

New Hampshire Housing

January  
2020

# SELLING GUIDE



# New Hampshire Housing Selling Guide

This Selling Guide provides information for New Hampshire Housing's products and processes. It is considered part of the "Program Guidelines" and therefore part of the New Hampshire Housing's Mortgage Loan Purchase Agreement (MLPA) and Participating Originator Agreement (POA).

This Selling Guide is effective January 1, 2020. New Hampshire Housing reserves the right to amend this Guide by providing reasonable notice with an effective date of the change(s).

Published by New Hampshire Housing Finance Authority © December 2019  
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# **SECTION 1. DOING BUSINESS WITH NEW HAMPSHIRE HOUSING**

## **1.1 OVERVIEW, PURPOSE AND APPLICABILITY**

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### **1.1.1 Overview and Purpose**

New Hampshire Housing offers homeownership programs through entities approved by the New Hampshire Housing Finance Authority. These rules outline how entities can apply to work with New Hampshire Housing on the Single-Family Mortgage Program as a Participating Lender and/or Participating Originator.

If approved, each Participating Lender and Participating Originator shall sign a Mortgage Loan Purchase Agreement (MLPA) (for participating lenders) and/or a Participating Originator Agreement (POA) (for participating originators). Participating Lenders and Participating Originators shall not conduct any business with potential borrowers or with New Hampshire Housing until the MLPA and/or POA has been fully executed and the approved Participating Lender and/or Participating Originator has completed any Authority-required training.

This document constitutes a program guideline under the MLPA between New Hampshire Housing and the Participating Lender.

### **1.1.2 Applicability**

The guidelines found in this Selling Guide only apply to the Single-Family Mortgage Program. These guidelines do not apply to the Mortgage Credit Certificate (MCC) Program. For additional information, see Section 7.3.1, Mortgage Credit Certificate Program.

### **1.1.3 Amendments**

New Hampshire Housing may amend policies by providing participating Lenders with written notice of the change and the effective date of such change. The amended policy shall then be posted on New Hampshire Housing's [website](http://www.nhhfa.org) (www.nhhfa.org).

## **1.2 DEFINITIONS**

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### **Administration**

Administration includes the day-to-day, application-by-application decisions and procedures required to administer Homeownership Programs, including reviewing, processing, determining eligibility, establishing terms, and documenting program benefits to applicants.

### **Applicant**

An applicant is an entity that is seeking New Hampshire Housing's approval to be a Participating Lender and/or Participating Originator.

### **Application**

An application is the application form and all Authority required supporting documents, as detailed in New Hampshire Housing's application and supporting [document checklist](#).

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## **Approval**

Approval includes the process and decision by which entities and individuals seek to work with the Homeownership Programs, e.g., Participating Lenders and Participating Originators, and New Hampshire Housing's decisions on such applications.

## **Complete Application**

An application is completed when it contains all information and documents required by New Hampshire Housing to apply to be a Participating Lender or Participating Originator.

## **Deed**

Legal document that conveys ownership of the subject property.

## **Error**

Any legal document that does not comply with this policy, including noncompliance with the MLPA/POA, program guidelines, New Hampshire law or the requirements established by the mortgage insurer/guarantor and the secondary market/document custodian.

## **Homeownership Programs**

Homeownership Programs include New Hampshire Housing's programs related to homeownership.

## **Homeownership Rules**

Homeownership Rules include all of the administrative rules adopted by New Hampshire Housing that apply to the operations of New Hampshire Housing's Homeownership Programs.

## **Legal Documents**

The term includes the note, mortgage, assignment of mortgage and loan title insurance policy and any other such documents required by New Hampshire Housing.

## **Material**

Material means an application, documents, or notification that is permitted or required by New Hampshire Housing for an applicant to apply to New Hampshire Housing.

## **Mortgage Loan Purchase Agreement (MLPA)**

The Mortgage Loan Purchase Agreement and all addenda define the contractual relationship between New Hampshire Housing and the Participating Lender.

## **Participating Lender**

A Participating Lender is an entity that has been approved by New Hampshire Housing to originate, process, close, and fund mortgage loans that will be eligible for purchase by New Hampshire Housing.

## **Participating Originator**

A Participating Originator is an entity that has been approved by New Hampshire Housing to originate mortgage loans for borrowers who will be eligible for New Hampshire Housing's Single-Family Mortgage Program.

## **Participating Originator Agreement (POA)**

The Participating Originator Agreement and all addenda defines the contractual relationship between New Hampshire Housing and the Participating Originator.

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## **Program Guidelines**

All Program descriptions, product sheets, administrative rules, guidelines, forms, lender notices and procedures established by New Hampshire Housing (including the Selling Guide), any mortgage insurer, FHA, RD, VA, Ginnie Mae and Fannie Mae, all as may be amended from time to time.

## **Purchase**

The transaction by which New Hampshire Housing compensates the Participating Lender for selling and assigning a mortgage loan to New Hampshire Housing pursuant to this Agreement, in conformity with the Program Guidelines.

## **Resident-Owned Community (ROC)**

A resident-owned community is a cooperatively owned community of manufactured homes that are owned by the residents who live there, as opposed to an outside landlord. ROCs are allowed under the Home *Preferred* Manufactured Housing product in Fannie Mae approved ROCs.

## **Single-Family**

Single-Family, unless more specifically defined, is a residence that has one to four attached living units intended to be owner occupied, including stand-alone houses; two-four families; and manufactured housing that meets all code requirements, is permanently affixed, and is considered real estate.

## **Single Family Mortgage Program**

Single-Family Mortgage Program is the loan programs offered by New Hampshire Housing as described in this guide.

## **State**

The state of New Hampshire.

## **Website**

Any New Hampshire Housing website, including [www.nhhfa.org](http://www.nhhfa.org) or [www.GoNHHousing.com](http://www.GoNHHousing.com).

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## **1.3 HOMEOWNERSHIP PROGRAM RULES (HFA 301 – HFA 341)**

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### **1.3.1 Overview and Purpose**

Homeownership Program Rules address:

- Homeownership Program Rules can be found on our website;
- Information that New Hampshire Housing shall provide concerning the eligibility criteria and program terms for those seeking to use New Hampshire Housing's Homeownership Program;
- How parties, such as lenders, can work with New Hampshire Housing's Homeownership Programs; and
- Other matters within New Hampshire Housing's Homeownership Programs.

### **1.3.2 Applicability**

Unless otherwise noted in specific Homeownership Program Rules, the New Hampshire Housing Selling Guide guidelines apply to all programs. If there is a conflict or ambiguity between the New Hampshire Housing Selling Guide and a specific Homeownership Program rule, the specific Homeownership Program rule shall control.



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Authority homeownership programs are only available for properties that are located in the State of New Hampshire.

### **1.3.3 Rulemaking**

The Homeownership Program Rules are adopted pursuant to RSA 204-C:9, which empowers New Hampshire Housing to adopt rules relative to programs and operations. In cases where more specific statutes or regulations require or permit rules, those specific rules shall cite those statutes or regulations.

### **1.3.4 General Eligibility and Decisions on Applications**

New Hampshire Housing's Homeownership Programs offer various programs to assist eligible borrowers to become and remain homeowners. Eligibility and general requirements are stated in this Selling Guide, in program documents, including program/product sheets and on Authority websites.

The decision to grant or deny an application is based on several factors. Nothing in this Selling Guide or in any Authority communication or action creates any right in any party or requires New Hampshire Housing to grant an application. New Hampshire Housing retains its sole discretion and judgment when deciding on applications.

### **1.3.5 Funding Availability**

New Hampshire Housing has the power to determine which Homeownership Programs may be offered. New Hampshire Housing has the power to eliminate or reduce programs and funding. Programs are only available when resources are authorized and available for specific programs.

### **1.3.6 Filing Applications, Documents and Notifications**

All material shall be submitted in accordance with New Hampshire Housing's requirements.

Unless otherwise required, those wishing to apply for Authority programs may deliver material in writing addressed to New Hampshire Housing designated address.

New Hampshire Housing may also require or permit material to be delivered electronically to New Hampshire Housing designated address, portal, or system.

Material not properly addressed or delivered shall be considered not properly submitted. Unless specifically authorized by New Hampshire Housing, phone calls, texts, and emails are not considered valid delivery methods.

### **1.3.7 Fees and Costs**

New Hampshire Housing may charge a fee to apply for or to access a program or to participate in doing business with New Hampshire Housing. The Selling Guide shall state when such a fee is authorized, and New Hampshire Housing shall publish that fee on the Website.

In addition, various Homeownership Programs have associated costs to the borrower, e.g., credit reports, appraisals, title, and inspections, which shall be paid by the borrower when required by New Hampshire Housing.

### **1.3.8 Delegation**

Unless otherwise specified in the Homeownership Program Rules, New Hampshire Housing's Board of Directors delegates to the Executive Director:

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- The Administration of the Homeownership Programs, including approving or denying loan and program applications; and
- The Approval authority for those seeking to apply to work with New Hampshire Housing's Homeownership Programs.

In the Administration of programs and the Approval of borrowers, the Executive Director has authority to vary from Homeownership Program Rules to accomplish program and participation goals, provided such variances are consistent with any applicable statutes and other program rules, and will help to ensure fair treatment of borrowers.

Pursuant to New Hampshire Housing's operating policies, the Executive Director may delegate the Administration and Approval authority to appropriate staff.

### **1.3.9 Board Waiver**

As stated in HFA 301.10, New Hampshire Housing's Board of Directors may waive any rule when such waiver is warranted by good cause and when such waiver shall not be inconsistent with applicable law and regulation. The Board may delegate waiver authority to the Homeownership Committee.

### **1.3.10 Amendments**

Program requirements, including these Homeownership Program Rules and all program documents, may be amended from time to time based on New Hampshire Housing's sole discretion.

### **1.3.11 Impact of Repeal**

Unless explicitly stated by New Hampshire Housing, the repeal or amendment of a rule shall not impact existing borrowers. The loans of such borrowers shall remain subject to the rules in effect when their loan was executed, even if the rules have been repealed. Pending applications will be subject to the rules in place at time of application unless rule change was necessitated by statute. Such pending applications shall be subject to rules compliant with new statutory language and intent.

New Hampshire Housing shall maintain a list and a copy of all repealed rules for inactive programs. Upon request, those repealed rules shall be available for public inspection.

## **1.4 REQUIREMENTS TO APPLY**

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To request to be Participating Lender and Participating Originator, the following process shall be followed by the Applicant and New Hampshire Housing:

- The Applicant contacts New Hampshire Housing for the application;
- New Hampshire Housing sends the Applicant the application and, as appropriate, the MLPA and/or POA;
- The Applicant submits a complete application; and
- Once the Applicant has submitted a complete application, New Hampshire Housing reviews the complete application and either approves or denies the complete application.

An Applicant may apply to be both a Participating Lender and a Participating Originator in the same Application, provided all required information is submitted.

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By submitting a complete application, the Applicant is certifying, under penalties of perjury, that all information, statements, reports, or other documents furnished by the Applicant to New Hampshire Housing contain truthful and accurate statements and information. To the extent the Applicant relies on third parties, the Applicant shall take steps to ensure that information, statements, reports, or other documents from third parties are true and accurate.

While the complete application is pending review and approval, the Applicant shall notify New Hampshire Housing if anything in its application or supporting documents materially changes or is found to be materially inaccurate.

### **1.4.1 Eligibility for Participating Lender and Participating Originator**

New Hampshire Housing shall establish criteria for qualifying to be a Participating Lender and/or a Participating Originator.

New Hampshire Housing shall create and provide an application packet that shall include:

- The application;
- Participation information and criteria;
- A list of eligibility requirements; and
- A list of all required information and documents.

The application packet shall require the Applicant to demonstrate the following:

1. **Due Organization:** It is in good standing under the laws of the United States, the State, any applicable federal agencies, and the state of its formation or incorporation.
2. **Authority and Capacity to Transact Business:** It is authorized to transact mortgage business in the State and possesses all requisite authority and licenses to conduct its business.
3. **Authority to Participate in Mortgage Programs:** It has the requisite approvals, licenses, systems, and experience to perform all such program requirements and all MLPA and/or POA requirements for each mortgage program that the Applicant intends to participate in, e.g., Fannie Mae, Federal Housing Administration, Rural Development, Veterans Administration, or private mortgage insurance.
4. **Office, Staffing, and Systems:** It has sufficient staffing and systems to perform all MLPA and/or POA requirements, including providing resumes/bios of owner and key personnel. It has a physical office in the State that is completely staffed with adequate systems to respond to borrowers, real estate professionals, and New Hampshire Housing, as well as to fulfill all MLPA and or POA requirements. The applicant may request permission to not have a physical office in the State.
5. **Mortgage Experience:** It has experience as a mortgage lender and/or mortgage originator, which will include providing information on a history of the Applicant's loan volume.
6. **Financial Capacity and Minimum:** It has sufficient financial resources to perform all Participating Lender and/or Participating Originator requirements. Unless otherwise established by New Hampshire Housing, the applicant shall have a minimum net worth consistent with the Fannie Mae or the Freddie Mac net-worth requirement.
7. **No Litigation Pending:** There is no action, suit, proceeding, inquiry, or investigation pending or threatened against the applicant that, either individually or in the aggregate, would:
  - a. Result in any adverse change in the applicant's business, operations, financial condition, properties, or assets; or

- b. Draws into question the applicant's ability to perform all MLPA and/or POA requirements.
8. No Consent Required: No consent, approval, authority, or order of any court or governmental entity is required for the applicant to operate as a Participating Lender or Participating Originator.
9. No Federal or State Suspension or Investigation: It is not subject to any federal, state, or other jurisdiction debarment, suspension, or current investigation related to its lending practices or mortgage operations.
10. Fidelity Bond and Errors and Omissions Insurance: In accordance with New Hampshire Housing requirements, it has a blanket fidelity bond and an errors and omissions insurance policy, covering the applicant's officers, employees, and others acting for the applicant.

