



New Hampshire Housing
Bringing You Home

New Hampshire Housing Home Start Homebuyer Tax Credit (MCC)

Pre-Approval Policy and Procedures
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Background

From time-to-time, New Hampshire Housing receives requests from lenders who, before the mortgage closing, seek a pre-approval of a Mortgage Credit Certificate (MCC) application (MCC Pre-Approval). This memorandum sets forth the policy and procedures lenders and New Hampshire Housing will follow when processing an MCC Pre-Approval request.

MCC Pre-Approval Overarching Policy

New Hampshire Housing does not require lenders to seek an MCC Pre-Approval. Generally, the lender compiles the MCC application and provides it to New Hampshire Housing after the mortgage closing. New Hampshire Housing then reviews the application and issues the MCC, if the borrower qualifies. To accommodate lender's request, New Hampshire Housing will provide an MCC Pre-Approval, provided the lender complies with this policy.

Important: New Hampshire Housing asks lenders to seek MCC Pre-Approval only when essential to the mortgage transaction (e.g., borrower needs the MCC to qualify for the mortgage), therefore, New Hampshire Housing expects these requests to be limited.

Use of MCC When Underwriting a Mortgage

Provided the loan meets all applicable requirements, New Hampshire Housing will purchase loans that use an MCC in qualifying the borrower. In doing so, the lender must follow the MCC requirements established by the different loan programs or mortgage insurer/guarantor, which can vary based on the type of loan being underwritten (FHA, RD, VA and Fannie Mae). When a lender sells a loan to New Hampshire Housing, the lender is representing that it complied with those underwriting requirements for using the MCC.

Lenders will make their own independent decision about whether to use the MCC in underwriting a loan. This MCC Pre-Approval policy **does not in any way alter** the lender's obligation under the Mortgage Loan Purchase Agreement to follow loan program requirements. If a lender fails to follow loan program requirements, including how to use the MCC in underwriting, New Hampshire Housing is not obligated to buy that loan. If New Hampshire Housing has already purchased such a loan, the lender can be required to repurchase that loan.

MCC Pre-Approval Procedures

Step One: Before the Mortgage Closing

If a lender requests an MCC Pre-Approval, New Hampshire Housing and the lender shall follow these procedures.

Lender Responsibilities

- The MCC Pre-Approval request must be submitted to New Hampshire Housing at least three business days before the scheduled mortgage closing.
- The lender must submit a **complete MCC Pre-Approval packet** (see next paragraph). New Hampshire Housing will not review an MCC Pre-Approval until the packet is complete.
- **MCC Pre-Approval Packet.** The lender must submit the following:
 - Copy of complete signed Loan Application (1003);
 - Online Homebuyer Tax Credit Training Certificate of Completion;
 - Copy of complete MCC Applicant(s) Affidavit and Recapture Notification;
 - Verification of the income for **All household members**, including:
 - Wages and other compensation (evidenced by most recent 30 days' pay stubs);
 - Child support;
 - SSI;
 - SSDI;
 - VA Benefits;
 - Pension/Annuity; and
 - Current year-to-date business profit and loss statement.
 - Tax Returns - signed and dated, copies for the most recent three years, complete with all schedules and W-2s, or three years complete IRS tax transcripts for **all household members with an ownership interest in the property**.

Note: If the property is located in a **Targeted Area**, tax returns and/or transcripts are not required, unless the borrower is self-employed, in which case, two years would need to be provided.

New Hampshire Housing Responsibilities

Upon receiving a complete MCC Pre-Approval packet, New Hampshire Housing will:

- Review the packet; and
- Within three business days, provide the lender a decision on the MCC Pre-Approval request.

Step Two: After the Mortgage Closing

Lender Responsibilities

After the mortgage closing, the lender must, within 14 calendar days of the closing date, submit the remaining documents for a complete MCC Application. The remaining documents required for an MCC to be issued are:

- Underwriting and Transmittal Summary (completed and signed by the underwriter);
- Copy of Real Estate Sales Contract, signed, with all Addenda;
- MCC Program Disclaimer and Affirmation of Responsibility;
- Applicant(s) Closing Affidavit;
- Seller Affidavit;
- Lender Closing Certificate;
- Copy of executed Note;
- Copy of executed Mortgage;
- Copy of Closing Disclosure (fully executed); and
- MCC fee.

Complete copies of all MCC documents can be found here:

- [Application package with New Hampshire Housing mortgages](#)
- [Application package without New Hampshire Housing mortgages](#)

Note: If the lender is aware of any material change, the lender shall submit a new and complete application.

New Hampshire Housing Responsibilities

Provided New Hampshire Housing does not receive any information of a material change in circumstances that would disqualify the MCC applicant, New Hampshire Housing will issue the MCC.

Material Change

If there has been any material change, the lender shall ensure New Hampshire Housing has a current complete MCC packet.

Disclaimer

This policy provides a process to obtain an MCC Pre-Approval. New Hampshire Housing's obligation to purchase a loan still depends on the lender ensuring that a loan meets all program guidelines. For example, if New Hampshire Housing has issued an MCC Pre-Approval but the borrower does not ultimately qualify for an MCC, and that impacts the ability to obtain insurance/guarantee on the loan, the lender bears that risk and New Hampshire Housing would not be required to buy that loan.