



HOMEOWNERSHIP DIVISION

December 20, 2018 Lender Notice: Home Preferred Cash with Assistance and New Home Preferred Income Limits

This lender notice provides a brief description of changes that ***will be coming*** to the Home Preferred Program (Fannie Mae execution). While we have not yet set an effective date, we wanted to provide advance notice.

Home Preferred Plus

New Hampshire Housing will be adding Cash Assistance to our Home Preferred with MI loan program. This new program will be called Home Preferred Plus. We know that your borrowers want the option of Cash Assistance with a conventional loan. The Home Preferred Plus loan includes Cash Assistance of 3% of the loan amount, giving borrowers the option of 100% financing with a conventional loan. For the Cash Assistance part of the loan, Home Preferred Plus will use the same process and documents as currently used for the Home Flex Plus Program. This will make the process easy to implement.

Income Limit Changes

Recently, New Hampshire Housing was informed by Fannie Mae that our 2019 contract would require us to deliver a higher percentage of loans that meet Fannie Mae's housing goals (most importantly, loans to borrowers at or below 80% and 50% of area median income). We looked at what we could do to meet these new requirements – and reducing the income limits on the Fannie Mae loan program was the only viable option.

Therefore, we have decided that we will have to lower our income limit on the Home Preferred Program, using the following two factors.

1. ***The AMI for the property (Property AMI)***. This AMI will be determined by using Fannie Mae's HomeReady "Income Eligibility Lookup Tool" ([Lookup Tool](#)).
2. ***An adjustment for the specific loan program.***
 - Home Preferred and Home Preferred No MI: 115% of the Property AMI
 - Home Preferred Plus (Cash Assistance loan): 80% of the Property AMI

Example:

- For property located on the east side of Manchester, the Lookup Tool shows an AMI of \$81,600.
- The New Hampshire Housing income limits shall be:
 - Home Preferred and Home Preferred No MI \$93,840 ($\$81,600 \times 1.15$); and
 - Home Preferred Plus \$65,280 ($\$81,600 \times .80$).

Training

New Hampshire Housing will be offering live and online trainings. We will let you know when the trainings are available.

Timing

New Hampshire Housing does not yet have an effective date for these changes. However, the target date is for reservations made on or after February 1, 2019. New Hampshire Housing will provide lenders with notice of the effective dates as far in advance as we can.

Thank you for your continued commitment to New Hampshire Housing, and we hope you know we are committed to you, our lenders.

Any questions, please contact Darren O'Toole at 603-310-9245; email dotoole@nhhfa.org.