The applicant shall provide New Hampshire Housing with any other documents or information requested by New Hampshire Housing to evaluate the application.

### **1.4.2 New Hampshire Housing Decision**

The decision to grant or to deny an Application is based on several factors. Nothing in the Homeownership Program Rules and Selling Guide or in any communication or action creates any right in the applicant or requires New Hampshire Housing to approve an application. New Hampshire Housing retains its discretion and judgment when deciding on such applications.

New Hampshire Housing shall send the applicant a written letter of denial or approval.

If New Hampshire Housing approves the application, the applicant shall, before taking any other action related to New Hampshire Housing's Single-Family Mortgage Program:

- Execute the MLPA and/or POA along with required Addenda;
- Complete any New Hampshire Housing-required training; and
- Complete any other New Hampshire Housing-required action.

If New Hampshire Housing denies an application, the applicant may seek a review of that decision by sending a request for review, stating the basis for the request, to New Hampshire Housing's Executive Director. The Executive Director shall review the request and provide the applicant with a decision. After receiving the Executive Director's decision, the applicant may seek further review by sending a request for review to New Hampshire Housing's Board of Directors.

### **1.4.3 Termination of Participation**

The termination of New Hampshire Housing's approval to be Participating Lender and/or Participating Originator is governed by the MLPA and/or the POA.

### **SECTION 2. RESERVATION AND RATE LOCK POLICY**

This policy governs how participating lenders can make reservations in New Hampshire Housing's loan reservation system, which is called "Lender Online." This policy constitutes a Program Guideline under the Mortgage Loan Purchase Agreement (the Agreement) between New Hampshire Housing and participating lenders. For additional information, participating lenders should consult the Agreement.

#### **2.1 MAKING A RESERVATION**

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Participating Lender shall use Lender Online to:

- Make loan reservations;
- Check the status of existing reservations;
- Update reservation data; and
- Update the status of reservations.

Lender Online will be open for reservations from 9:30 a.m. to 8:00 p.m. on weekdays that New Hampshire Housing is open for business. New Hampshire Housing may shut down Lender Online or otherwise stop taking reservations even during normal reservation hours.

If Lender Online is not working during a time that New Hampshire Housing is taking reservations, the Participating Lender may submit a reservation using the Reservation Form, which may be faxed or emailed. New Hampshire Housing will then make the reservation and send the Participating Lender a reservation confirmation.

The Participating Lender shall complete all required fields in Lender Online or in the faxed reservation form.

#### **2.2 PREREQUISITES FOR MAKING A RESERVATION**

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Certain loan programs require the Participating Lender to take steps before making a reservation. For such programs, the Participating Lender shall comply with all program guidelines before making a loan reservation. Reservations are not valid until such prerequisites have been completed.

Before the Participating Lender requests a reservation from New Hampshire Housing, the Participating Lender shall first obtain an "approve/eligible", "accept" finding", or "refer" ("Refer" for Home *Flex* only) using an automated underwriting system (AUS) and using the appropriate underwriting for the mortgage insurer, i.e., FHA, RD or VA.

##### **Home Preferred and Home Preferred Plus**

Before making a reservation, the Participating Lender must have received the approve/eligible Desktop Originator (DO) finding, using New Hampshire Housing as the sponsor. Findings obtained that do not have New Hampshire Housing as the sponsor are not acceptable. Additionally, the reservation must be made within 20 days of receiving "approve/eligible" findings. A reservation is not valid, and thus the rate is not considered locked, unless the Participating Lender has:

- Received the DO approved findings; and
- Made the reservation within 20 days of receiving "approve/eligible" findings.

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The Participating Lender must provide all required information for a loan reservation in Lender Online, to include an accurate DO case file number.

DO Findings must be accurate and complete, to include the following (not an all-inclusive list):

- Interest rate in DO must match New Hampshire Housing published interest rate at time of reservation;
- All applicable Special Feature Codes must be reflected;
- New Hampshire Housing must be listed as sponsor;
- All borrower information must match reservation (e.g., names, Social Security numbers and property address); and
- The actual address for the property to be mortgaged must be included; the address on findings cannot be "TBD."

If New Hampshire Housing is unable to commit a loan to Fannie Mae due to missing and or inaccurate information, the Participating Lender will be contacted and asked to update as needed. Inconsistent and or missing information will delay acceptance of the reservation and may result in a different interest rate based on market conditions. New Hampshire Housing shall not be responsible for changes in interest rate due to incomplete/inaccurate reservation submission.

### **2.3 MORTGAGE RATE**

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New Hampshire Housing will post the mortgage interest rates both online at New Hampshire Housing's website and/or Lender Online. Such rates are subject to change, including changes throughout the day, and are not considered locked until the Participating Lender makes a valid reservation with New Hampshire Housing.

### **2.4 RATE LOCK**

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Once a reservation is made via Lender Online, the rate is locked for 60 days subject to the Participating Lender delivering the loan to New Hampshire Housing as required in the Agreement and the New Hampshire Housing Selling Guide guidelines.

Lenders are not required to extend Home *Flex* loans rates prior to expiration; loan funding will automatically be adjusted for loans delivered beyond the expiration date based on the schedule. See Section 9, Fees.

#### **Home Preferred and Home Preferred Plus**

Lenders must request extensions in writing (email) prior to the expiration date of the original reservation. Extensions can be requested in increments of 5 days, with 30 being the maximum. Extension fees will be calculated based on the number of days extended then deducted from loan funding at time of purchase. Participating lenders shall be billed separately for loans extended but not delivered to New Hampshire Housing. Loans received after expiration will be subject to worst case pricing plus any additional fees imposed by Fannie Mae.

### **2.5 UPDATING LOAN STATUS**

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The Participating Lender shall periodically review its reservation pipeline and update the status of each reservation.

### **2.6 NONCOMPLIANCE**

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New Hampshire Housing has the right to reject reservations that do not comply with the New Hampshire Housing Selling Guide guidelines, regardless of when that noncompliance is discovered.

### **SECTION 3. OTHER LOAN POLICIES AND REQUIREMENTS**

Refer to Sections 7 and 8 for specific policy and underwriting information.

#### **3.1 INCOME LIMITS POLICY**

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##### **3.1.1 Introduction**

Under the Mortgage Loan Purchase Agreement (MLPA), lenders are required to ensure that a loan meets all of New Hampshire Housing's program requirements. The income limits for each program are part of those program requirements. Before making a loan reservation, the lender shall confirm that the borrower meets the applicable income limit. If the borrower's income exceeds these limits, New Hampshire Housing is not obligated to buy that loan and/or New Hampshire Housing is not authorized by the IRS to issue that mortgage credit certificate (MCC).

In reading this policy, lenders should keep in mind the following.

- For loan programs, the lender will use the borrower's income that is used to qualify the borrower for the loan. This is not necessarily based on all income or everyone in the household.
- For the MCC program, the income limit is based on all income for everyone in the household.

##### **3.1.2 Home *Flex* Program Income Limits**

This policy applies to all loans made pursuant to the Home *Flex* and Home *Flex* Plus loan programs.

New Hampshire Housing establishes a single, statewide income limit for all Home *Flex* loans. This limit applies regardless of family size. The limit is based on the income used by the borrower to qualify for the loan. The current income limits are posted.

##### **3.1.3 Home *Preferred* Program Income Limits**

**Applicability and Effective Date:** This policy applies to all loans made pursuant to the Home *Preferred* and Home *Preferred* Plus programs made on or after May 28, 2019.

New Hampshire Housing establishes a single, statewide income limit for all Home *Preferred* loans. This limit applies regardless of family size. The limit is based on the income used by the borrower to qualify for the loan. The current income limits are posted.

##### **3.1.4 Home Buyer Tax Credit (Aka "Mortgage Credit Certificate") Income Limits**

New Hampshire Housing sets income and purchase price limits for the Mortgage Credit Certificate program (MCC) based on IRS requirements. New Hampshire Housing cannot allow exceptions to these income and purchase limits. The income limits, as previously mentioned, are based on household income not qualifying income. View limits [here](#).



### **3.2 IRS TAX TRANSCRIPTS REQUIREMENTS**

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New Hampshire Housing may require IRS tax transcripts, depending on the loan program.

#### **3.2.1 Home *Flex* and Home *Flex Plus***

Most recent IRS transcripts are only required if the insurer requires them. AUS findings must be followed and documented.

#### **3.2.2 Home *Preferred* and Home *Preferred Plus***

Most recent two years of IRS tax transcripts are required.

#### **3.2.3 MCC**

Most recent three years of IRS tax transcripts and/or signed tax returns are required. These documents will not be required if the property is located in a “targeted” area.

## **SECTION 4. HOME FLEX PURCHASE REHABILITATION LOANS**

### **4.1 PRIOR TO CLOSING**

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Lenders must submit all documents as listed on the Rehabilitation Document Checklist found [here](#). Allow 48 hours for review.

Upon review, lender will be notified of approval or of additional information needed. The approval will include specific disbursement instructions (amount and to who) as well as copies of:

- Initial Owners Affidavit;
- Notice of Construction Mortgage; and
- Closing Agent Disbursement Instructions.

These documents must be sent to the closing agent for execution and distribution.

### **4.2 CLOSING**

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#### **4.2.1 Closing Disclosure**

The Closing Disclosure must reflect all rehabilitation costs and disbursements per New Hampshire Housing approval referenced in section 4.1.

#### **4.2.2 Posting of Notices**

At the closing, the borrower will be provided with an [Initial Owner's Loan Disbursement Affidavit](#) and a [Notice of Construction Mortgage](#). The borrower must complete the Notice of Construction Mortgage and this notice must be posted at the property as soon as possible. It must remain posted for the duration of the rehab work. An affidavit will be relied upon as proof that the posting has taken place.

#### **4.2.3 Initial Disbursement**

Upon receipt of the fully executed and notarized Initial Owner's Loan Disbursement Affidavit, the closing agent is authorized to release the two-party check(s) indicated on the Closing Disclosure.

#### **4.2.4 Final Disbursement**

Upon purchase of the loan from the Lender, New Hampshire Housing will send the borrower a Welcome Package, which will include contact information, instructions on the final disbursement process, and the following documents:

- Mortgagors Letter of Completion
- [Final Owner's Loan Disbursement Affidavit](#) (one per contractor)
- [Final Contractor's Loan Disbursement Affidavit](#) (one per contractor)

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When the work is complete, (must be completed within 180 days of closing) the borrower must contact New Hampshire Housing to request a final inspection. New Hampshire Housing will also order the title update.

- Fully Executed Mortgagors Letter of Completion
- Final invoices from all contractors
- Fully executed Final Owner's Loan Disbursement Affidavit (one per contractor
- Fully executed Final Contractor's Loan Disbursement Affidavit (one per contractor)

Upon receipt, review and approval of the above. New Hampshire Housing will issue the final two-party check and close out the file.

### **SECTION 5. DELIVERY AND PURCHASE**

The following policy presents an overview of the process participating lenders shall follow when delivering loans that will be sold to New Hampshire Housing under an existing Mortgage Loan Purchase Agreement between New Hampshire Housing and a Participating Lender (the Agreement). For additional information, participating lenders should consult the Agreement.

#### **5.1 LOAN DELIVERY BY PARTICIPATING LENDER**

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The Participating Lender shall deliver the closed loan to New Hampshire Housing in accordance with the Agreement and with all of the documents listed on the loan stacking sheet for the specific type of loan. Lender shall commit then close the loan reservation in Lender Online.

#### **5.2 COMPLIANCE REVIEW BY NEW HAMPSHIRE HOUSING**

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New Hampshire Housing will review:

- The credit documents for compliance with AUS findings and the Program Guidelines
- The legal documents for compliance with the Program Guidelines and Legal Document Compliance policy to ensure documents are correctly completed and executed

New Hampshire Housing shall then notify the Participating Lender about the loan's purchase, suspension or rejection via Lender Online.

#### **5.3 PURCHASE**

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Once the loan is approved by New Hampshire Housing staff for purchase, New Hampshire Housing shall email the Participating Lender a pre-purchase advice, listing the amounts due to lender. The pre-purchase advice will show an adjustment for the first payment if the loan will be purchased within 15 days of the first payment being due. The Participating Lender shall then review, verify and send New Hampshire Housing an email either approving the amounts stated in the pre-purchase advice or advising New Hampshire Housing of any discrepancies. Once the Participating Lender has approved the pre-purchase advice, New Hampshire Housing shall email the final purchase advice to the Participating Lender.

*NOTE: The purchase advice merely addresses the amounts related to the loan; it does not address whether the loan complies with the Program Guidelines.*

Lenders will be responsible to pay taxes and or insurance if due date is on or before first payment due to New Hampshire Housing.

#### **5.4 POST PURCHASE**

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Upon notification of purchase, the Participating Lender shall:

- Send the borrower a transfer of servicing letter (aka "goodbye letter")

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- Record the [Assignment of Mortgage](#) at the registry of deeds, with New Hampshire Housing as the addressee for the assignment once recorded
- Activate Private Mortgage Insurance certificate (if applicable)
- Notify the following providers servicing has been transferred (as applicable):
  - Master Condo Insurance
  - Hazard Insurance
  - Flood Insurance
  - PMI Company
  - Flood Determination Company
- Forward to New Hampshire Housing any missing Mortgage Documents
- Notify FHA/RD/VA of servicing transfer, as applicable

Upon purchase, New Hampshire Housing shall send the borrower a transfer of servicing letter (aka a “welcome letter”).

### **5.5 HOME FLEX PLUS LOANS**

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There are very specific FHA guidelines that Participating Lenders must follow to use New Hampshire Housing cash assistance with Home *Flex Plus*. If the required procedures and documents are not utilized, FHA may not insure the loan and New Hampshire Housing may not buy the loan.

### **SECTION 6. LEGAL DOCUMENT COMPLIANCE**

The following policy presents an overview of the process which Participating Lenders and/or Participating Originators shall follow when delivering legal documents to New Hampshire Housing under the Agreement between New Hampshire Housing and the Participating Lender/Participating Originator.

