**Home Preferred**

<table>
<thead>
<tr>
<th>Description:</th>
<th>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.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term:</td>
<td>30 years</td>
</tr>
<tr>
<td>Loan Purpose:</td>
<td>Purchase of a primary residence, or limited cash-out refinance</td>
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<tr>
<td>Occupancy:</td>
<td>Must be owner occupied</td>
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<td></td>
<td>Loans cannot be closed in a trust (NHHFA policy)</td>
</tr>
</tbody>
</table>

**Eligible Borrowers:**

- Must meet current income and credit score requirements for mortgage programs
- Home Buyer Education is required for all first-time homebuyers, New Hampshire Housing online education acceptable
- 2-4 units require Landlord and Homebuyer Education
- Home Preferred/Home Ready rules apply, follow the findings
- If borrowers currently own property and are retaining it, borrowers would need to qualify under Home Ready guidelines
- Non-borrower title holders acceptable – if allowed by mortgage insurer

**Eligible Properties:**

- 1-4 family primary residence
  - 1-unit max 97% loan-to-value
  - 2-4 unit max 95% loan-to-value
- Must meet Fannie Mae eligibility on all condos/condexs
- If the condo is not currently in our system, we will need questionnaire
- Manufactured housing allowed up to 95% LTV on its own land per Fannie Mae guidelines (Double Wide Only)

**Minimum Cash Investment:**

- One unit: $0
- 2-4 unit: 3% (3-4 units are subject to PMI availability)
- Private mortgage insurance requirements may differ – please check

**Maximum LTV:**

- 97% for 1- units / CLTV 105% with Fannie Mae eligible community seconds
- 95% for 2-4 units / CLTV 105% with Fannie Mae eligible community seconds

**Income Limits:**

- Income limits as currently published by New Hampshire Housing
- Qualifying income for all borrowers, occupant and non-occupant, is counted towards income limit
- 2-4 unit if using rental income to qualify must be added for compliance as well.

**Purchase Price Limits:**

- No Purchase Price limits apply to this program
- However, when combining with the Homebuyer Tax Credit (MCC program), income and purchase price limits must be followed

**Reserves:**

- Per mortgage insurer

**Credit/FICO:**

- 620 minimum FICO for all borrowers

**Underwriting/Ratios:**

- Per DO. When entering DO, choose the HFA Preferred option on the community lending screen.
- DO recommendations of Approve/Eligible are eligible for DO’s Limited Waiver of reps and warrants
- Qualifying ratios, reserves, and income requirements are determined by DO

**Collections:**

- Per DO and insurer’s requirements

<table>
<thead>
<tr>
<th>LTV</th>
<th>Mortgage Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;95% and &lt;=97%</td>
<td>18%</td>
</tr>
<tr>
<td>&gt;90% and &lt;=95%</td>
<td>16%</td>
</tr>
<tr>
<td>&gt;85% and &lt;=90%</td>
<td>12%</td>
</tr>
<tr>
<td>&gt;80% and &lt;=85%</td>
<td>6%</td>
</tr>
</tbody>
</table>

HP/rev. 05.18.2020
| **Gifts:** | • A gift letter is required  
|           | • Transfer of gift funds must be documented.  
|           | • File must include documentation that the gift funds were from an acceptable source and were the donor’s own funds. |
| **Interested Party Contributions:** | • Please refer to Fannie Mae Selling Guide |
| **Water Test:** | • Water test required on private water source  
|           | • Testing must include E coli, Total Coliform, Lead, Nitrate and Nitrite. Any other primary parameters tested must pass |
| **Well and Septic:** | • Community Wells: we will need a copy of the most recent water test  
|           | • Dug Well: must meet insurer requirements as well as testing requirements above  
|           | • Well and septic must be sited on the property being financed  
|           | • Refinances: do NOT require a water test  
|           | • CONDEX: with shared well and septic will need acceptable tests for both systems and a hold harmless stating the borrower is aware they are responsible for those systems |
| **Homeowners Insurance:** | • 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  
|           | • CONDO: Must have master policy. If no walls in coverage and/or deductible is $5,000 or more an HO6 will be required.  
|           | • We will escrow for the HO6 only if it is requested by the borrower |
| **NHHFA Overlays** | • Minimum 620 FICO all borrowers  
|           | • Water test required for private well – requirements listed above  
|           | • Well and septic must be sited on the property we are financing  
|           | • Two years of tax transcripts are required  
|           | • Manchester multi families need the Certificate of Compliance |
| **Important** | • We DO NOT participate in MERS  
|           | • Loans cannot be closed in a trust (NHHFA policy)  
|           | • Escrows for property taxes, hazard insurance, flood insurance and mortgage insurance are required on every New Hampshire Housing loan |