

Home Preferred – PO

Description:	<ul style="list-style-type: none"> New Hampshire Housing in conjunction with Fannie Mae is offering Home Preferred. This program offers up to 97% LTV with low mortgage insurance coverage. This program is ideal for borrowers with limited funds for down payment and closing costs now including features offered in the Home Ready program. When you run DO always pick HFA Preferred. 	
Rate and Term:	<ul style="list-style-type: none"> 30 years Established daily and published on www.nhhfa.org 	
Loan Purpose: Occupancy:	<ul style="list-style-type: none"> Purchase of a primary residence, limited cash out refinance Must be owner occupied Loans cannot be closed in a trust (NHHFA policy) 	
Eligible Borrowers:	<ul style="list-style-type: none"> Any borrower whose income falls within current limit set my New Hampshire Housing Home Buyer Education is required for all first-time homebuyers Education available at www.GoNewHampshireHousing.com 2-4 units require Landlord and Homebuyer Education Home Preferred / Home Ready rules apply, follow the findings If they currently own property, and are maintaining it, they would need to qualify under Home Ready Non-borrower title holders now acceptable – if allowed by mortgage insurer 	
Eligible Properties:	<ul style="list-style-type: none"> 1-4 family primary residence <ul style="list-style-type: none"> 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 request a condo questionnaire Manufactured housing allowed up to 95% LTV on its own land per Fannie Mae guidelines 	
Income, Credit, Assets:	<ul style="list-style-type: none"> Income as currently published by New Hampshire Housing. Non-occupant co-borrower income <u>does</u> have to be added to total for compliance. 2-unit 75% of rental can be added to income to qualify. If used to qualify must be added for compliance. If not used to qualify does not need to be counted. Written VOE's and 1 month of paystubs will be required for each borrower Credit: 620 minimum all borrowers DO Approve/Eligible NOTE: when combining with MCC you must follow MCC program income and purchase price limits 	
Minimum Cash Investment:	<ul style="list-style-type: none"> One unit: \$0 2-4 unit: 3% (3-4 units are subject to PMI availability) <i>Private mortgage insurance requirements may differ, please check</i> 	
Maximum LTV	<ul style="list-style-type: none"> 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 	
Reserves:	<ul style="list-style-type: none"> As per mortgage insurer 	
Underwriting/ Ratios:	<ul style="list-style-type: none"> 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:	<ul style="list-style-type: none"> Per DO and insurers requirements 	
Mortgage Insurance:	LTV	Mortgage Insurance
	>95% and <=97%	18%
	>90% and <=95%	16%
	>85% and <=90%	12%
	>80% and <=85%	6%
Gifts:	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> • 4% max for LTV greater than 90% per Fannie Mae Selling Guide • 6% max for LTV less than 90%
Water Test: Well and Septic:	<ul style="list-style-type: none"> • Purchases: Water test required for private water source. Testing must include Ecoli, Total Coliform, Lead, Nitrate and Nitrite. Any other primary parameters tested will have to pass. • Dug Well: must meet insurer requirements as well as testing requirements above. • Community Wells: we will need a copy of the most recent water test. • 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:	<ul style="list-style-type: none"> • Max deductible is the higher of \$1,000 or 1% of face amount of policy. 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 HO6 only if borrower requests it.
IMPORTANT	<ul style="list-style-type: none"> • Loans cannot be closed in a trust (NHHFA policy)