This policy constitutes a “Program Guideline” under the MLPA, which means Participating Lenders and the loans they submit to New Hampshire Housing must comply with this policy.

This policy, and New Hampshire Housing’s actions hereunder, must consider requirements of:

- New Hampshire Housing
- New Hampshire Law
- Mortgage Insurers/Guarantors
- Secondary Markets
- Document Custodians

The legal documents shall comply with this policy, the Program Guidelines and all other requirements of the mortgage insurer or the secondary market program. In addition to this Policy, all loans are subject to the MLPA.

#### **6.1 GENERAL GUIDELINES**

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This policy applies to all loans sold to New Hampshire Housing, including:

- Home *Flex*
- Home *Flex Plus*
- Home *Preferred*
- Home *Preferred Plus*

All missing items will be noted on Lender Online. Participating Lenders shall review the status of their loans on Lender Online periodically to ensure corrections are resolved in a timely manner. The legal documents will be delivered to the document custodian for review and compliance with applicable guidelines. In the event an error is not corrected by the lender the loan will be subject to repurchase by the Participating Lender.

This policy does not include all possible errors. If a loan includes an error not covered by this policy, the Participating Lender shall contact New Hampshire Housing to determine what corrective action is required by New Hampshire Housing and/or the document custodian; all corrections to be in accordance with New Hampshire law.

New Hampshire Housing may require participating lenders to provide a legal opinion about what corrective action suffices or is required.

#### **6.2 IDENTICAL INFORMATION**

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In addition to the specific requirements stated below, all legal documents shall have the identical transactional information. This means the note, endorsement/allonge, mortgage and assignment of mortgage shall be identical in terms of all required information, including name of the borrower(s),

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mortgage property address, loan amount, interest rate, property description and other such required information. A loan that does not have identical information does not meet New Hampshire Housing's requirements.

There is one exception: When a property owner is not a borrower. In such case, that non-borrower owner would:

- Not be on the note;
- Must be a signatory on the mortgage with a notation on the mortgage that the person is a non-borrower owner and waives their homestead rights; and
- Must be on the title policy when the section identifies the owners as compared to any section that identifies the borrower(s).

### **6.3 DOCUMENTATION REQUIREMENTS**

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#### **6.3.1 Promissory Note and Endorsement/Allonge**

The note shall conform to all requirements of the mortgage program under which the loan is being made. Specifically, the note shall include the following:

- Borrower(s) name(s)
- Mortgaged property address
- Lender loan number
- FHA/VA case number
- Date
- Due date
- Loan amount
- P&I amount
- Lender
- First payment due date
- Maturity date
- Interest rate
- Late charge rate
- Original signature(s) of borrower(s)
- Printed name(s) of borrower(s) adjacent to the signature

The note shall be endorsed/assigned to New Hampshire Housing (either on the note or using an allonge attached to the note), and that document shall include the following:

- Lender's name
- Original signature of authorized signer for lender
- Printed name and title of signer
- Proper endorsement language

The following is the required language for the endorsement:

*"Payable without recourse to the order of the New Hampshire Housing Finance Authority."*

### **6.3.2 Mortgage**

The mortgage shall conform to all requirements of the mortgage program under which the loan is being made. Specifically, the mortgage shall include the following:

- Date of mortgage
- Lender's information (name and address)
- Borrowers – all names shown on the deed, including marital status, and an annotation about any non-borrower owner
- Loan amount
- Maturity date
- Language that the Exhibit A is attached
- Property address that matches the note
- Riders – noted and attached
- Signatures and notarization (including any non-borrower owner)
- Exhibit A (property description)
- Waiver of Homestead
- Any corrections to the notary area must be initialed

*Note: Every person is entitled to \$120,000.00 worth of his or her homestead. RSA 480:1. No deed shall convey or encumber the homestead right, except a mortgage made at the time of purchase to secure payment of the purchase money. RSA 480:5-a. In short, in the case of a purchase money mortgage, homestead of the title holders and their spouses does not have priority over the interest of the purchase money mortgage. NH Title Standards, 6-2.*

The mortgage shall be recorded at the registry of deeds where the mortgaged property is located.

### **6.3.3 Assignment of Mortgage**

The assignment of mortgage shall include:

- Lender's (assignor) name and address
- Assignee's name
- Mortgaged property address
- Mortgagor's name as shown on mortgage
- Mortgage loan amount
- Mortgage date
- Mortgage book and page
- Execution and notarization

### **6.3.4 Loan Title Policy**

The loan title policy shall include:

- Effective date and time that matches the date and time of the mortgage recording
- Schedule A #1 (name of insured/it's successors or assigns as their interests may appear)
- Schedule A #4 (mortgage recording information)
- Any mortgage riders
- Property description
- Full policy jacket



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- The identical policy number throughout the policy
- Deletion of standard exceptions 1, 2 and 3

### **6.4 PRE-PURCHASE REVIEW OF THE LOAN**

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The Participating Lender shall close and deliver loans pursuant to New Hampshire Housing's Loan Delivery and Purchase Policy. Before purchasing a loan, New Hampshire Housing shall review all legal documents (except the title policy that shall be reviewed post purchase) to ensure the legal documents comply with this Policy. If the legal documents comply with this policy, then New Hampshire Housing shall purchase the loan, provided the loan complies with the MLPA. If the legal documents do not comply with this policy (an error), then New Hampshire Housing shall not purchase the loan until the error has been corrected consistent with this policy.

### **6.5 PURCHASE OF THE LOAN**

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Once the loan has been cleared for purchase, the Participating Lender shall record the assignment of mortgage. The mortgage assignment shall

- Be the same mortgage assignment cleared by New Hampshire Housing before purchase; and
- Have the correct book and page for the recorded mortgage.

### **6.6 POST-PURCHASE REVIEW OF THE LOAN**

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The Participating Lender shall deliver the original recorded mortgage, the original recorded mortgage assignment and the final loan title insurance policy to New Hampshire Housing within 60 days of the loan purchase date. Upon receipt and before submitting the legal documents to document custodian, New Hampshire Housing shall again review the legal documents to ensure they comply with this Policy.

### **6.7 OMISSIONS AND REVISIONS**

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Legal documents that do not comply with this policy must be corrected consistent with this policy, which includes consistent with the requirements of the loan program under which the loan was made.

When an error is discovered in the legal documents, New Hampshire Housing shall note the error on Lender Online. The Lender shall correct the error consistent with the following paragraphs.

#### **6.7.1 Promissory Note**

If the note includes an error, the Lender shall obtain and provide New Hampshire Housing with a new note and/or a new note endorsement/allonge. These documents must have new original signatures and be delivered to New Hampshire Housing. (New Hampshire Housing will not accept a note that has initialed cross outs or additions.)

### 6.7.2 Mortgage

If a mortgage includes an error, the Lender shall correct that error consistent with the following table:

ERROR TYPE	REQUIRED MINIMUM CORRECTION	CORRECTION TYPE Detailed in Section Below
Notary stamp incomplete/missing	Scriveners' affidavit with legal opinion	6.7.3.1
Notary acknowledgement incomplete	Scriveners' affidavit with legal opinion	6.7.3.1
Mortgage fails to state that the legal description is attached	Scriveners' affidavit with legal opinion	6.7.3.1
Mortgage rider incomplete/not attached	Corrective mortgage	6.7.3.2
Legal description error	Corrective mortgage	6.7.3.2
Missing pages	Corrective mortgage	6.7.3.2
Maturity date incorrect/missing	Corrective mortgage	6.7.3.2
Mortgage in MERS	Discharge and new mortgage	6.7.3.3
Names on mortgage do not match the deed	Corrective mortgage and/or new deed	*
Mortgage includes a non-borrower owner without proper annotation that the person is a non-borrower owner	Corrective mortgage that states name of non-borrower owner	6.7.3.2
County	Corrective mortgage	6.7.3.2
Address including zip code	Corrective mortgage	6.7.3.2
Marital status	Corrective mortgage	6.7.3.2

*\*Depending on error type, Participating Lender may either obtain a corrective mortgage or a new deed, provided once corrected the mortgage and deed match.*

### 6.7.3 Corrective Requirements

#### 6.7.3.1 Scrivener's Affidavit with Legal Opinion

For this category, the Participating Lender shall correct the error and provide New Hampshire Housing with the following:

- A scrivener's affidavit
- A legal opinion

A scrivener's affidavit shall include the following:

- Book and page of mortgage being corrected
- Borrower(s) name
- Property address

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- Statement of the error and how the error is being corrected
- Proper signature and notarization

A legal opinion shall:

- Be prepared and signed by a licensed New Hampshire attorney
- Be provided on the attorney's letterhead
- Be addressed to New Hampshire Housing, its successors and or assigns
- Include a detailed reference to the scrivener's affidavit
- Include an attached copy of the scrivener's affidavit
- State the error
- Opine that the corrective action:
  - Corrects the errors;
  - The mortgage, as originally recorded and as corrected, creates a valid mortgage; and
  - The error does not in any way affect the validity, enforceability or recording priority of the mortgage as originally recorded.
- Include the legal citations/authorities relied on in providing the legal opinion

### **6.7.3.2 Corrective Mortgage**

For this category, the Participating Lender shall provide a corrective mortgage, either by:

- Correcting the original recorded mortgage
- Obtaining a new mortgage document that will replace the original mortgage

If the Participating Lender chooses to correct the original mortgage, the corrective mortgage shall have a cover page that includes:

- Reference to the original mortgage, including borrower's name(s) and recording information for original mortgage
- Statement that the new corrective mortgage corrects the original mortgage but preserves the recording priority of the original mortgage
- Statement of what was corrected
- Borrower's signature and notarization
- Entire document in full needs to be recorded, including riders

If the Participating Lender chooses to obtain a new mortgage document, the corrective mortgage shall include:

- Reference to the original mortgage, including borrower's name(s) and recording information for original mortgage
- Statement that the new corrective mortgage corrects the original mortgage but preserves the recording priority of the original mortgage
- Statement of what was corrected
- Proper signature and notarization

Following the recording of the corrective mortgage, the Participating Lender shall provide New Hampshire Housing with an assignment that references the original mortgage and the corrective mortgage; and an endorsement to the loan title policy that references both mortgages.

### **6.7.3.3 Discharge and New Mortgage**

For this category, the Participating Lender shall discharge the incorrect mortgage and provide New Hampshire Housing with a copy of the recorded discharge. A new mortgage will need to be executed, notarized and recorded.

### **6.7.4 Assignment of Mortgage**

If the assignment of mortgage has an error, the Participating Lender shall provide New Hampshire Housing with a new assignment.

If the assignment of mortgage with the error was recorded, the lender shall provide a corrective assignment that will include:

- The word “Corrective” (only if already recorded)
- Recording information of the original assignment
- Statement of what was corrected
- Statement that the new corrective assignment replaces the original assignment
- Proper signature and notarization
- Book and page reference for original mortgage

The corrective assignment shall be executed by the Participating Lender and recorded. The Participating Lender shall also provide New Hampshire Housing with an endorsement to the loan title policy that references the corrected assignment.

## SECTION 7. LOAN PROGRAMS

### 7.1 HOME FLEX PROGRAM

The Home *Flex* program provides low- and moderate-income persons with financing for the purchase of a home through a statewide network of Participating Lenders or correspondents. Required forms are available on our [website](#).

#### Home *Flex* Product Sheet

<b>Description:</b>	<ul style="list-style-type: none"> <li>Provides low and moderate-income persons with financing for the purchase of a home</li> <li>Provided through a statewide network of participating lenders or correspondents</li> </ul>
<b>Term:</b>	<ul style="list-style-type: none"> <li>30 years</li> </ul>
<b>Interest Rate:</b>	<ul style="list-style-type: none"> <li>Established daily and published on <a href="http://www.nhhfa.org">www.nhhfa.org</a>, <a href="http://www.GoNewHampshireHousing.com">www.GoNewHampshireHousing.com</a></li> </ul>
<b>Loan Purpose: Occupancy:</b>	<ul style="list-style-type: none"> <li>Purchase of a primary residence (see separate fact sheet for refinances)</li> <li><b>Must be owner occupied</b></li> <li><b>Loans cannot be closed in a trust (NHHFA policy)</b></li> </ul>
<b>Eligible Borrowers:</b>	<ul style="list-style-type: none"> <li>Must meet current income and credit score requirements for mortgage programs</li> <li>Non-occupant co-borrowers allowed per FHA guidelines</li> <li>Non-borrower title holders now acceptable – if allowed by mortgage insurer</li> </ul>
<b>Eligible Properties:</b>	<ul style="list-style-type: none"> <li>Owner occupied new or existing 1-4 unit homes</li> <li>Condos/condexs approved by FHA, RD (no longer necessary for New Hampshire Housing to approve condos on behalf of RD, we will accept whatever approvals RD accepts) or VA</li> <li>Manufactured home on its own land, documented per insurer guidelines</li> <li>No acreage requirement, unless insurer has one</li> <li>When combined with MCC, single units only and max 5 acres</li> </ul>
<b>Document Type</b>	<ul style="list-style-type: none"> <li>Full documentation</li> </ul>
<b>Minimum Cash Investment / Cash Back:</b>	<ul style="list-style-type: none"> <li>As per mortgage insurer requirements</li> <li>Cash back at closing is allowed, per insurers requirements, not to exceed borrower contribution</li> </ul>
<b>Maximum LTV:</b>	<ul style="list-style-type: none"> <li>Single units as per insurer</li> <li>2-4 units as per insurer</li> </ul>
<b>Income Limits:</b>	<ul style="list-style-type: none"> <li>Income limits as currently published by New Hampshire Housing</li> <li>Qualifying income only for mortgage programs, all of the base income must be counted</li> <li>Multi-family rental income can be used to qualify, but not counted for compliance limit</li> <li>Non-occupant co-borrower income should be used to qualify but not counted for compliance</li> </ul>
<b>Purchase Price Limits:</b>	<ul style="list-style-type: none"> <li>No Purchase Price limits apply to this program</li> <li>However, when combining with the Homebuyer Tax Credit (MCC program), income and purchase price limits must be followed</li> </ul>
<b>Reserves:</b>	<ul style="list-style-type: none"> <li>Per mortgage insurer</li> </ul>
<b>Credit/FICO:</b>	<ul style="list-style-type: none"> <li>1-4 unit – NHHFA 620 minimum FICO all borrowers</li> </ul>
<b>Underwriting/ Ratios:</b>	<ul style="list-style-type: none"> <li>Approve/Eligible</li> <li>DTI over 50% allowed, must be approve/eligible – minimum credit score 680</li> <li>RD Refers acceptable with 620 credit score and RD approval / RD manual underwrite acceptable for no credit</li> <li>FHA Refers acceptable and require a manual underwrite, if credit score available must be at least 620</li> </ul>
<b>Collections:</b>	<ul style="list-style-type: none"> <li>Per findings and insurer's requirements</li> </ul>
<b>Homebuyer Education:</b>	<ul style="list-style-type: none"> <li>1 unit – none</li> <li>2-4 units – homebuyer and landlord education required</li> <li>Homebuyer Education available online at <a href="http://www.GoNHousing.com">www.GoNHousing.com</a></li> </ul>
<b>Mortgage</b>	<ul style="list-style-type: none"> <li>Per Insurer requirements</li> </ul>

