

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

**Low and Moderate Income Loan Program Fund
Housing Loan Trust
HFA 332**

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HFA 332 PART ONE: Overview, Purpose, Applicability

HFA 332.01 Overview and Purpose

The Authority administers funds made available under RSA 204-C:63-70. This program is known as the “Housing Loan Trust” (HLT). These rules outline: HLT fund allocations; borrower eligibility; HLT loan terms; the steps to obtain an HLT loan; and program administration.

HFA 332.02 Applicability

These rules only apply to programs and loans that use Housing Loan Trust funds.

HFA 332.03 Rulemaking

The Homeownership Rules, defined in HFA 301, are generally adopted pursuant to RSA 204-C:9, which empowers the Authority to adopt rules relative to programs and operations. In addition, these HLT rules are specifically adopted pursuant to RSA 204-C:68, which states the required rules for this HLT program.

HFA 332.04 Program Limits and General Standard

- (a) Programs and loans are only available when the Authority has HLT funds that have not otherwise been committed or allocated.
- (b) The decision to grant or deny a program application by a non-profit or a loan application by a potential borrower is based on several factors. Nothing in these rules or in any Authority communication or action creates any right or requires the Authority to grant a request for HLT funds. The Authority retains its discretion and judgment when deciding on such requests.

PART TWO: Definitions

HFA 332.05 Definitions

The following words or terms shall have the following meanings:

“Authority” is defined in HFA 301.

“Eligible Borrower” means a person who meets the program guidelines of the Housing Loan Trust program, including the statute, these rules, and the Authority’s program requirements.

“Eligible Non-Profit” means a New Hampshire voluntary corporation with Internal Revenue Service 501(c)(3) non-profit tax exempt status.

“Eligible Use(s)” means those uses of Housing Loan Trust funds permitted by RSA 204-C:63-70, these rules, and the Authority’s program requirements.

“Home” means an owner-occupied Principal Residence that meets the requirements of these rules and the Authority’s program requirements.

“Housing Loan Trust” or “HLT” means funds and programs administered under RSA 204-C:63-70 and these rules.

“HLT Loan” means a loan to an Eligible Borrower for an Eligible Use, which loan meets all of the requirements of the Housing Loan Trust Fund program.

“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.

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

“State” is defined in HFA 301.

“Website” means any Authority website, including www.nhhfa.org or www.gonewhampshirehousing.com.

HFA 332 PART THREE: Housing Loan Trust Program Guidelines

HFA 332.06 Eligible Uses

Housing Loan Trust funds shall only be used to make HLT Loans to Eligible Borrowers to:

- (a) Provide assistance for downpayment, closing costs, and other fees associated with a Home purchase; or
- (b) Assist with eligible rehabilitation or improvements to a Home.

HFA 332.07 Allocation and Administration

- (a) The Authority’s Board of Directors may periodically allocate HLT funds.

- (b) Programs utilizing HLT funds may be:
 - (1) Directly administered by the Authority; or
 - (2) Administered by Eligible Non-Profits that have requested and been approved for an allocation of Authority HLT funds.
- (c) Eligible Non-Profits may request an allocation of HLT funds by submitting to the Authority an application that includes:
 - (1) Proof that the applicant is an Eligible Non-Profit;
 - (2) A program description under HFA 332.08;
 - (3) The program's Eligible Uses;
 - (4) The amount requested with a time period to deploy the HLT funds;
 - (5) The administration fees or other loan costs chargeable to the HLT borrower;
 - (6) The outreach to be performed;
 - (7) The loan terms, including amount, interest rate, and repayment period;
 - (8) The data that will be provided to the Authority; and
 - (9) Such other information required by the Authority.
- (d) If an allocation is approved, the Eligible Non-Profit shall:
 - (1) Execute a grant agreement with the Authority; and
 - (2) Provide a final program description that shall be included with the grant agreement.
- (e) The Authority aims to deploy HLT funds, and therefore, the Authority may at times have several outstanding allocations to Eligible Non-Profits. Allocations to Eligible Non-Profits shall include a timeframe in which the Eligible Non-Profit shall deploy HLT funds. Nonetheless, the Authority shall not be liable if the Authority is unable to fulfill an allocation due to lack of HLT funds.

HFA 332.08 Program Description

- (a) Whether administered by the Authority or an Eligible Non-Profit, each HLT program shall have an HLT program sheet that shall state:

- (1) The name of the program;
 - (2) A description of the program;
 - (3) The eligibility requirements, including borrower, income, property type, price limits, and credit;
 - (4) The eligible uses of loan proceeds;
 - (5) The general underwriting criteria; and
 - (6) The terms of the HLT loan, including
 - (A) Any applicable fees and costs; and
 - (B) Other loan terms, requirements, and conditions.
- (b) If an Authority-run HLT program, each program description sheet shall be posted on the Website.
- (c) If an Eligible Non-Profit HLT program, the program description shall be posted on the non-Profit's Website.

HFA 332.09 Loan Amount and Fees

- (a) In creating any HLT program, the Authority shall establish the permitted loan amounts based on:
- (1) Income level of the borrower(s);
 - (2) The goals of the specific HLT program;
 - (3) Other financing options; and
 - (4) Other factors set by the Authority.
- (b) The Authority or the Eligible Non-Profit may charge a reasonable fee for its services. Fees charged by an Eligible Non-Profit are subject to approval by the Authority. Fees charged by the Authority or an Eligible Non-Profit may be added to the loan amount.

HFA 332.10 Loan Requirements

- (a) All loans must be evidenced by a note and secured by a mortgage on the Home in recordable form. The note and mortgage forms used must be provided or approved by the Authority.

- (b) All loans must be due and payable in full upon sale or refinance of the Home or if the Home is no longer owner-occupied.
- (c) The Authority shall establish program-specific interest rates and repayment terms based on borrower eligibility and current market interest rates.

HFA 332.11 Borrower Contribution

- (a) Borrowers shall invest personal funds to the extent available to ensure the borrower's commitment to the property. The required contribution may be determined based on the program's goals and the individual borrower's circumstances, including loan amounts and available Liquid Assets.
- (b) Borrowers may also show commitment by providing labor when supervised by an Eligible Non-Profit using HLT funds.

HFA 332.12 Borrower Eligibility

To be eligible for an HLT Loan the applicant shall:

- (a) Meet any income requirements for an HLT Loan;
- (b) Demonstrate that the Home is the applicant's Principal Residence or will be within a reasonable time after purchase;
- (c) Demonstrate that the applicant meets all HLT program requirements, including any Liquid Asset limit;
- (d) Demonstrate the borrower contribution under HFA 332.11;
- (e) Provide all application, information, and documents required by the Authority, or if applicable by an Eligible Non-Profit, to review the HLT request; and
- (f) Pay any required fees and pay any costs incurred in processing the HLT application, including fees for credit, appraisal, inspection, and title.

HFA 332.13 Application Process

Once a complete application has been received, the Authority or the Eligible Non-Profit, as applicable, shall:

- (a) Review the HLT application and determine whether to grant or deny the application; and
- (b) Send the HLT applicant a written letter of approval or denial.

HFA 332.14 Public Benefit

The Authority, and when applicable the Eligible Non-Profit with an HLT allocation, shall review each request for assistance under this subdivision to determine whether such request is primarily for a public purpose and benefit in accordance with RSA 204-C:20.