



Home Flex Plus with Cash Assistance Second Mortgage

Description:	<ul style="list-style-type: none"> 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). 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.
Term:	<ul style="list-style-type: none"> 30 years
Interest Rate:	<ul style="list-style-type: none"> 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"> Non-occupant co-borrowers allowed per FHA guidelines Non-borrower title holders acceptable – if allowed by mortgage insurer Loans cannot be closed in a trust
Eligible Properties:	<ul style="list-style-type: none"> Owner occupied new or existing 1-4 unit homes 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) Manufactured home on its own land, documented per insurer guidelines No acreage requirement for loan program When combined with MCC, single units only and maximum 5 acres
Income Limits:	<ul style="list-style-type: none"> Income limits as currently published by New Hampshire Housing for loan programs Qualifying income only for mortgage programs, at minimum all of the base income must be counted Non-occupant co-borrower income should be used to qualify but not counted for compliance Multi-family rental income can be used to qualify but not counted for compliance limit
Purchase Price Limits:	<ul style="list-style-type: none"> No Purchase Price limits WARNING: 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.
Document Type	<ul style="list-style-type: none"> Full documentation
Minimum Cash Investment / Cash Back:	<ul style="list-style-type: none"> Per mortgage insurer requirements Cash back at closing is allowed, per insurers requirements, not to exceed borrower contribution
Maximum LTV:	<ul style="list-style-type: none"> Based on insurer guidelines
Reserves:	<ul style="list-style-type: none"> Per mortgage insurer
Credit/FICO:	<ul style="list-style-type: none"> Min 620 FICO, all borrowers
Underwriting/ Ratios:	<ul style="list-style-type: none"> Approve/Eligible Any DTI over 50% must be approved/eligible and have a minimum credit score of 680 RD Refers acceptable with 620 credit score RD manual underwrite acceptable FHA Refers acceptable, requires a manual underwrite if credit score at least 620
Collections:	<ul style="list-style-type: none"> Per findings and insurer's requirements
Homebuyer Education:	<ul style="list-style-type: none"> Mandatory by at least one borrower for this program 2-4 units – homebuyer and landlord education required Homebuyer Education available online at www.GoNHHousing.com
Mortgage Insurance:	<ul style="list-style-type: none"> Per Insurer requirements Current insurers: FHA / VA / RD
Gifts:	<ul style="list-style-type: none"> A gift letter is required Verification of gift funds must be documented per insurer
Interested Party Contributions:	<ul style="list-style-type: none"> Per mortgage insurer requirements
Water Test:	<ul style="list-style-type: none"> Water test required on private water source. Testing must include Ecoli, Total Coliform, Lead, Nitrate and Nitrite. Any other primary parameters tested must pass.

Well and Septic:	<ul style="list-style-type: none"> • 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 • 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, 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
Important	<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 • MANCHESTER multi-families need Certificate of Compliance

Cash Assistance Mortgage

Description:	<ul style="list-style-type: none"> • The "Cash Assistance Mortgage" is the second mortgage that is connected with a Home <i>Flex</i> Plus first mortgage.
Loan Terms:	<ul style="list-style-type: none"> • Full amount of the Cash Assistance will be repayable to New Hampshire Housing. <ul style="list-style-type: none"> ○ Secured by a second mortgage ○ No interest ○ No periodic payments ○ 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.
Reservation:	<ul style="list-style-type: none"> • 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.
Application:	<ul style="list-style-type: none"> • No separate application is required for the Cash Assistance Mortgage.
Lender:	<ul style="list-style-type: none"> • New Hampshire Housing is the lender on the Cash Assistance Mortgage.
Document Preparer:	<ul style="list-style-type: none"> • On the Cash Assistance Mortgage, the lender on the Home <i>Flex</i> Plus first mortgage acts simply as a document preparer. • The document preparer must sign the Document Preparation Agreement (see the Policy).
Documents:	<ul style="list-style-type: none"> • The Policy provides a list of and the forms for all of the documents connected with the Cash Assistance Mortgage. • 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).
Funding Process:	<ul style="list-style-type: none"> • There are very specific mandatory steps for requesting and funding the Cash Assistance, which are stated in the Policy. • Cash Assistance funds must be requested by 12pm two business days before closing. • Failure to follow the Policy could result in: <ul style="list-style-type: none"> ○ The loan not being FHA insured ○ The lender having to pay back the Cash Assistance