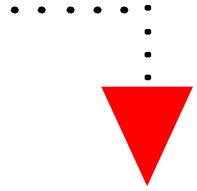


July 26, 2018
New Hampshire Housing
Important Lender Notice



Lender Notice on Home *Flex* Plus

On June 15, 2018, we announced the new structure for Home *Flex* Plus mortgages. The significant change was requiring a “Cash Assistance Mortgage.” The change was made effective for all Home *Flex* Plus reservations made on or after July 16, 2018.

Given TRID disclosure requirements and other timing/coordination issues, New Hampshire Housing structured the Cash Assistance Mortgage so the Participating Lender on the Home *Flex* Plus mortgage (the first mortgage) would act as the document preparer on the Cash Assistance Mortgage (the second mortgage). Participating Lenders have signed the “Document Preparation Agreement” to memorialize this *administrative process*.

A lender has contacted New Hampshire Housing with the opinion that Participating Lenders who assist with the Cash Assistance Mortgage might be considered “mortgage brokers” under RSA Chapter 397-A (Licensing of Nondepository Mortgage Bankers, Brokers, and Servicers). See definition of “mortgage broker”. Please note: other lenders have told us they do not think that the Cash Assistance Mortgage arrangement creates a mortgage broker arrangement. In our attempt to be transparent, we thought it would be prudent to inform lenders about this question.

New Hampshire Housing believes that as a public instrumentality of the state, it is empowered to make arrangements about how to administer the Cash Assistance Mortgage. Therefore, New Hampshire Housing structured the administrative process for the Cash Assistance Mortgage so that Participating Lenders would be acting solely as document preparers. Further, in terms of the Cash Assistance Mortgage, Participating Lenders are *not*: 1) taking applications, 2) making credit decisions, or 3) determining/negotiating terms. Nonetheless, the New Hampshire Banking Department might conclude that the Participating Lenders are subject to RSA Chapter 397-A as “mortgage brokers” for their role in the Cash Assistance Mortgages. To obtain clarification, New Hampshire Housing will be meeting with the Banking Department next week.

While we are working with the Banking Department, Participating Lenders should review this issue and make their own decision about whether they conclude that the “mortgage broker” definition in RSA Chapter 397-A applies to their role with the Cash Assistance Mortgages and if so, what steps need to be taken. We are open to any input you may have to help continue this important program while we await clarification.

On a very positive note, we are happy to report that reservations for Home *Flex* Plus have remained quite strong. We are fully committed to helping New Hampshire borrowers access the cash assistance they need. In our last fiscal year, over 600 households received over \$3.3 million to help them buy their homes. We are grateful to you, our lenders, who have helped us adapt to changing dynamics and who have provided valuable information and support.

Any questions, please contact Ignatius MacLellan, Managing Director, Homeownership.
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Thank you.