these HFA 331 rules:

“Authority” is defined in HFA 301.

“EHRL” means an “Emergency Home Repair Loan” that is made under these rules and is evidenced by a note, a recorded mortgage, and any other Authority required documents.

“Eligible Homeowner” means an individual(s) who meets all of the Authority’s EHRL requirements, including those requirements in this rule and in the EHRL program documents.

“Eligible Repairs” means a repair that meets the requirements of this rule and the EHRL program documents.

“Liquid Assets” means cash or other investments that can be readily converted to cash. The term “Liquid Assets” does not include: money held in retirement accounts or educational accounts that are recognized by the Internal Revenue Service, such as IRA, 401K, or 529 accounts; funds held in special savings accounts such as Individual Development Accounts; plans to achieve self-support through Social Security; or the cash value in life insurance policies.

“Permitted Reserves” means the amount of Liquid Assets that would be remaining after paying for the Eligible Repairs. The Authority’s program material, including the product sheet, shall establish an amount for the Permitted Reserves. Example: Assume the Authority has set “Permitted Reserves” at \$5,000. The Eligible Homeowner has \$7,500 in Liquid Assets. The Eligible Repair is estimated to cost \$10,000. The Eligible Homeowner may be required to apply \$2,500 of their Liquid Assets to the Eligible Repairs and may obtain a \$7,500 EHRL. This would leave the Eligible Homeowner with \$5,000 of Liquid Assets as their Permitted Reserves.

“Principal Residence” means an Eligible Homeowner’s permanent place of living. An Eligible Homeowner can have only one Principal Residence at any time.

HFA 331 PART THREE: EHRL Program Guidelines

HFA 331.05 EHRL Product Sheet

- (a) The program terms of the EHRL program may vary from time to time.

- (b) When the Authority is offering the EHRL program, the Authority shall have an EHRL product sheet that shall state:
 - (1) A description of the EHRL program;
 - (2) The borrower eligibility requirements, including those stated in these rules;
 - (3) The Eligible Repairs;
 - (4) The Permitted Reserves allowance;
 - (5) The minimum and maximum loan amount, the interest rate, and the repayment period;
 - (6) Any applicable fees and costs; and
 - (7) Other requirements and conditions.
- (c) The EHRL product sheet shall be posted on the Authority's Website. When requested, the Authority shall provide the EHRL product sheet to applicants.

HFA 331 PART FOUR: EHRL Eligibility Requirements

HFA 331.06 Borrower Eligibility

- (a) To be eligible for an EHRL, the applicant shall:
 - (1) Meet any Authority income requirements for the EHRL program;
 - (2) Have an Authority first mortgage that is current on all payments and all other mortgage obligations;
 - (3) Demonstrate that the home is the applicant's Principal Residence;
 - (4) Demonstrate that the applicant lacks sufficient Liquid Assets, or other resources, to pay for the Eligible Repairs while still maintaining Permitted Reserves;
 - (5) Provide all application, information, and documents required by the Authority to review the EHRL request, including information about:
 - (A) The applicant's income, assets, and credit;
 - (B) The home's value; and
 - (C) The proposed repairs and the repair costs.

- (b) Pay any required Authority fees and pay any Authority costs incurred in processing the EHRL application, including fees for credit, appraisal, inspection, and title.

HFA 331.07 Eligible Repair

An Eligible Repair is work that:

- (a) Is required due to emergency, other event, degradation, or significant insufficiency;
- (b) Is not covered by the homeowner's insurance; and
- (c) Impacts the home's:
 - (1) Livability or safety; or
 - (2) Causes excessive operating costs that impact the eligible homeowner's ability to afford the home, such as excessive energy costs.

HFA 331 PART FIVE: Decision on EHRL Request

HFA 331.08 Authority Decision on EHRL Request

- (a) The Authority shall review the EHRL application, the proposed repairs, and then determine whether to grant or deny the application based on the following:
 - (1) The applicant's financial situation;
 - (2) The urgency and need of the Eligible Repairs;
 - (3) The estimated repair costs; and
 - (4) Such other factors as deemed material by the Authority.
- (b) The Authority shall send the EHRL applicant a written letter of approval or denial.
- (c) If the Authority denies an EHRL 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.