Home *Preferred* Update: Lender Training
Overview

Review Changes to New Hampshire Housing’s Home Preferred Program

Headlines:

• Fannie Mae making us change again!
• New strict income limits for Home Preferred and Home Preferred Plus: 80% area median income (AMI) or less only.
• Suspending Home Preferred No MI.
• Effective dates: September 2019 (more detail later in presentation)

Take Away: Our Home Preferred Program beats HomeReady® for certain borrowers.
What We Will Cover

- Home *Preferred* Changes
- Effective Dates
- Value of Home *Preferred* Program
- Q&A
FANNIE MAE CHANGES
Recent Changes: Two Parts

• Universal
• HFA Specific
Universal Changes

Effective: July 20, 2019

- HomeReady® will be capped at 80% AMI—even in targeted communities.
- DU changes will shrink the credit box again for borrowers with multiple risk factors, making it harder for borrowers below 80% AMI.
- Fannie Mae new income limits
### Income Limit Changes

<table>
<thead>
<tr>
<th>County</th>
<th>2019 FNMA 80% limit*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belknap</td>
<td>65,280</td>
</tr>
<tr>
<td>Carroll</td>
<td>65,280</td>
</tr>
<tr>
<td>Cheshire</td>
<td>65,280</td>
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<tr>
<td>Coos</td>
<td>65,280</td>
</tr>
<tr>
<td>Grafton</td>
<td>71,920</td>
</tr>
<tr>
<td>Hillsborough</td>
<td>78,480</td>
</tr>
<tr>
<td>Merrimack</td>
<td>74,160</td>
</tr>
<tr>
<td>Rockingham</td>
<td>87,360</td>
</tr>
<tr>
<td>Strafford</td>
<td>87,360</td>
</tr>
<tr>
<td>Sullivan</td>
<td>65,280</td>
</tr>
</tbody>
</table>

*Income limits provided are for demonstration only. For actual Home Preferred income limits, use the Fannie Mae Lookup Tool found at [https://homeready-eligibility.fanniemae.com/homeready/](https://homeready-eligibility.fanniemae.com/homeready/).
HFA Specific Changes

Effective Date: September 5, 2019

- Fannie Mae removed housing goals requirements from all contracts.
- Fannie Mae introduced a new pricing model based on borrower AMI:
  - Borrower income at or below 80% AMI; and
  - Borrower income over 80% AMI.
- Fannie Mae Limited Risk Share to below 80% AMI.
UPCOMING CHANGES
Home *Preferred* and Home *Preferred* Plus will be limited to borrowers with income at 80% or less of area median income (AMI) based on the property location.

- This means that, in September, New Hampshire Housing will no longer be providing Home *Preferred* loans to borrowers over 80% AMI.
- Lenders will use the HomeReady® Income Lookup Tool to determine property AMI.

***Home Flex Income limits will continue to be $128,900***
Upcoming Changes

Process overview on and after September 5, 2019, Home *Preferred* and Home *Preferred Plus*: Income Limit

- Strict 80% AMI limit for Home *Preferred* and Home *Preferred Plus*. New Hampshire Housing cannot provide exceptions without significant rate difference.

- Fannie Mae HomeReady® lookup tool, which lenders can use to make initial income qualifying determination.

- When the loan is run in DO/DU, findings must include the following message: “This loan qualifies for specific HFA *Preferred* pricing for loans where the total qualifying income does not exceed 80% of AMI for the area in which the property is located.”

- Before making the commitment with Fannie Mae, New Hampshire Housing will confirm two things: 1) the DO/DU Date is on or after September 5; and 2) the DO/DU findings includes the required message.
Upcoming Changes

Home Preferred No MI Program Will be Suspended

• In September, we will suspend this program. The program will still be available until September.

• For now, we have removed this program and rates from our websites. The rate will still be posted in Lender Online and included in the daily rate email.
Effective Dates: The Basics

These changes will be effective the first week of September. The basic deadlines are as follows, but there are some complexities behind these deadlines.

**September 4th:**
- Home *Preferred* and Home *Preferred* Plus:
  - Deadline to: 1) run loans in DO/DU for borrowers above 80% AMI; and 2) make a loan reservation.
- Home *Preferred* No MI:
  - Deadline to: 1) run loans in DO/DU for all borrowers; and 2) make a loan reservation.