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<b>Insurance:</b>	<ul style="list-style-type: none"> <li>• Current insurers: FHA / VA / RD</li> </ul>
<b>Gifts:</b>	<ul style="list-style-type: none"> <li>• A gift letter is required</li> <li>• Verification of gift funds must be documented per insurer</li> </ul>
<b>Interested Party Contributions:</b>	<ul style="list-style-type: none"> <li>• Per mortgage insurer requirements</li> </ul>
<b>Water Test:</b>	<ul style="list-style-type: none"> <li>• Water test required on private water source, test must include Ecoli, Total Coliform, Lead, Nitrate and Nitrite. Any other primary parameters tested must pass</li> </ul>
<b>Well and Septic:</b>	<ul style="list-style-type: none"> <li>• Community Wells: we will need a copy of the most recent water test</li> <li>• Dug Well: must meet insurer requirements as well as a testing requirements above</li> <li>• Well and septic must be sited on the property being financed</li> <li>• 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</li> </ul>
<b>Homeowners Insurance:</b>	<ul style="list-style-type: none"> <li>• Max deductible is the higher of \$1,000 or 1% of face amount of policy, also when allowed by the mortgage insurer we will take into consideration value of out buildings</li> <li>• CONDO: Must have master policy. If no walls in coverage and/or deductible is \$5,000 or more an HO6 will be required.</li> <li>• We will escrow for the HO6 only if it is requested by the borrower</li> </ul>
<b>*Important*</b>	<ul style="list-style-type: none"> <li>• We DO NOT participate in MERS</li> <li>• Loans cannot be closed in a trust (NHHFA policy)</li> <li>• Escrows for property taxes, hazard insurance, flood insurance and mortgage insurance are required on every New Hampshire Housing loan</li> <li>• MANCHESTER multi-families need Certificate of Compliance</li> </ul>

### 7.1.1 Home Flex Limited 203k

New Hampshire Housing/FHA's Limited 203(k) program permits homebuyers to finance up to an additional \$35,000 into their mortgage to improve or upgrade the purchase of their primary owner-occupied residence.

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### Home Flex Limited 203k Product Sheet

<b>Description:</b>	<ul style="list-style-type: none"> <li>NHHFA/FHA's Limited 203(k) program permits homebuyers to finance up to an additional \$35,000 into their mortgage to improve or upgrade the purchase of their primary owner occupied residence.</li> </ul>
<b>Term:</b>	<ul style="list-style-type: none"> <li>30 years</li> </ul>
<b>Interest Rate:</b>	<ul style="list-style-type: none"> <li>Daily Home <i>Flex</i> rates, including Home <i>Flex</i> Plus. If combining with Flex Plus Homebuyer Education is mandatory.</li> <li>Established daily and published on <a href="http://www.nhhfa.org">www.nhhfa.org</a>, <a href="http://www.GoNewHampshireHousing.com">www.GoNewHampshireHousing.com</a></li> </ul>
<b>Loan Purpose: Occupancy:</b>	<ul style="list-style-type: none"> <li>Purchase of a primary residence</li> <li>Must be owner occupied</li> </ul>
<b>Eligible Borrowers:</b>	<ul style="list-style-type: none"> <li>Any borrower who would qualify for New Hampshire Housing and FHA</li> <li>Non-occupant co-borrower allowed per FHA requirements</li> <li>Non-borrower title holders is acceptable – if allowed by mortgage insurer</li> <li>Borrower must complete Purchase Rehab education found at <a href="http://www.GoNewHampshireHousing.com">www.GoNewHampshireHousing.com</a></li> </ul>
<b>Eligible Properties:</b>	<ul style="list-style-type: none"> <li>Single and two unit owner occupied properties only</li> <li>No acreage requirement on loan; when combined with MCC max 5 acres</li> <li>HUD owned properties are allowed</li> <li>Condos, interior only</li> <li><u>Manufactured housing</u> is not eligible</li> </ul>
<b>Minimum Cash Investment/ Cash Back:</b>	<ul style="list-style-type: none"> <li>Per FHA requirements</li> <li>Cash back allowed per FHA requirements, not to exceed borrower contribution</li> </ul>
<b>Maximum Mortgage:</b>	<ul style="list-style-type: none"> <li>Maximum Base Mortgage Calculation Limited 203(k) program per HUD Handbook 4000.1</li> </ul>
<b>Income Limit:</b>	<ul style="list-style-type: none"> <li>Income limits as published by New Hampshire Housing for borrower(s) only.</li> </ul>
<b>Underwriting/ Ratios:</b>	<ul style="list-style-type: none"> <li>Min 620 FICO, all borrowers</li> <li>Approve/Eligible</li> <li>Any DTI over 50% requires approve/eligible findings and a minimum credit score of 680</li> <li>FHA Refers are acceptable, require a manual underwrite, if a credit score available must be at least 620</li> <li>Seller contributions – per FHA guidelines</li> </ul>
<b>Appraisal Requirements:</b>	<ul style="list-style-type: none"> <li>Interior/Exterior photos required with full URAR</li> <li>Standard FHA and additional Limited 203K appraisal requirements</li> <li>Repair costs must be reported by the appraiser</li> <li>Appraisal must reflect “as complete” value</li> </ul>
<b>Disbursements:</b>	<ul style="list-style-type: none"> <li>Please refer to disbursement instructions for reservations as of 4/1/14. Information can be found on the web at <a href="http://www.nhhfa.org">www.nhhfa.org</a></li> <li>If contractors wish to have disbursements at different times additional final inspection and title update fees will be applied</li> </ul>
<b>Max Repair Cost:</b>	<ul style="list-style-type: none"> <li>\$35,000 (Total Rehab Costs per Max Base Mortgage Calculation worksheet) including contingency and fees</li> </ul>
<b>Rehab Period:</b>	<ul style="list-style-type: none"> <li>Rehab construction must begin with 30 days of closing and be completed per FHA guidelines within 180 days of closing</li> </ul>
<b>Fees:</b>	<ul style="list-style-type: none"> <li>A Supplemental Origination Fee of the greater of \$350 or 1.5% of Line B10 (Rehab Amount) on the Max Mortgage Worksheet (HUD-92700) plus title update fee and final inspection fee</li> </ul>
<b>Pre-Approval Requirements:</b>	<ul style="list-style-type: none"> <li>All rehab work needs to be pre-approved prior to scheduling a closing. Please allow at least 48 hours turnaround time.</li> </ul>
<b>Pre-Approval Required Documents:</b>	<ul style="list-style-type: none"> <li>Complete purchase and sales agreement</li> <li>Appraisal, must reflect “as complete” value</li> <li>Completed Homeowner/Contractor Agreement(s), contractor may not be a relative</li> <li>All cost estimates must clearly state the nature and type of repair and the cost for completion</li> </ul>

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	<ul style="list-style-type: none"> <li>• 203K Borrower Acknowledgment (HUD-92700A)</li> <li>• Limited 203k Mortgage Calculation Worksheet</li> <li>• Work plan from borrowers detailing proposed repairs</li> <li>• Completed contractor approval worksheet (s)</li> <li>• General Liability Insurance Binder</li> <li>• W-9's</li> <li>• All cost estimates must clearly state the nature and type of repair and the cost for completion to include:             <ul style="list-style-type: none"> <li>○ Each line item must break out cost for labor and materials;</li> <li>○ Be as specific as possible in describing brand, size, amount, etc</li> </ul> </li> <li>• No more than 2 payments may be made per contractor for each specialized item of work performed</li> <li>• Letter from contractor(s) requesting 50% disbursement at closing</li> <li>• Rehab Homebuyer Education acknowledgement page signed by all borrowers. Education can be found at <a href="http://www.GoNHHousing.com">www.GoNHHousing.com</a>.</li> </ul>
<p><b>Upon Completion:</b></p>	<ul style="list-style-type: none"> <li>• Once all work is complete, the following forms must be submitted for final disbursement:</li> <li>• Mortgagor's Letter of Completion</li> <li>• Final invoices from all contractors and subcontractors</li> <li>• Final title update</li> <li>• Executed final Owners Loan Disbursement Affidavit</li> <li>• Executed final Contractors Loan Disbursement Affidavit</li> <li>• Compliance Inspection Report (FHA's final evidencing 100% complete)</li> </ul>
<p><b>Allowable Repairs:</b></p>	<ul style="list-style-type: none"> <li>• Eliminating health and safety hazards that would violate HUD's MPR;</li> <li>• Repairing or replacing wells and/or septic systems; (well needs 100% cushion)</li> <li>• Connecting to public water and sewage systems;</li> <li>• Repairing/replacing plumbing, heating, AC and electrical systems;</li> <li>• Making changes for improved functions and modernization;</li> <li>• Eliminating obsolescence;</li> <li>• Repairing or installing new roofing, provided the structural integrity of the structure will not be impacted by the work being performed; siding; gutters; and downspouts;</li> <li>• Making energy conservation improvements;</li> <li>• Creating accessibility for persons with disabilities;</li> <li>• Installing or repairing fences, walkways, and driveways;</li> <li>• Installing a new refrigerator, cooktop, oven, dishwasher, built-in microwave oven and washer/dryer;</li> <li>• Repairing or removing an in-ground swimming pool;</li> <li>• Installing smoke detectors;</li> <li>• Installing, replacing or repairing exterior decks, patios, and porches; and</li> <li>• Covering lead-based paint stabilization costs (above and beyond what is paid for by HUD when it sells REO properties) if the Structure was built before 1978, in accordance with the Single-family mortgage insurance</li> <li>• lead-based paint rule and EPA's Renovation, Repair, and Painting Rule;</li> <li>• Mold Remediation is now allowed with a total contingency of <b>20%</b></li> <li>• <b>All repairs need to be completed within 180 days of closing. Any repairs not listed are ineligible</b></li> </ul>



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<p><b>Ineligible Repairs:</b></p>	<ul style="list-style-type: none"> <li>• The Limited 203(k) mortgage proceeds may not be used to finance major rehabilitation or major remodeling. FHA considers a repair to be “major” when any of the following are applicable:</li> <li>• The repair or improvements are expected to require more than six months to complete</li> <li>• The rehabilitation activities require more than two payments per specialized contractor;</li> <li>• The required repairs arising from the appraisal:             <ul style="list-style-type: none"> <li>○ Necessitate a Consultant to develop a specification of repairs/Work Write-Up; or</li> <li>○ Require plans or architectural exhibits; or</li> <li>○ The repair prevents the Borrower from occupying the Property for more than 15 Days during the rehabilitation period.</li> </ul> </li> <li>• Additionally, the Limited 203(k) mortgage proceeds may not be used to finance the following specific repairs:</li> <li>• Converting a one-family Structure to a two-, three- or four-family Structure;</li> <li>• Decreasing an existing multi-unit Structure to a one- to four-family Structure;</li> <li>• Reconstructing a Structure that has been or will be demolished;</li> <li>• Repairing, reconstructing or elevating an existing foundation;</li> <li>• Purchasing an existing Structure on another site and moving it onto a new foundation;</li> <li>• Making structural alterations such as the repair of structural damage and new construction, including room additions;</li> <li>• Landscaping and site improvements;</li> <li>• Constructing a windstorm shelter;</li> <li>• Making additions or alterations to support commercial use or to equip or refurbish space for commercial use; and/or making recreational or luxury improvements, such as:             <ul style="list-style-type: none"> <li>○ New swimming pools; An exterior hot tub, spa, whirlpool bath, or sauna; Barbecue pits, outdoor fireplaces or hearths; Bath houses; Tennis courts; Satellite dishes; Tree surgery (except when eliminating an endangerment to existing improvements)</li> </ul> </li> </ul>
<p><b>Water Test Requirement:</b></p> <p><b>Septic Test:</b></p>	<ul style="list-style-type: none"> <li>• Water test required on private water source. Test to include Ecoli, Total Coliform, Lead, Nitrate and Nitrite. Any other primary parameter tested must pass.</li> <li>• Community Wells: we will need a copy of the most recent water test</li> <li>• Dug Well: must meet insurer requirements as well as a test requirements listed above.</li> <li>• Well and septic must be sited on the property being financed.</li> <li>• 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.</li> </ul>
<p><b>Homeowners Insurance:</b></p>	<ul style="list-style-type: none"> <li>• Max deductible is the higher of \$1,000 or 1% of face amount of policy, when allowed by the insurer we will take into consideration value of out buildings.</li> <li>• CONDO: Must have master policy. If no walls in coverage and/or deductible is \$5,000 or more an HO6 will be required.</li> <li>• We will escrow for the HO6 only if requested by the borrower.</li> </ul>
<p><b>*IMPORTANT*</b></p>	<ul style="list-style-type: none"> <li>• <b>We DO NOT participate in MERS</b></li> <li>• <b>Loans cannot be closed in a trust (NHHFA policy)</b></li> <li>• Escrows for property taxes, hazard insurance, flood insurance and mortgage insurance are required on every New Hampshire Housing loan.</li> </ul>

## 7.1.2 Home Flex Plus with Cash Assistance Second Mortgage

Provides financing for the purchase of a home along with “Cash Assistance” of 2% or 3% of base loan amount. Cash Assistance can be used towards FHA required downpayment or for closing costs and prepaid escrows (purchase only).

