



HOME *PREFERRED*

PO

Description:	New Hampshire Housing in conjunction with Fannie Mae is offering Home <i>Preferred</i> . This program offers up to 97% LTV with low mortgage insurance coverage. This program is ideal for borrowers with limited funds for down payment and closing costs <i>now including features offered in the Home Ready program.</i> When you run DO always pick HFA Preferred.	
Rate and Term:	Established daily and published on www.nhhfa.org / 30 years	
Loan Purpose: Occupancy:	Purchase of a primary residence, limited cash out refinance Must be owner occupied Loans cannot be closed in a trust (NHHFA policy)	
Eligible Borrowers:	Any borrower whose income falls within current limit set by New Hampshire Housing <ul style="list-style-type: none"> • Home Buyer Education is required for all first time homebuyers • Education available at www.GoNewHampshireHousing.com • 2-4 units require Landlord and Homebuyer Education • Home Preferred / Home Ready rules apply, follow the findings • If they currently own property, and are maintaining it, they would need to qualify under Home Ready • NEW – Non-borrower title holders now acceptable – if allowed by mortgage insurer 	
Eligible Properties:	<ul style="list-style-type: none"> • 1-4 family primary residence <ul style="list-style-type: none"> ◦ 1-unit max 97% loan-to-value, ◦ 2-4 unit max 95% loan-to-value, • Must meet Fannie Mae eligibility on all condos/condos, • If the condo is not currently in our system we will request a condo questionnaire. • Manufactured housing allowed up to 95% LTV on its own land per Fannie Mae guidelines 	
Income, Credit, Assets:	<ul style="list-style-type: none"> • Income as currently published by New Hampshire Housing. • Non-occupant co-borrower income <u>does</u> have to be added to total for compliance. • 2-unit 75% of rental can be added to income to qualify. If used to qualify must be added for compliance. If not used to qualify does not need to be counted. • Written VOE's and 1 month paystubs will be required for each borrower • Credit: 620 minimum all borrowers • DO Approve/Eligible • NOTE: when combining with MCC you must follow MCC program income and purchase price limits 	
Minimum Cash Investment:	<ul style="list-style-type: none"> • One unit: \$0 • 2-4 unit: 3% (3-4 units are subject to pmi availability) <i>Private mortgage insurance requirements may differ please check.</i>	
Maximum LTV	<ul style="list-style-type: none"> • 97% for 1- units / CLTV 105% with Fannie Mae eligible community seconds • 95% for 2-4 units / CLTV 105% with Fannie Mae eligible community seconds 	
Reserves:	As per mortgage insurer	
Underwriting/Ratios:	Per DO. When entering DO choose the HFA Preferred option on the community lending screen. DO recommendations of Approve/Eligible are eligible for DO's Limited Waiver of reps and warrants. Qualifying ratios, reserves, and income requirements are determined by DO.	
Collections:	Per DO and insurers requirements	
Mortgage Insurance:	LTV	Mortgage Insurance
	>95% and <=97%	18%
	>90% and <=95%	16%
	>85% and <=90%	12%
	>80% and <=85%	6%
Gifts:	A gift letter is required; transfer of gift funds must be documented. File must include documentation that the gift funds were from an acceptable source and were the donor's own funds	

Interested Party Contributions	<ul style="list-style-type: none"> • 4% max for LTV greater than 90% per Fannie Mae Selling Guide • 6% max for LTV less than 90%
Water Test: Well and Septic:	<ul style="list-style-type: none"> • Purchases: Water test required for private water source. Testing must include Ecoli, Total Coliform, Lead, Nitrate and Nitrite. Any other primary parameters tested will have to pass. • Dug Well: must meet insurer requirements as well as a testing requirements above. • Community Wells: we will need a copy of the most recent water test • Well and septic must be sited on the property being financed. • Refinances: do NOT require a water test • CONDEX: with shared well and septic will need acceptable tests for both systems and a hold harmless stating the borrower is aware they are responsible for those systems.
Homeowners Insurance:	<ul style="list-style-type: none"> • Max deductible is the higher of \$1,000 or 1% of face amount of policy. When allowed by the mortgage insurer we will take into consideration value of out buildings. • CONDO: Must have master policy. If no walls in coverage and/or deductible is \$5,000 or more an HO6 will be required. • We will escrow for HO6 only if borrower requests it.
IMPORTANT	<ul style="list-style-type: none"> • Loans cannot be closed in a trust (NHHFA policy)