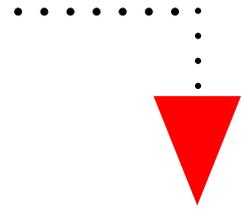


April 10, 2018

New Hampshire Housing

Future change in Flex Plus



Home *Flex Plus* Cash Assistance Program: Heads Up

We wanted to provide you with a heads up about our Home Flex Plus. As you know, Home Flex Plus provides borrowers with cash assistance. One of the unique values of Home Flex Plus is that HUD allows those funds to count towards the borrower's required minimum contribution. New Hampshire Housing has been doing all it can to offer this program at the lowest possible interest rate.

Recently, secondary-market investors have been scrutinizing MBS that are backed by cash assistance loans. Simply put, investors have been pricing down cash-assistance loans that do not include a prepayment obligation. So, while New Hampshire Housing has been aggressively setting interest rates to help you and your borrowers, we cannot sustain this effort without bringing back the obligation to repay the cash assistance.

In mapping out a solution, we have reached out to several lenders along with our financial advisors. We are still working out the details. Here are some, subject-to-change highlights;

- Borrowers will sign a promise to repay the cash assistance that will be secured by a recorded lien/mortgage;
- The cash assistance will:
 - o Be interest free;
 - o Not require any periodic payments;
 - o Require repayment only if the borrower sells or refinances anytime during the first four years; and
 - o Be forgiven all at once—four years after the closing date (unless the borrower earlier sold or refinanced).

To provide lenders with advance notice, New Hampshire Housing will send out a lender notice two weeks before this policy's effective date (target effective date is between May 15 and June 15). The new policy will then apply to any new Home Flex Plus reservation, meaning reservations that already exist will not be subject to the new policy.

If you have any questions or comments, please contact Ignatius MacLellan, (603)310-9270 or imaclellan@nhhfa.org

Thank you