Effective July 16, 2018, the borrower will have to agree to repay the cash assistance under the following terms:

- If the cash assistance will be repaid to New Hampshire Housing the total cash assistance will be paid back in full. There will not be a tiered repayment.

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- Cash assistance must be secured by a second mortgage (the Cash Assistance Mortgage)
- No interest will be charged
- No periodic payments are required
- Cash assistance will be forgiven in full four years after the closing date, unless during the first four years, the borrower:
  - Sells the home;
  - Refinances the home; or
  - Files for bankruptcy.

The Participating Lender will serve two distinct roles depending on which loan is involved:

1. Lender for the Home *Flex* Plus Mortgage: The Participating Lender will follow the usual steps for originating, underwriting, processing and closing the Home *Flex* Plus loan. This role is governed by the Mortgage Loan Purchase Agreement (MLPA).
2. Document Preparer for the Cash Assistance Mortgage: New Hampshire Housing is the lender for the Cash Assistance Mortgage. The following will be completed by the Document Preparer:
  - a. Disclose to the borrower, using New Hampshire Housing program disclosure and CFPB TRID disclosures, including the Loan Estimate and Closing Disclosure;
  - b. Prepare the Cash Assistance Mortgage, using the New Hampshire Housing provided form document;
  - c. Have the borrower execute the Cash Assistance Mortgage; and
  - d. Instruct the closing agent to record the Cash Assistance Mortgage

### Home *Flex* Plus with Cash Assistance Second Mortgage Product Sheet

<b>Description:</b>	<ul style="list-style-type: none"> <li>• Provides financing for the purchase of a home along with “Cash Assistance” of 2% or 3% of base loan amount. Cash Assistance can be used towards FHA required downpayment or for closing costs and prepaid escrows (purchase only).</li> <li>• A summary of the Cash Assistance second mortgage is below. See the details in the Home <i>Flex</i> Plus: Cash Assistance Program, policy dated June 15, 2018.</li> </ul>
<b>Term:</b>	<ul style="list-style-type: none"> <li>• 30 years</li> </ul>
<b>Interest Rate:</b>	<ul style="list-style-type: none"> <li>• Established daily and published on <a href="http://www.nhhfa.org">www.nhhfa.org</a>, <a href="http://www.GoNewHampshireHousing.com">www.GoNewHampshireHousing.com</a></li> </ul>
<b>Loan Purpose: Occupancy:</b>	<ul style="list-style-type: none"> <li>• Purchase of a primary residence</li> <li>• Must be owner occupied</li> </ul>
<b>Eligible Borrowers:</b>	<ul style="list-style-type: none"> <li>• Non-occupant co-borrowers allowed per FHA guidelines</li> <li>• Non-borrower title holders acceptable – if allowed by mortgage insurer</li> <li>• Loans cannot be closed in a trust</li> </ul>
<b>Eligible Properties:</b>	<ul style="list-style-type: none"> <li>• Owner occupied new or existing 1-4 unit homes</li> <li>• Condos approved by FHA / RD or VA (no longer necessary for New Hampshire Housing to approve condos on behalf of RD, we will accept whatever approvals RD accepts)</li> <li>• Manufactured home on its own land, documented per insurer guidelines</li> <li>• No acreage requirement for loan program</li> <li>• When combined with MCC, single units only and max 5 acres</li> </ul>
<b>Income Limits:</b>	<ul style="list-style-type: none"> <li>• Income limits as currently published by New Hampshire Housing for loan programs</li> <li>• Qualifying income only for mortgage programs, at minimum all of the base income must be counted</li> <li>• Non-occupant co-borrower income should be used to qualify but not counted for compliance</li> <li>• Multi-family rental income can be used to qualify but not counted for compliance limit</li> </ul>
<b>Purchase Price Limits:</b>	<ul style="list-style-type: none"> <li>• No Purchase Price limits</li> </ul>

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	<ul style="list-style-type: none"> <li><b>WARNING:</b> MCC income and purchase price limits are different. If combining with a Homebuyer Tax Credit (MCC program), borrower and household must meet MCC income and purchase price limits.</li> </ul>
<b>Document Type</b>	<ul style="list-style-type: none"> <li>Full documentation</li> </ul>
<b>Minimum Cash Investment / Cash Back:</b>	<ul style="list-style-type: none"> <li>Per mortgage insurer requirements</li> <li>Cash back at closing is allowed, per insurers requirements, not to exceed borrower contribution</li> </ul>
<b>Maximum LTV:</b>	<ul style="list-style-type: none"> <li>Based on insurer guidelines</li> </ul>
<b>Reserves:</b>	<ul style="list-style-type: none"> <li>Per mortgage insurer</li> </ul>
<b>Credit/FICO:</b>	<ul style="list-style-type: none"> <li>620 minimum</li> </ul>
<b>Underwriting/Ratios:</b>	<ul style="list-style-type: none"> <li>Approve/Eligible</li> <li>Any <b>DTI over 50%</b> must be approved/eligible and have a minimum credit score of 680</li> <li>RD Refers acceptable with 620 credit score and RD approval / RD manual underwrite acceptable for no credit</li> <li>FHA Refers acceptable and require a manual underwrite, if credit score available must be at least 620</li> </ul>
<b>Collections:</b>	<ul style="list-style-type: none"> <li>Per findings and insurer's requirements</li> </ul>
<b>Homebuyer Education:</b>	<ul style="list-style-type: none"> <li>Mandatory by at least one borrower for this program</li> <li>2-4 units – homebuyer and landlord education required</li> <li>Homebuyer Education available online at <a href="http://www.GoNHHousing.com">www.GoNHHousing.com</a></li> </ul>
<b>Mortgage Insurance:</b>	<ul style="list-style-type: none"> <li>Per Insurer requirements</li> <li>Current insurers: FHA / VA / RD</li> </ul>
<b>Gifts:</b>	<ul style="list-style-type: none"> <li>A gift letter is required</li> <li>Verification of gift funds must be documented per insurer</li> </ul>
<b>Interested Party Contributions:</b>	<ul style="list-style-type: none"> <li>Per mortgage insurer requirements</li> </ul>
<b>Water Test:</b>	<ul style="list-style-type: none"> <li>Water test required on private water source. Testing must include Ecoli, Total Coliform, Lead, Nitrate and Nitrite. Any other primary parameters tested must pass.</li> </ul>
<b>Well and Septic:</b>	<ul style="list-style-type: none"> <li>Community Wells: we will need a copy of the most recent water test</li> <li>Dug Well: must meet insurer requirements as well as a testing requirements above</li> <li>Well and septic must be sited on the property being financed</li> <li>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</li> </ul>
<b>Homeowners Insurance:</b>	<ul style="list-style-type: none"> <li>Max deductible is the higher of \$1,000 or 1% of face amount of policy, also when allowed by the mortgage insurer we will take into consideration value of out buildings</li> <li>CONDO: Must have master policy. If no walls in coverage and/or deductible is \$5,000 or more an HO6 will be required.</li> <li>We will escrow for the HO6 only if it is requested by the borrower</li> </ul>
<b>*Important*</b>	<ul style="list-style-type: none"> <li>We DO NOT participate in MERS</li> <li>Loans cannot be closed in a trust (NHHFA policy)</li> <li>Escrows for property taxes, hazard insurance, flood insurance and mortgage insurance are required on every New Hampshire Housing loan</li> <li>MANCHESTER multi-families need Certificate of Compliance</li> </ul>

### 7.1.3 Home Flex Refinance

Provides low and moderate-income persons with financing for the refinance of a current government insured home mortgage. Provided through a statewide network of participating lenders or correspondents.

#### Home Flex Refinance Product Sheet

<b>Description:</b>	<ul style="list-style-type: none"> <li>Provides low and moderate-income persons with financing for the refinance of a current government insured home mortgage. Provided through a statewide network of participating lenders or correspondents.</li> </ul>
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<b>Term:</b>	<ul style="list-style-type: none"> <li>• 30 years</li> </ul>
<b>Interest Rate:</b>	<ul style="list-style-type: none"> <li>• Established daily and published on <a href="http://www.nhhfa.org">www.nhhfa.org</a>, <a href="http://www.GoNewHampshireHousing.com">www.GoNewHampshireHousing.com</a></li> </ul>
<b>Eligible Borrowers:</b>	<ul style="list-style-type: none"> <li>• Must have a current mortgage insured by FHA, VA or RD</li> <li>• Current New Hampshire Housing income limits apply</li> <li>• <b>Loans cannot be closed in a trust (NHHFA policy)</b></li> </ul>
<b>Eligible Properties:</b>	<ul style="list-style-type: none"> <li>• Owner occupied existing 1-4 unit homes</li> <li>• Manufactured home on its own land</li> <li>• New appraisal required</li> </ul>
<b>Eligible Occupancy:</b>	<ul style="list-style-type: none"> <li>• Owner occupied, primary residence only</li> </ul>
<b>Document Type:</b>	<ul style="list-style-type: none"> <li>• Full underwrite and documentation to insurers requirements</li> </ul>
<b>Credit/FICO:</b>	<ul style="list-style-type: none"> <li>• 620 minimum, all borrowers</li> </ul>
<b>Subordinate Financing:</b>	<ul style="list-style-type: none"> <li>• Per mortgage insurer's requirements</li> </ul>
<b>FHA Options:</b>	<ul style="list-style-type: none"> <li>• <b>Cash out</b> refinancing requires: <ul style="list-style-type: none"> <li>○ On time mortgage payments for the last 12 months or</li> <li>○ For mortgages with more than 6 months but less than 12 months all payments must be made on time</li> <li>○ Any co-signors or co-borrowers must occupy the property</li> <li>○ If borrower has owned and occupied the property for 12+ months max LTV is 80% of new appraisal</li> <li>○ If less than 12 months ownership max LTV is 80% of the lesser of the current appraised value or original sales price</li> </ul> </li> <li>• <b>FHA 203k:</b> <ul style="list-style-type: none"> <li>○ No cash out</li> <li>○ Up to \$35,000 for rehabilitation</li> </ul> </li> <li>• <b>FHA Streamline Refinance</b> – information on the Home <i>Flex</i> Streamline fact sheet</li> <li>• <b>Refinance Authorization Form</b> – the value from this is used to determine LTV</li> </ul>
<b>VA Options:</b>	<ul style="list-style-type: none"> <li>• Up to 100% LTV plus funding fee</li> <li>• Must be underwritten by VA approved uw and meet all VA refinancing requirements</li> <li>• <b>VA EEM</b> <ul style="list-style-type: none"> <li>○ These are loans to cover the cost of making energy efficiency improvements to a dwelling.</li> <li>○ Available to lenders who offer VA loans/underwriting</li> </ul> </li> <li>• <b>VA Streamline Refinance (IRRL)</b> – information on the Home <i>Flex</i> Streamline fact sheet</li> </ul>
<b>RD Options:</b>	<ul style="list-style-type: none"> <li>• Must follow all RD refinancing requirements including all income and credit requirements</li> <li>• No cash out allowed</li> <li>• 2 years w-2's</li> <li>• Any adverse credit must be addressed.</li> <li>• RD Streamline Refinance – info on Home <i>Flex</i> Streamline fact sheet</li> </ul>

### 7.1.4 Home *Flex* Rural Development (RD) Rehab

Currently not available.

### 7.1.5 Home *Flex* Streamline Refinance

Provides low and moderate-income persons with financing for the refinance of a current government insured home mortgage. Provided through a statewide network of participating lenders or correspondents.