**September 5th:**
- Home *Preferred* No MI: Closed to reservations.
- Home *Preferred* and Home *Preferred* Plus: Reservations limited to borrowers 80% AMI or less.
### Effective Dates Summary

<table>
<thead>
<tr>
<th>DO/DU Before September 4&lt;sup&gt;th&lt;/sup&gt;</th>
<th>Home Preferred</th>
<th>Home Preferred Plus</th>
<th>Home Preferred No MI</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Limit</td>
<td>Up to $128,900</td>
<td>Up to $128,900</td>
<td>Up to $128,900</td>
<td>If loan reserved after September 4th, contact New Hampshire Housing for pricing.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DO/DU After September 5&lt;sup&gt;th&lt;/sup&gt;</th>
<th>Home Preferred</th>
<th>Home Preferred Plus</th>
<th>Home Preferred No MI</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Limit</td>
<td>&lt;80%</td>
<td>&lt;80%</td>
<td>No longer available</td>
<td>Income limits found here: HomeReady&lt;sup&gt;®&lt;/sup&gt;. No exceptions to the income limit!</td>
</tr>
</tbody>
</table>
Effective Date Details: Home *Preferred No MI*

**September 4th:**

Deadline for Home *Preferred No MI*. Program Ends for New Hampshire Housing.

- Last day for lenders to make a loan reservation for Home *Preferred No MI* (aka “risk share”). New Hampshire Housing will not take any Home *Preferred No MI* reservations after September 4th.

- **Exception**: If the DO/DU Date is on or before September 4th and the lender contacts New Hampshire Housing by September 13th, then New Hampshire Housing will look at pricing, and the lender will have an opportunity to reserve that loan for that pricing.

- **Remember**: With DO/DU Date on or after September 5th: New Hampshire Housing is shutting the program down; AND Fannie Mae is not even allowing these loans for borrowers above 80% AMI.
Effective Dates

Effective Date Details: Home *Preferred* and Home *Preferred* Plus

**September 4th:**

- Deadline for reservations for Home *Preferred* and Home *Preferred* Plus for borrowers above 80% AMI.
- New Hampshire Housing will not take any reservations for Home *Preferred* or Home *Preferred* Plus reservations for borrowers over 80% AMI after September 4th.
- Lenders should run DO/DU on or before September 4th to ensure New Hampshire Housing will accept the reservation at the posted rate.
- **Exception:** If the DO/DO date is on or before September 4th, then New Hampshire Housing will look at pricing, and the lender will have an opportunity to reserve that loan for that pricing.
Effective Date Details: Home *Preferred* and Home *Preferred* Plus

**September 5th:**

- No Home *Preferred* No MI reservations permitted.
- Home *Preferred* and Home *Preferred* Plus will be limited to borrowers at or below 80% AMI.
- New Hampshire Housing will be posting interest rates, assuming the loans had DO/DU Date on or after September 5th. If DO/DU date is before September 5th, lender can contact New Hampshire Housing for rate and reservation.
- New Hampshire Housing will be checking all reservation to confirm the DO/DU date. If the DO/DU date is before September 5th, New Hampshire Housing will contact the lender to inform them about the available rate.
- **Strict:** No Home *Preferred* No MI at all, regardless of borrower income.
New Hampshire Housing Home Preferred:
Better than HomeReady® for Some Borrowers
Value Proposition

Even with these changes in September, our Home Preferred and Home Preferred Plus will beat HomeReady® by offering great features to borrowers at or below 80% AMI.

- Minimum MI coverage (18%), lower than HomeReady®!
- No loan level price adjustments, better than HomeReady®! (Minimum 620 credit score)
- Up to 3% downpayment assistance with Home Preferred Plus.
- Low rates.
Where can I find information on income limits?

WWW.NHHFA.ORG
QUESTIONS & ANSWERS
DON'T COMPLICATE YOUR LIVES!!!!

Reservation Date up to September 4th Details

- Reservations made will have income limits of $128,900
- Loan will have pricing based on old model.
- Last day for Risk Share loans.

Reservations Made on or after September 5th

- Reservations made must have qualifying income at 80% AMI
- AMI over 80% not accepted in Home Preferred loan program.
- Risk Share loans no longer an option.
Contact Information

Darren O’Toole
Director, Business Development
603-310-9245
603-396-1097
dotoole@nhhfa.org

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY
32 Constitution Drive, Bedford, NH 03110
Mail: PO Box 5087, Manchester, NH 03108
603.472.8623
NHHFA.org

Home Preferred Program Training