



## LENDER NOTICE

### January 10, 2019—Update to the Document Requirements for Non-Borrower Owners

In response to lender feedback, we are updating our document requirement for non-borrower owners. We appreciate your feedback as we continue to strive to make the process clearer and streamlined.

Here is the one definition you need to understand the policy. **“Non-Borrower Owner”** means a person who is not on the note (no liability under note) but who is an owner or has other rights in the property (ownership rights and/or homestead rights). Some in the industry call this a “title-only borrower.”

**Current Requirements:** Currently, New Hampshire Housing allows loans with Non-Borrower Owners, provided the loan fully complies with requirements of the agency and insurer. To clarify the roles of the parties to the mortgage and to alleviate servicing/legal concerns, we have required that the mortgage include an annotation that describes when a person is a Non-Borrower Owner.

**Updated Requirements:** Based on lender feedback, we have reviewed the requirements with our servicing staff, our attorneys and our document custodian and make the following updates.

Effective immediately, when a loan includes a Non-Borrower Owner, the mortgage shall include a provision that makes clear that the Non-Borrower Owner, by signing the mortgage, is releasing all of their property rights to the mortgagee.

For example, the **NEW HAMPSHIRE--Single Family--Fannie Mae/Freddie Mac UNIFORM INSTRUMENT, Form 3030**, includes the following paragraph, which meets New Hampshire Housing’s requirements.

*24. Releases. Borrower, and Borrower’s Spouse, if any, release all rights of homestead in the Property and release all rights of courtesy and other interests in the Property.*

PLEASE NOTE: Some other form mortgages show this as paragraph 26 with the heading “Waivers.” That version is acceptable as well.

#### NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

32 Constitution Drive, Bedford, NH 03110  
Mail: PO Box 5087, Manchester, NH 03108

603.472.8623  
NHHFA.org





If the form mortgage does not include the required language, then the mortgage must be annotated to specifically state: *Borrower, and Borrower's Spouse, if any, release all rights of homestead in the Property and release all rights of courtesy and other interests in the Property.*

Please see attached changes to Section 6.3.2 of the [Selling Guide](#) (also attached).

New Hampshire Housing will hold funding on mortgages that do not comply with these requirements.

If you have any questions or concerns, please contact Michael Chadbourne at 603-310-9247 or at [mchadbourne@nhhfa.org](mailto:mchadbourne@nhhfa.org).

Thank you,

New Hampshire Housing Homeownership Team