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### Home Flex Streamline Refinance Product Sheet

<b>Description:</b>	<ul style="list-style-type: none"> <li>Provides low and moderate-income persons with financing for the refinance of a current government insured home mortgage. Provided through a statewide network of participating lenders or correspondents.</li> </ul>
<b>Term:</b>	<ul style="list-style-type: none"> <li>30 years</li> </ul>
<b>Interest Rate:</b>	<ul style="list-style-type: none"> <li>Established daily and published on <a href="http://www.nhhfa.org">www.nhhfa.org</a>, <a href="http://www.GoNewHampshireHousing.com">www.GoNewHampshireHousing.com</a></li> </ul>
<b>Eligible Borrowers:</b>	<ul style="list-style-type: none"> <li>Must have a current mortgage insured by FHA, VA or RD.</li> <li>VA and RD for current NHHFA borrowers only</li> <li><b>Loans cannot be closed in a trust (NHHFA policy)</b></li> </ul>
<b>Eligible Properties:</b>	<ul style="list-style-type: none"> <li>Owner occupied existing 1-4 unit homes</li> <li>Manufactured home on its own land (NHHFA existing customers only)</li> </ul>
<b>Eligible Occupancy:</b>	<ul style="list-style-type: none"> <li>Owner occupied, primary residence only</li> </ul>
<b>Document Type:</b>	<ul style="list-style-type: none"> <li>Streamlined documentation</li> </ul>
<b>Credit/FICO:</b>	<ul style="list-style-type: none"> <li>Current NHHFA mortgages 1-4 unit – <b>NO OVERLAYS</b></li> <li>Non-NHHFA mortgages 1-4 unit – 660 minimum, <b>FHA Only</b></li> </ul>
<b>Subordinate Financing:</b>	<ul style="list-style-type: none"> <li>NHHFA customers only to a max CLTV 125%</li> </ul>
<b>Underwriting FHA:</b>	<ul style="list-style-type: none"> <li>The FHA Case number assignment date must be on or after the initial application date, include CAIVRS and ordered as a Streamline Refinance.</li> <li>Refinance Authorization Form – The value from this is used to determine LTV.</li> <li>Tri-merged credit report with 12 months of mortgage history required. For mortgages with less than 12 months' history, a minimum of 6 months of pay history is required.</li> <li>Copy of original note – confirms borrower info and net tangible benefit.</li> <li>5% Net Tangible Benefit required. This is based on P&amp;I plus monthly MIP.</li> <li>Evidence of social security number for each borrower.</li> <li>Current pay stub if salary or CPA letter if self-employed - non-NHHFA borrower</li> <li>Two months of assets statements. non-NHHFA borrower</li> <li>Current mortgage statement to reflect breakdown of monthly MIP-used to determine net tangible benefit.</li> <li>Mortgage payoff.</li> <li>LDP/GSA print screens.</li> <li>All FHA disclosures (Amendatory Clause not required)</li> <li>Loan amount calculation – unpaid principal balance plus 30 days of interest plus month of prorated MIP. Loan must be current in the month it closes and disburses.</li> <li>No more than \$500 cash back at closing.</li> <li>Lender will perform a verbal VOE – non-NHHFA borrower.</li> <li><b>Manual underwrite only.</b></li> </ul>
<b>Underwriting VA:</b>	<ul style="list-style-type: none"> <li>Must be underwritten by a VA approved underwriter and meet all VA IRRL requirements</li> <li>Lender to perform a verbal VOE</li> <li><b>Current NHHFA customers only</b></li> </ul>
<b>Underwriting RD:</b>	<ul style="list-style-type: none"> <li>Must follow all RD Streamline requirements including all income documentation</li> <li>Two years of w-2's</li> <li>Any adverse credit must be addressed</li> <li><b>Current NHHFA customers only</b></li> </ul>
<b>Mortgage Insurance</b>	<ul style="list-style-type: none"> <li>Per insurer's requirement</li> <li>FHA</li> <li>RD (current NHHFA customer only)</li> <li>VA (current NHHFA customer only)</li> </ul>

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## 7.2 HOME PREFERRED PROGRAM

### 7.2.1 Home Preferred

New Hampshire Housing, in conjunction with Fannie Mae’s Home Ready program, offers Home Preferred, with up to 97% LTV with low mortgage insurance coverage and no loan level-price adjustments. This program is ideal for borrowers with limited funds for downpayment and closing costs, including features offered in the Home Ready program. When you run DO always pick HFA Preferred. Required forms are available on our [website](#).

Applicable fees for the Home Preferred product are available in the Fees section.

#### Home Preferred Product Sheet

<b>Description:</b>	<ul style="list-style-type: none"> <li>New Hampshire Housing, in conjunction with Fannie Mae’s Home Ready program, offers Home Preferred, with up to 97% LTV with low mortgage insurance coverage. This program is ideal for borrowers with limited funds for downpayment and closing costs. When you run DO always pick HFA Preferred.</li> </ul>
<b>Term:</b>	<ul style="list-style-type: none"> <li>30 years</li> </ul>
<b>Interest Rate:</b>	<ul style="list-style-type: none"> <li>Established daily and published on <a href="http://www.nhhfa.org">www.nhhfa.org</a>, <a href="http://www.GoNewHampshireHousing.com">www.GoNewHampshireHousing.com</a></li> </ul>
<b>Loan Purpose: Occupancy:</b>	<ul style="list-style-type: none"> <li>Purchase of a primary residence, or limited cash-out refinance</li> <li><b>Must be owner occupied</b></li> <li><b>Loans cannot be closed in a trust (NHHFA policy)</b></li> </ul>
<b>Eligible Borrowers:</b>	<ul style="list-style-type: none"> <li>Must meet current income and credit score requirements for mortgage programs</li> <li>Home Buyer Education is required for all first time homebuyers, New Hampshire Housing online education acceptable</li> <li>2-4 units require Landlord and Homebuyer Education</li> <li>Home Preferred/Home Ready rules apply, follow the findings</li> <li>If borrowers currently own property and are retaining it, borrowers would need to qualify under Home Ready</li> <li>Non-borrower title holders acceptable – if allowed by mortgage insurer</li> </ul>
<b>Eligible Properties:</b>	<ul style="list-style-type: none"> <li>1-4 family primary residence               <ul style="list-style-type: none"> <li>1-unit max 97% loan-to-value</li> <li>2-4 unit max 95% loan-to-value</li> </ul> </li> <li>Must meet Fannie Mae eligibility on all condos/condexs</li> <li>If the condo is not currently in our system, we will need questionnaire</li> <li>Manufactured housing allowed up to 95% LTV on its own land per Fannie Mae guidelines (Double Wide Only)</li> </ul>
<b>Minimum Cash Investment:</b>	<ul style="list-style-type: none"> <li>One unit: \$0</li> <li>2-4 unit: 3% (3-4 units are subject to PMI availability)</li> <li>Private mortgage insurance requirements may differ – please check</li> </ul>
<b>Maximum LTV:</b>	<ul style="list-style-type: none"> <li>97% for 1- units / CLTV 105% with Fannie Mae eligible community seconds</li> <li>95% for 2-4 units / CLTV 105% with Fannie Mae eligible community seconds</li> </ul>
<b>Income Limits:</b>	<ul style="list-style-type: none"> <li>Income limits as currently published by New Hampshire Housing</li> <li>Qualifying income for all borrowers, occupant and non-occupant, is counted towards income limit</li> <li>2-4 unit if using rental income to qualify must be added for compliance as well.</li> </ul>
<b>Purchase Price Limits:</b>	<ul style="list-style-type: none"> <li>No Purchase Price limits apply to this program</li> <li>However, when combining with the Homebuyer Tax Credit (MCC program), income and purchase price limits must be followed</li> </ul>
<b>Reserves:</b>	<ul style="list-style-type: none"> <li>Per mortgage insurer</li> </ul>
<b>Credit/FICO:</b>	<ul style="list-style-type: none"> <li>620 minimum FICO for all borrowers</li> </ul>
<b>Underwriting/Ratios:</b>	<ul style="list-style-type: none"> <li>Per DO. When entering DO, choose the HFA Preferred option on the community lending screen.</li> <li>DO recommendations of Approve/Eligible are eligible for DO’s Limited Waiver of reps and warrants</li> <li>Qualifying ratios, reserves, and income requirements are determined by DO</li> </ul>



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<b>Collections:</b>	<ul style="list-style-type: none"> <li>Per DO and insurer's requirements</li> </ul>	
<b>Mortgage Insurance:</b>	<b>LTV</b>	<b>Mortgage Insurance</b>
	>95% and <=97%	18%
	>90% and <=95%	16%
	>85% and <=90%	12%
	>80% and <=85%	6%
<b>Gifts:</b>	<ul style="list-style-type: none"> <li>A gift letter is required</li> <li>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</li> </ul>	
<b>Interested Party Contributions:</b>	<ul style="list-style-type: none"> <li>Please refer to Fannie Mae Selling Guide</li> </ul>	
<b>Water Test:</b>	<ul style="list-style-type: none"> <li>Water test required on private water source, test must include Ecoli, Total Coliform, Lead, Nitrate and Nitrite. Any other primary parameters tested must pass</li> </ul>	
<b>Well and Septic:</b>	<ul style="list-style-type: none"> <li>Community Wells: we will need a copy of the most recent water test</li> <li>Dug Well: must meet insurer requirements as well as a testing requirements above</li> <li>Well and septic must be sited on the property being financed</li> <li>Refinances: do NOT require a water test</li> <li>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</li> </ul>	
<b>Homeowners Insurance:</b>	<ul style="list-style-type: none"> <li>Max deductible is the higher of \$1,000 or 1% of face amount of policy, also when allowed by the mortgage insurer we will take into consideration value of out buildings</li> <li>CONDO: Must have master policy. If no walls in coverage and/or deductible is \$5,000 or more an HO6 will be required.</li> <li>We will escrow for the HO6 only if it is requested by the borrower</li> </ul>	
<b>NHHFA Overlays</b>	<ul style="list-style-type: none"> <li>Minimum 620 FICO all borrowers</li> <li>Water test required for private well – requirements listed above</li> <li>Well and septic must be sited on the property we are financing</li> <li>Two years of tax transcripts are required</li> <li>Manchester multi families need the Certificate of Compliance</li> </ul>	
<b>*Important*</b>	<ul style="list-style-type: none"> <li>We DO NOT participate in MERS</li> <li>Loans cannot be closed in a trust (NHHFA policy)</li> <li>Escrows for property taxes, hazard insurance, flood insurance and mortgage insurance are required on every New Hampshire Housing loan</li> </ul>	

### 7.2.2 Home Preferred Manufactured Housing ROCs

New Hampshire Housing, in conjunction with Fannie Mae, is making our Home Preferred program available for manufactured housing in Fannie Mae approved ROCs (resident owned community). The program offers up to 95% LTV with low mortgage insurance coverage, making it ideal for borrowers with limited funds.

#### Home Preferred Manufactured Housing ROCs Product Sheet

<b>Description:</b>	<ul style="list-style-type: none"> <li>New Hampshire Housing, in conjunction with Fannie Mae, has made available our Home Preferred program for manufactured housing in Fannie Mae-approved ROCs (resident-owned communities). The program offers up to 95% LTV with low mortgage insurance coverage, making it ideal for borrowers with limited funds. Downpayment assistance in the form of 3% Cash Assistance Mortgage can be combined with the ROC program (see Home Preferred Plus Fact Sheet).</li> </ul>
<b>Term:</b>	<ul style="list-style-type: none"> <li>30 years</li> </ul>
<b>Interest Rate:</b>	<ul style="list-style-type: none"> <li>Established daily and published on <a href="http://www.nhhfa.org">www.nhhfa.org</a>, <a href="http://www.GoNewHampshireHousing.com">www.GoNewHampshireHousing.com</a></li> </ul>
<b>Loan Purpose: Occupancy:</b>	<ul style="list-style-type: none"> <li>Purchase of a primary residence, or limited cash-out refinance</li> <li><b>Must be owner occupied</b></li> <li><b>Loans cannot be closed in a trust (NHHFA policy)</b></li> </ul>

## New Hampshire Housing Selling Guide

<b>Eligible Borrowers:</b>	<ul style="list-style-type: none"> <li>• Must meet current income and credit score requirements for mortgage programs</li> <li>• Home Buyer Education is required for all first-time homebuyers, New Hampshire Housing online education acceptable</li> <li>• Non-borrower title holders acceptable – if allowed by mortgage insurer</li> </ul>	
<b>Eligible Properties:</b>	<ul style="list-style-type: none"> <li>• Must meet current Fannie Mae requirements for manufactured housing in a resident own community</li> <li>• Must be affixed to property per Fannie Mae requirements. Fannie Mae approved communities only</li> </ul>	
<b>Appraisal Forms:</b>	<ul style="list-style-type: none"> <li>• Appraisal forms 1004C and 2090 are both required for this transaction</li> </ul>	
<b>Minimum Cash Investment:</b>	<ul style="list-style-type: none"> <li>• One unit: \$0</li> <li>• Private mortgage insurance requirements may differ – please check</li> </ul>	
<b>Maximum LTV:</b>	<ul style="list-style-type: none"> <li>• 95%</li> </ul>	
<b>Participating PMI Companies:</b>	<ul style="list-style-type: none"> <li>• National MI</li> <li>• MGIC</li> <li>• Genworth</li> </ul>	
<b>Income Limits:</b>	<ul style="list-style-type: none"> <li>• Income limits as currently published by New Hampshire Housing</li> </ul>	
<b>Purchase Price Limits:</b>	<ul style="list-style-type: none"> <li>• No Purchase Price limits apply to this program</li> <li>• Qualifying income for all borrowers, occupant and non-occupant, is counted towards income limit</li> <li>• However, when combining with the Homebuyer Tax Credit (MCC program), income and purchase price limits must be followed</li> </ul>	
<b>Reserves:</b>	<ul style="list-style-type: none"> <li>• Per mortgage insurer and DU findings</li> </ul>	
<b>Credit/FICO:</b>	<ul style="list-style-type: none"> <li>• Per DO with Approve/Eligible</li> <li>• 620 minimum FICO for all borrowers</li> </ul>	
<b>Underwriting/Ratios:</b>	<ul style="list-style-type: none"> <li>• Per DO. When entering DO, choose the HFA Preferred option on the community lending screen.</li> <li>• DO recommendations of Approve/Eligible are eligible for DO's Limited Waiver of reps and warrants</li> <li>• Qualifying ratios, reserves, and income requirements are determined by DO</li> </ul>	
<b>Collections:</b>	<ul style="list-style-type: none"> <li>• Per DO and insurer's requirements <ul style="list-style-type: none"> <li>◦ Choose Property type: Condo/PUD/Coop/Manufactured Home</li> </ul> </li> </ul>	
<b>Mortgage Insurance:</b>	<b>LTV</b>	<b>Mortgage Insurance</b>
	>90% and <=95%	16%
	>85% and <=90%	12%
	>80% and <=85%	6%
<b>Gifts:</b>	<ul style="list-style-type: none"> <li>• A gift letter is required</li> <li>• Transfer of gift funds must be documented.</li> <li>• File must include documentation that the gift funds were from an acceptable source and were the donor's own funds</li> </ul>	
<b>Interested Party Contributions:</b>	<ul style="list-style-type: none"> <li>• Please refer to Fannie Mae Selling Guide</li> </ul>	
<b>Additional Documentation:</b>	<ul style="list-style-type: none"> <li>• Rider for the ROC</li> <li>• Recognition Agreement &amp; Affidavit of Intent (forms available at <a href="http://www.nhhfa.org">www.nhhfa.org</a>)</li> <li>• ROC Membership Certificate/Occupancy Agreement signed by ROC</li> <li>• Follow correct stacking list for the Home Preferred MH ROC program</li> </ul>	
<b>Water Test:</b>	<ul style="list-style-type: none"> <li>• Water test required on private water source</li> <li>• Testing must include Ecoli, Total Coliform, Lead, Nitrate and Nitrite. Any other primary parameters tested must pass</li> </ul>	
<b>Well and Septic:</b>	<ul style="list-style-type: none"> <li>• Community Wells: we will need a copy of the most recent water test</li> </ul>	
<b>Homeowners Insurance:</b>	<ul style="list-style-type: none"> <li>• Max deductible is the higher of \$1,000 or 1% of face amount of policy</li> </ul>	
<b>*Important*</b>	<ul style="list-style-type: none"> <li>• We DO NOT participate in MERS</li> <li>• Loans cannot be closed in a trust (NHHFA policy)</li> <li>• Escrows for property taxes, hazard insurance, flood insurance and mortgage insurance are required on every New Hampshire Housing loan</li> </ul>	



## New Hampshire Housing Selling Guide

### 7.2.3 Home Preferred Plus with Cash Assistance Second Mortgage

New Hampshire Housing in conjunction with Fannie Mae is offering Home Preferred Plus. This program offers up to 97% LTV with low mortgage insurance coverage along with “Cash Assistance” of 3% of base loan amount. This program is ideal for conventional borrowers with limited funds for downpayment and closing costs and features no low-level price adjustments. When running Desktop Originator (DO), always pick HFA Preferred.

