



HOMEOWNERSHIP DIVISION

February 11, 2019

USDA RD Purchase Rehab Loan Changes

Product Change

Based on changes at RD and our recent communications with RD, New Hampshire Housing is revising the RD Purchase Rehab loan program to conform with the RD requirements.

Effective immediately, to meet the RD requirements, the following change has been made to the RD 203K Rehab program:

- All RD Purchase Rehab loans shall follow the RD guideline of rehab escrows not exceeding 10% of the property's value, meaning loans cannot exceed 110% of property's proposed/rehabbed value.

This means that New Hampshire Housing will **no longer allow** up to \$35,000 in rehab with RD loans. Rather, RD purchase loans will be limited as explained above.

We will be updating our Fact Sheets and related documentation to reflect these changes.

NOTE: This change does not affect the FHA 203K Limited Program.

Dealing with the Pipeline

RD has agreed to allow us to grandfather in any current active RD Purchase Rehab applications. We must submit a list of active loans for RD to review under the prior guidelines. We can provide RD with the loans that have already been reserved in our system. However, we know you may be working with a borrower for whom an application has been taken but for whom a loan reservation has not yet been made. If you want that loan grandfathered, you must, by **February 14, 2019**, submit the following information (via email to mchadbourne@nhhfa.org):

Borrower(s);
Address;
Application Date;
Estimated rehab amount; and
Estimated closing date.

If you do not provide this information by the deadline, we will not be able to purchase your loan. Please note, this grandfathered option is only available for loans already with reservations or with applications. Preapprovals will not be accepted.

Questions?

For overall program questions, please contact Darren O'Toole at (603)310-9245 or email dotoole@nhhfa.org.

For specific process and underwriting question, please contact Mike Chadbourne at (603)310-9247 or email mchadbourne@nhhfa.org.

Thank you,

New Hampshire Housing Homeownership Team