



HOMEOWNERSHIP DIVISION

April 22, 2019

Update: FHA Mortgagee Letter 19-06 on Cash Assistance

We have reviewed the Mortgagee Letter and consulted with our national association (National Council of State Housing Agencies), which has been communicating with FHA. The Mortgagee Letter re-states the FHA's requirements for downpayment programs, focusing on the Minimum Required Investment (MRI). We understand the FHA intends this Mortgagee Letter to be clarification, not a statement of new requirements.

Based on this Mortgagee Letter and other FHA requirements, we are confident in saying that New Hampshire Housing's downpayment assistance program (Home *F*lex Plus) has and will continue to meet these FHA requirements.

In the Mortgagee Letter, however, the FHA spells out some additional required documents to support the conclusion that a program meets FHA requirements. Therefore, New Hampshire Housing is obtaining or drafting the following documents.

- Opinion letter from our attorney that New Hampshire Housing is a qualified "governmental entity," as defined by FHA, and that New Hampshire Housing is working within its authorized jurisdiction. That opinion letter will include copies of the applicable New Hampshire statutes. New Hampshire Housing will have a standard opinion letter that lenders can place in individual loan files.
- Model letter from New Hampshire Housing to lenders that the property for which Cash Assistance is requested is within New Hampshire Housing's jurisdiction etc. This letter will be issued for each loan.

Our goal is to have these documents drafted and released no later than May 1, 2019.

Questions?

If you have any questions, please contact Darren O'Toole at (603) 310-9241 or email dotoole@nhhfa.org.

Thank you,

New Hampshire Housing Homeownership Team