#### Home Preferred Plus with Cash Assistance Second Mortgage Product Sheet

<b>Description:</b>	<ul style="list-style-type: none"> <li>New Hampshire Housing, in conjunction with Fannie Mae's Home Ready program, offers Home Preferred Plus. It offers up to 97% LTV with low mortgage insurance coverage, along with Cash Assistance of 3% of the base loan amount. This program is ideal for borrowers with limited funds for downpayment and closing costs. When you run DO always pick HFA Preferred.</li> </ul>
<b>Term:</b>	<ul style="list-style-type: none"> <li>30 years</li> </ul>
<b>Interest Rate:</b>	<ul style="list-style-type: none"> <li>Established daily and published on <a href="http://www.nhhfa.org">www.nhhfa.org</a>, <a href="http://www.GoNewHampshireHousing.com">www.GoNewHampshireHousing.com</a></li> </ul>
<b>Loan Purpose: Occupancy:</b>	<ul style="list-style-type: none"> <li>Purchase of a primary residence, or limited cash-out refinance</li> <li><b>Must be owner occupied</b></li> <li><b>Loans cannot be closed in a trust (NHHFA policy)</b></li> </ul>
<b>Eligible Borrowers:</b>	<ul style="list-style-type: none"> <li>Must meet current income and credit score requirements for mortgage programs</li> <li>Home Buyer Education is required for all first-time homebuyers, New Hampshire Housing online education acceptable</li> <li>2-4 units require Landlord and Homebuyer Education</li> <li>Home Preferred/Home Ready rules apply, follow the findings</li> <li>If borrowers currently own property and are retaining it, borrowers would need to qualify under Home Ready guidelines</li> <li>Non-borrower title holders acceptable – if allowed by mortgage insurer</li> </ul>
<b>Eligible Properties:</b>	<ul style="list-style-type: none"> <li>1-4 family primary residence <ul style="list-style-type: none"> <li>1-unit max 97% loan-to-value</li> <li>2-4 unit max 95% loan-to-value</li> </ul> </li> <li>Must meet Fannie Mae eligibility on all condos/condexs</li> <li>If the condo is not currently in our system, we will need questionnaire</li> <li>Manufactured housing allowed up to 95% LTV on its own land per Fannie Mae guidelines (Double Wide Only)</li> </ul>
<b>Minimum Cash Investment:</b>	<ul style="list-style-type: none"> <li>One unit: \$0</li> <li>2-4 unit: 3% (3-4 units are subject to PMI availability)</li> <li>Private mortgage insurance requirements may differ – please check</li> </ul>
<b>Maximum LTV:</b>	<ul style="list-style-type: none"> <li>97% for 1- units / CLTV 105% with Fannie Mae eligible community seconds</li> <li>95% for 2-4 units / CLTV 105% with Fannie Mae eligible community seconds</li> </ul>
<b>Income Limits:</b>	<ul style="list-style-type: none"> <li>Income limits as currently published by New Hampshire Housing</li> <li>Qualifying income for all borrowers, occupant and non-occupant, is counted towards income limit</li> <li>2-4 unit if using rental income to qualify must be added for compliance as well.</li> </ul>
<b>Purchase Price Limits:</b>	<ul style="list-style-type: none"> <li>No Purchase Price limits apply to this program</li> <li>However, when combining with the Homebuyer Tax Credit (MCC program), income and purchase price limits must be followed</li> </ul>
<b>Reserves:</b>	<ul style="list-style-type: none"> <li>Per mortgage insurer</li> </ul>
<b>Credit/FICO:</b>	<ul style="list-style-type: none"> <li>620 minimum FICO for all borrowers</li> </ul>
<b>Underwriting/Ratios:</b>	<ul style="list-style-type: none"> <li>Per DO. When entering DO, choose the HFA Preferred option on the community lending screen.</li> <li>DO recommendations of Approve/Eligible are eligible for DO's Limited Waiver of reps and warrants</li> <li>Qualifying ratios, reserves, and income requirements are determined by DO</li> </ul>
<b>Collections:</b>	<ul style="list-style-type: none"> <li>Per DO and insurer's requirements</li> </ul>

## New Hampshire Housing Selling Guide

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Mortgage Insurance:	LTV	Mortgage Insurance
		>95% and <=97%
	>90% and <=95%	16%
	>85% and <=90%	12%
	>80% and <=85%	6%
Gifts:	<ul style="list-style-type: none"> <li>A gift letter is required</li> <li>Transfer of gift funds must be documented.</li> <li>File must include documentation that the gift funds were from an acceptable source and were the donor's own funds</li> </ul>	
Interested Party Contributions:	<ul style="list-style-type: none"> <li>Please refer to Fannie Mae Selling Guide</li> </ul>	
Water Test:	<ul style="list-style-type: none"> <li>Water test required on private water source</li> <li>Testing must include Ecoli, Total Coliform, Lead, Nitrate and Nitrite. Any other primary parameters tested must pass</li> </ul>	
Well and Septic:	<ul style="list-style-type: none"> <li>Community Wells: we will need a copy of the most recent water test</li> <li>Dug Well: must meet insurer requirements as well as a testing requirements above</li> <li>Well and septic must be sited on the property being financed</li> <li>Refinances: do NOT require a water test</li> <li>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</li> </ul>	
Homeowners Insurance:	<ul style="list-style-type: none"> <li>Max deductible is the higher of \$1,000 or 1% of face amount of policy, also when allowed by the mortgage insurer we will take into consideration value of out buildings</li> <li>CONDO: Must have master policy. If no walls in coverage and/or deductible is \$5,000 or more an HO6 will be required.</li> <li>We will escrow for the HO6 only if it is requested by the borrower</li> </ul>	
NHHFA Overlays	<ul style="list-style-type: none"> <li>Minimum 620 FICO all borrowers</li> <li>Water test required for private well – requirements listed above</li> <li>Well and septic must be sited on the property we are financing</li> <li>Two years of tax transcripts are required</li> <li>Manchester multi families need the Certificate of Compliance</li> </ul>	
*Important*	<ul style="list-style-type: none"> <li>We DO NOT participate in MERS</li> <li>Loans cannot be closed in a trust (NHHFA policy)</li> <li>Escrows for property taxes, hazard insurance, flood insurance and mortgage insurance are required on every New Hampshire Housing loan</li> </ul>	

### 7.3 HOME START (MRB)

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Program currently not available.

### 7.4 VOUCHER ASSISTED MORTGAGE OPTION (VAMO)

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Voucher Assisted Mortgages provide an opportunity for very-low income families to purchase a home and use the Housing Choice Voucher as a portion of their monthly mortgage payment. This Initiative is an option to and follows all guidelines of the Single-Family Mortgage Program and is open to all Housing Choice participants.

## New Hampshire Housing Selling Guide

### Voucher Assisted Mortgage Option (VAMO) Product Sheet

<b>Description:</b>	<ul style="list-style-type: none"> <li>Provides an opportunity for very-low income families to purchase a home and use the Housing Choice Voucher as a portion of their monthly mortgage payment. This Initiative is an option to and follows all guidelines of the Single-Family Mortgage Program and is open to all Housing Choice participants.</li> </ul>
<b>Term:</b>	<ul style="list-style-type: none"> <li>30 years</li> </ul>
<b>Eligible Programs:</b>	<ul style="list-style-type: none"> <li>Home <i>Flex</i> and Home <i>Preferred</i></li> </ul>
<b>Loan Purpose: Occupancy:</b>	<ul style="list-style-type: none"> <li>Purchase of a primary residence</li> <li>Must be owner occupied</li> <li>Loans cannot be closed in a trust (NHHFA policy)</li> </ul>
<b>Eligible Borrowers:</b>	<ul style="list-style-type: none"> <li>Must meet current income and credit score requirements for mortgage programs</li> <li>Borrower must have eligibility letter for the program</li> </ul>
<b>Eligible Properties:</b>	<ul style="list-style-type: none"> <li>Owner occupied new or existing single-unit property homes</li> <li>Manufactured home on its own land</li> <li>When combined with MCC, single units only and max 5 acres</li> </ul>
<b>Rehabilitation:</b>	<ul style="list-style-type: none"> <li>Borrower must have a home inspection and an HQS completed</li> <li>RD Purchase Rehab – refer to specific fact sheet</li> <li>FHA 203k – refer to specific fact sheet</li> </ul>
<b>Document Type</b>	<ul style="list-style-type: none"> <li>Full documentation</li> </ul>
<b>Minimum Cash Investment:</b>	<ul style="list-style-type: none"> <li>Per mortgage insurer requirements</li> </ul>
<b>Maximum LTV:</b>	<ul style="list-style-type: none"> <li>Single units as per insurer</li> </ul>
<b>Income Limits:</b>	<ul style="list-style-type: none"> <li>Income limits for Home <i>Flex</i> and Home <i>Preferred</i> as currently published by New Hampshire Housing</li> </ul>
<b>Purchase Price Limits:</b>	<ul style="list-style-type: none"> <li>No Purchase Price limits apply to this program</li> <li>However, when combining with the Homebuyer Tax Credit (MCC program), income and purchase price limits must be followed</li> </ul>
<b>Reserves:</b>	<ul style="list-style-type: none"> <li>Per mortgage insurer</li> </ul>
<b>Credit/FICO:</b>	<ul style="list-style-type: none"> <li>620 minimum FICO for all borrowers</li> </ul>
<b>Underwriting/ Ratios:</b>	<ul style="list-style-type: none"> <li>Approve/Eligible</li> <li>DTI over 50% allowed, must be approve/eligible – minimum credit score 680</li> <li>RD Refers acceptable with 620 credit score</li> <li>FHA Refers acceptable and require a manual underwrite, if credit score available must be at least 620</li> <li>Preferred loans voucher can add to income only cannot offset PITI</li> <li>VAMO closing cert needs to be completed before closing</li> </ul>
<b>Collections:</b>	<ul style="list-style-type: none"> <li>Per findings and insurer's requirements</li> </ul>
<b>Homebuyer Education:</b>	<ul style="list-style-type: none"> <li>Homebuyer education is required.</li> <li>If they are eligible for the Home <i>Start</i> Homebuyer Tax Credit, this education also needs to be taken</li> <li>Homebuyer Education available online at <a href="http://www.GoNHHousing.com">www.GoNHHousing.com</a></li> </ul>
<b>Gifts:</b>	<ul style="list-style-type: none"> <li>A gift letter is required</li> <li>Verification of gift funds must be documented per insurer</li> </ul>
<b>Interested Party Contributions:</b>	<ul style="list-style-type: none"> <li>Per mortgage insurer requirements</li> </ul>
<b>Water Test:</b>	<ul style="list-style-type: none"> <li>Water test required on private water source</li> <li>Testing must include Ecoli, Total Coliform, Lead, Nitrate and Nitrite. Any other primary parameters tested must pass</li> </ul>
<b>Well and Septic:</b>	<ul style="list-style-type: none"> <li>Well and septic must be sited on the property being financed</li> </ul>
<b>*Important*</b>	<ul style="list-style-type: none"> <li>Escrows for property taxes, hazard insurance, flood insurance and mortgage insurance are required on every New Hampshire Housing loan</li> </ul>

### **SECTION 8. HOMEBUYER TAX CREDIT PROGRAM (MCC)**

The Home *Start* Homebuyer Tax Credit Program is a Mortgage Credit Certificate (MCC) Program. The MCC Program is a federal program that aims to provide eligible borrowers with a long-term benefit to help them afford a home. An MCC works by reducing the federal income taxes that an eligible homebuyer must pay. The MCC can convert a percentage of the interest paid on a mortgage each year into a tax credit. The maximum tax savings could be up to \$2,000 per year. Required forms are available on our [website](#).

To be eligible to receive an MCC, a borrower must meet certain requirements:

- Be a first-time homebuyer or purchase in a targeted area
- Must occupy the home as a principal residence
- Must meet certain income and purchase price limits
- Have an eligible first mortgage
- Have a tax liability

As stated in Homeownership Program Rule HFA 341.16, all lenders legally authorized to originate residential mortgages in the state may participate in the MCC Program in one or both of the following capacities:

- Acting participating MCC Lender; and/or
- An underlying mortgage lender

To act as a participating MCC Lender, a lender must sign the MCC Lender Agreement found on our website.

