



## Home Flex Plus with Cash Assistance Second Mortgage

<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 Flex 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.GoNHousing.com">www.GoNHousing.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 maximum 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> <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.GoNHousing.com">www.GoNHousing.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 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>

## Cash Assistance Mortgage

<b>Description:</b>	<ul style="list-style-type: none"> <li>• The "Cash Assistance Mortgage" is the second mortgage that is connected with a Home <i>Flex</i> Plus first mortgage.</li> </ul>
<b>Loan Terms:</b>	<ul style="list-style-type: none"> <li>• Full amount of the Cash Assistance will be repayable to New Hampshire Housing. <ul style="list-style-type: none"> <li>○ Secured by a second mortgage</li> <li>○ No interest</li> <li>○ No periodic payments</li> <li>○ Forgiven in full after four years unless during the first four years, the borrower: 1) sells; 2) refinances; or 3) files for bankruptcy, in which case the borrower must repay the Cash Assistance.</li> </ul> </li> </ul>
<b>Reservation:</b>	<ul style="list-style-type: none"> <li>• When a lender reserves a Home <i>Flex</i> Plus loan, there is an automatic reservation for the Cash Assistance Mortgage, meaning a separate reservation is not required.</li> </ul>
<b>Application:</b>	<ul style="list-style-type: none"> <li>• No separate application is required for the Cash Assistance Mortgage.</li> </ul>
<b>Lender:</b>	<ul style="list-style-type: none"> <li>• New Hampshire Housing is the lender on the Cash Assistance Mortgage.</li> </ul>
<b>Document Preparer:</b>	<ul style="list-style-type: none"> <li>• On the Cash Assistance Mortgage, the lender on the Home <i>Flex</i> Plus first mortgage acts simply as a document preparer.</li> <li>• The document preparer must sign the Document Preparation Agreement (see the Policy).</li> </ul>
<b>Documents:</b>	<ul style="list-style-type: none"> <li>• The Policy provides a list of and the forms for all of the documents connected with the Cash Assistance Mortgage.</li> <li>• To document the repayment obligation and to provide a second mortgage to New Hampshire Housing, the borrower shall sign the "Mortgage and Promise to Pay" (see the Policy).</li> </ul>
<b>Funding Process:</b>	<ul style="list-style-type: none"> <li>• There are very specific mandatory steps for requesting and funding the Cash Assistance, which are stated in the Policy.</li> <li>• Cash Assistance funds must be requested by 12pm two business days before closing.</li> <li>• Failure to follow the Policy could result in: <ul style="list-style-type: none"> <li>○ The loan not being FHA insured</li> <li>○ The lender having to pay back the Cash Assistance</li> </ul> </li> </ul>