

Home Flex Limited 203k

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

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

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| <p>Ineligible Repairs:</p> | <ul style="list-style-type: none"> • The Limited 203k 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: • The repair or improvements are expected to require more than six months to complete • The rehabilitation activities require more than two payments per specialized contractor • The required repairs arising from the appraisal: <ul style="list-style-type: none"> ○ Necessitate a Consultant to develop a specification of repairs/Work Write-Up; or ○ Require plans or architectural exhibits; or ○ The repair prevents the Borrower from occupying the Property for more than 15 Days during the rehabilitation period. • Additionally, the Limited 203k mortgage proceeds may not be used to finance the following specific repairs: <ul style="list-style-type: none"> ○ Converting a one-family Structure to a two-, three- or four-family Structure ○ Decreasing an existing multi-unit Structure to a one- to four-family Structure ○ Reconstructing a Structure that has been or will be demolished ○ Repairing, reconstructing or elevating an existing foundation ○ Purchasing an existing Structure on another site and moving it onto a new foundation ○ Making structural alterations such as the repair of structural damage and new construction, including room additions ○ Landscaping and site improvements ○ Constructing a windstorm shelter ○ 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"> ▪ 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) |
| <p>Water Test Requirement:</p> <p>Septic Test:</p> | <ul style="list-style-type: none"> • Water test required on private water source. Test to include Ecoli, Total Coliform, Lead, Nitrate and Nitrite. Any other primary parameter tested must pass. • Community Wells: we will need a copy of the most recent water test • Dug Well: must meet insurer requirements as well as test requirements listed above. • Well and septic must be sited on the property being financed. • 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. |
| <p>Homeowners Insurance:</p> | <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 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 requested by the borrower. |
| <p>*IMPORTANT*</p> | <ul style="list-style-type: none"> • 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. |