# New Hampshire Housing Selling Guide

## Home Start Homebuyer Tax Credit Product Sheet

<b>Description:</b>	<ul style="list-style-type: none"> <li>The Home Start Homebuyer Tax Credit Program is a Mortgage Credit Certificate (MCC) Program. MCC is a Federal program that aims to provide Eligible Borrowers with a long-term benefit to help them afford a home. An MCC works by reducing the Federal income taxes that an Eligible Homebuyer must pay. The MCC can convert a percentage of the interest paid on a mortgage into a tax credit. The maximum tax savings could be up to \$2,000 per year.</li> </ul>			
<b>MCC Rate Based on Mortgage Amount:</b>	Loans less than \$130,000		50% MCC Rate	
	\$130,001 to \$160,000		40% MCC Rate	
	\$160,001 to \$200,000		35% MCC Rate	
	Loans greater than \$200,000		25% MCC Rate	
<b>Term:</b>	<ul style="list-style-type: none"> <li>Maximum term not to exceed 30 years</li> <li>MCC only valid for homes purchased with the MCC and for as long as the homebuyer lives in the home</li> </ul>			
<b>Loan and Rate Requirements:</b>	<ul style="list-style-type: none"> <li><b>Fixed rate</b> cannot exceed New Hampshire Housing's highest rate published</li> <li>Meets the lender's underwriting criteria</li> <li>Government-insured (FHA, RD or VA) or eligible for sale to Fannie Mae or Freddie Mac</li> <li><b>Adjustable rate</b> must have an initial mortgage interest rate, on the date the rate is locked, that is equal to or less than the Authority's lowest posted interest rate on that day</li> <li>Meets the lender's underwriting criteria</li> <li>Have an initial rate period, maximum rate adjustment and a maximum total rate adjustment consistent with the following table</li> </ul>			
<i>(Please note: to work with the borrower directly you need to be a participating MCC lender)</i>	<b>Rate Periods</b>		<b>Interest Rate Caps</b>	
	<b>Initial Rate Period</b>	<b>Adjustments after Initial Period</b>	<b>Maximum First Rate Adjustment</b>	<b>Maximum Total Rate Adjustment</b>
	5 years	Each year after initial	Equal to or less than 3%	Equal to or less than 6%
	7 years	Each year after initial	Equal to or less than 3%	Equal to or less than 6%
	10 years	Each year after initial	Equal to or less than 5%	Equal to or less than 6%
<b>Eligible Homebuyers:</b>	<ul style="list-style-type: none"> <li>Must be a first-time homebuyer (no ownership in the past 3 years). Homebuyers who buy in a targeted area do not have to be first-time homebuyers.</li> <li>Household income must be at or below current MCC Program Income Limits</li> <li>Acquisition cost must be within current MCC Program Purchase Price Limits</li> <li>Must <b>owner occupy</b> principal residence</li> <li>Borrowers with non-occupant co-signers would not be eligible for the program</li> </ul>			
<b>Eligible Properties:</b>	<ul style="list-style-type: none"> <li>New or existing single-unit homes, which include manufactured homes on their own land or located in an Authority approved cooperative</li> <li>Max 5.99 acres; larger tracts need to be pre-approved</li> </ul>			
<b>Fees:</b>	<ul style="list-style-type: none"> <li>See Fee Sheet for Home Start Homebuyer Tax Credit Program</li> </ul>			
<b>Homebuyer Education:</b>	<ul style="list-style-type: none"> <li>Borrower must complete New Hampshire Housing's online MCC Homebuyer Education course located at <a href="http://www.GoNewHampshireHousing.com">www.GoNewHampshireHousing.com</a></li> </ul>			
<b>Recapture:</b>	<ul style="list-style-type: none"> <li>In certain circumstances, Eligible Homebuyers may be subject to pay Recapture Tax at time of sale of property</li> </ul>			

## New Hampshire Housing Selling Guide

### 8.1.1 Mortgage Credit Certificate Program

#### 8.1.1.1 Maximum Rate on Underlying Mortgage

For fixed rate loans, it is the highest interest rate offered by New Hampshire Housing at the time of rate lock with lender. For ARM, refer to the variance for ARM policy

#### 8.1.1.2 MCC Fees

Name	Description	Amount
<b>MCC Application, Processing and Issuance Fee</b> Loans being sold to New Hampshire Housing	<ul style="list-style-type: none"> <li>Payable by the borrower to New Hampshire Housing; to be collected at closing.</li> <li>Lender shall provide New Hampshire Housing with a completed MCC application and all required MCC documents.</li> <li>Lenders shall <u>not</u> charge the borrower any additional MCC fee for an MCC connected with a loan being sold to New Hampshire Housing. Specifically, the lender shall not collect for its benefit any MCC fees from the borrower before, at or after closing.</li> </ul>	\$300
<b>MCC Application and Processing Fee</b> Loans not being sold to New Hampshire Housing	When Underlying Loan is not being sold to New Hampshire Housing, fee is payable to either New Hampshire Housing or the Participating MCC Lender, depending on who is completing the application and collecting the required documents; if fee is due to lender, lender may waive this fee.	\$150
<b>MCC Issuance Fee</b> Loans under \$50,000	Payable by the borrower to New Hampshire Housing. <ul style="list-style-type: none"> <li>Underlying Loan of \$50,000 or less whether loan is being sold to New Hampshire Housing or not</li> </ul>	\$100
<b>MCC Issuance Fee</b> Loans over \$50,000 not being sold to New Hampshire Housing	Payable by the borrower to New Hampshire Housing. <ul style="list-style-type: none"> <li>Underlying Loan over \$50,000 that is not being sold to New Hampshire Housing</li> </ul>	\$400
<b>Veteran's Fee with New Hampshire Housing Loan or with non-New Hampshire Housing Loan</b>	For MCC issued to a qualified veteran or service member: <ul style="list-style-type: none"> <li>There shall be no application/processing fee charged by New Hampshire Housing</li> <li>If the lender processes the MCC, the lender may charge the application and processing fee</li> <li>If New Hampshire Housing processes the MCC, there will be no processing fee</li> <li>Issuance Fee</li> </ul>	\$0 \$150 \$0 \$0
<b>Reissuance Fee</b>	Payable for reissuing an MCC when the Underlying Loan is refinanced	\$150
<b>Substitute Original MCC Fee</b>	Payable by the MCC Holder to New Hampshire Housing for the reprinting of a substitute original MCC	\$50
<b>MCC Reservation Fee</b>	Payable to New Hampshire Housing. No fee currently.	None
<b>MCC Reservation Extension Fee</b>	Payable to New Hampshire Housing. Paid each time a 30-day extension is granted.	\$50

### **8.1.1.3 Closing Cost Limits**

Lenders may not charge an MCC borrower any additional fees for the MCC. Other loan closing costs are limited to fees that are reasonable and customarily charged to a borrower applying for a mortgage without an MCC.

### **8.1.1.4 Specific MCC Program Guide**

New Hampshire Housing will continue to issue MCCs under the 2017 MCC Program until the earliest of:

- All MCC capacity for the 2017 MCC Program has been allocated to homebuyers;
- December 31, 2019; or
- New Hampshire Housing terminates the 2017 MCC Program.

In addition to the Homeownership Program Rules outlined here, each MCC election will have a specific MCC Program Guide which will describe certain specifics for that MCC election.

### **8.1.1.5 MCC Reservations**

Participating MCC Lenders must use Lender Online to reserve the MCC. If Lender Online is not available, the Participating MCC Lender must submit a reservation using the Reservation Form, which may be faxed or emailed.

MCC reservations shall automatically expire four months from the reservation date. Reservations shall automatically be extended if New Hampshire Housing is processing a complete MCC package. Reservations may be extended by New Hampshire Housing, provided:

- The borrower or lender initiates an extension request;
- The MCC, based on the extended reservation, can still be issued in compliance with IRS regulations and New Hampshire Housing rules; and
- There is MCC capacity still available to fulfill the reservation as extended.

### **8.1.2 Pre-Approval Policy and Procedures**

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.

*NOTE: 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.*

#### **8.1.2.1 MCC Pre-Approval Procedures**

If a lender requests an MCC Pre-Approval, New Hampshire Housing and the lender shall follow these procedures. If there has been any material change, the lender shall ensure New Hampshire Housing has a current complete MCC packet.



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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.

### **Step One: Before the Mortgage Closing**

#### **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' paystubs);
    - 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;



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- 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.

#### **8.1.2.2 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.

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## SECTION 9. FEES

### 9.1 HOME FLEX LOAN ACQUISITION FEES

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**Loan Acquisition Fees:** New Hampshire Housing shall pay the lender the following fee based on the loan's "Delivery Date." ("Delivery Date" shall mean the date New Hampshire Housing receives a closed loan with a fully complete loan file.)

#### Home Flex

<b>Calendar Days from Loan Reservation to Receipt of Ready-to-Purchase Loan</b>	<b>Loan Acquisition Fee Paid to Lender (as a % of Loan Amount)</b>
1–60	2.25
61–68	2.125
69–75	2.00
75–90	1.75
91–120	1.25
120+	No acquisition fee paid; acquisition subject to New Hampshire Housing agreement and potential penalty; rate lock expired
<b>Combined with MCC</b>	<b>.20 basis points added to fee listed above MCC's will be net funded at time of purchase</b>

#### Home Flex Plus

<b>Calendar Days from Loan Reservation to Receipt of Ready-to-Purchase Loan</b>	<b>Loan Acquisition Fee Paid to Lender (as a % of Loan Amount)</b>
1–60	2.05
61–68	1.925
69–75	1.80
75–90	1.55
91–120	1.05
120+	No acquisition fee paid; acquisition subject to New Hampshire Housing agreement and potential penalty; rate lock expired
<b>Combined with MCC</b>	<b>.20 basis points added to fee listed above MCC's will be net funded at time of purchase</b>

#### Notes

- In counting "calendar days," the day of the reservation and day of delivery are counted as days. Example: If a reservation is made on April 1, the loan must be delivered within 60 calendar days, which would mean delivered to New Hampshire Housing by May 30. If the delivery deadline is a weekend or holiday, the lender has until the following business day to deliver the loan.
- A "ready-to-purchase loan" means a loan delivered in the format specified in New Hampshire Housing's rules and including all documents as detailed in the Stacking List. Loan files that are

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delivered to New Hampshire Housing that are not ready-to-be-purchased loans, shall earn the acquisition fee based on when the file becomes complete.

- New Hampshire Housing, in its sole discretion, may elect to purchase or not purchase a loan delivered more than 120 days after reservation. Such loans have an expired rate lock. New Hampshire Housing reserves the right to charge the lender a penalty of up to 1% of the mortgage amount.
- When combining either the Home *Flex* or Home *Flex* Plus with the MCC an additional .20 basis points will be added to the acquisition fee.
- The \$300 MCC fee collected from the borrower at time of closing will be net funded at time of purchase.

### 9.2 HOME PREFERRED LOAN ACQUISITION FEES

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**Loan Acquisition Fees:** New Hampshire Housing shall pay the lender the following fee based on the loan's "Delivery Date." ("Delivery Date," shall mean the date New Hampshire Housing receives a closed loan with a fully complete loan file.)

#### Home Preferred

<b>Calendar Days from Loan Reservation to Receipt of Ready-to-Purchase Loan</b>	<b>Loan Acquisition Fee Paid to Lender (as a % of Loan Amount)</b>
1–60	2.05
<b>Combined with MCC</b>	<b>.20 basis points added to fee listed above MCC's will be net funded at time of purchase</b>

#### Notes:

- Extensions must be requested via email PRIOR to expiration.
- Minimum Extension 5 days, Maximum extension is 30 days.
- Extension fees will be net funded at loan purchase or invoiced if loan does not close.
- When combining with the MCC an additional .20 basis points will be added to the acquisition fee.
- The \$300 MCC fee collected from the borrower at time of closing will be net funded at time of purchase.

### **SECTION 10. SUPPORTING DOCUMENTS**

Refer to our [website](#) for most of the following supporting documents.

1. Affidavit of Intent
2. ARM Policy
3. Assignment of Mortgage
4. Borrowers Authorization
5. Borrower Counseling Form
6. Cash Assistance Transfer Request (for reservations prior to 07/16/18)
7. Cash Assistance Wire Transfer Request
8. Condo Questionnaire
9. Contact Information Sheet
10. Contractor Approval Worksheet
11. Document Preparation Agreement
12. Home *Flex* Plus Stacking List
13. Home *Preferred* Stacking List (TRID)
14. Home *Preferred* MH ROCs Stacking List
15. Homeowner/Contractor Agreement
16. Income Limit Policy
17. Lender Exception Request and Acknowledgement
11. Mortgagee Change Letter
12. Mortgage Credit Certificate Documents
  - a. Application Package
  - b. Borrower Notification
  - c. Borrower Qualification Worksheet
  - d. Document Delivery Portal Lender Instruction Guide
  - e. Land Use Borrower Affidavit
  - f. Limited Business Use Affidavit
  - g. MCC Application with NHHFA
  - h. MCC Application Standalone
  - i. MCC Reservation Form
  - j. MCC Income and Purchase Price Limits
  - k. Participating MCC Lender Agreement
  - l. Re-issue Application
  - m. Underlying Lender Acknowledgement
13. Mortgage Loan Purchase Agreement (MLPA)
14. New Hampshire Housing LE Submission Form
15. New Hampshire Housing Letter on Legally Liable/Obligated

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16. Notice of Construction Funding
17. Notice of Construction Mortgage
18. Owner's Loan Disbursement Affidavit – Final
19. Owner's Loan Disbursement Affidavit – Initial
20. Participating Originator Agreement (POA)
21. Recognition Agreement
22. Reservation Form
23. Rider for ROCs
24. Stacking List
25. Tax Transfer Letter
26. Transfer of Servicing Letter
27. VAMO Closing Cert

**SECTION 11. REVISION HISTORY**

<b>Date</b>	<b>Section</b>	<b>Revision</b>
May 2019	All	Selling Guide created.
December 2019	All	Content and formatting updated.



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*As a self-supporting public corporation created by the state legislature, New Hampshire Housing Finance Authority promotes, finances, and supports affordable housing.*

