### Home Flex Plus with Cash Assistance Second Mortgage

**Description:**
- Provides financing for the purchase of a home along with “Cash Assistance” of 2%, 3% or 4% 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.

<table>
<thead>
<tr>
<th>Term</th>
<th>30 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Rate</td>
<td>Established daily and published on <a href="http://www.nhhfa.org">www.nhhfa.org</a>, <a href="http://wwwGoNHHousing.com">wwwGoNHHousing.com</a></td>
</tr>
<tr>
<td>Loan Purpose</td>
<td>Purchase of a primary residence</td>
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<tr>
<td>Occupancy</td>
<td>Must be owner occupied</td>
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**Eligible Borrowers:**
- 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:**
- 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:**
- 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:**
- 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:**
- Full documentation

**Minimum Cash Investment / Cash Back:**
- Per mortgage insurer requirements
- Cash back at closing is allowed, per insurers requirements, not to exceed borrower contribution

**Maximum LTV:**
- Based on insurer guidelines

**Reserves:**
- Per mortgage insurer

**Credit/FICO:**
- Min 620 FICO, all borrowers

**Underwriting/Ratios:**
- 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:**
- Per findings and insurer’s requirements

**Homebuyer Education:**
- Mandatory by at least one borrower for this program
- 2-4 units – homebuyer and landlord education required
- Homebuyer Education available online at [wwwGoNHHousing.com](http://wwwGoNHHousing.com)

**Mortgage Insurance:**
- Per Insurer requirements
- Current insurers: FHA / VA / RD

**Gifts:**
- A gift letter is required
- Verification of gift funds must be documented per insurer

**Interested Party Contributions:**
- Per mortgage insurer requirements
### Water Test:
- 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:
- 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:
- 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*
- 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

<table>
<thead>
<tr>
<th>Description:</th>
<th>The “Cash Assistance Mortgage” is the second mortgage that is connected with a Home Flex Plus first mortgage.</th>
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</thead>
<tbody>
<tr>
<td>Loan Terms:</td>
<td>Full amount of the Cash Assistance will be repayable to New Hampshire Housing.</td>
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<tr>
<td></td>
<td>o Secured by a second mortgage</td>
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<tr>
<td></td>
<td>o No interest</td>
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<td>o No periodic payments</td>
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<td>o 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.</td>
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<td>Reservation:</td>
<td>When a lender reserves a Home Flex Plus loan, there is an automatic reservation for the Cash Assistance Mortgage, meaning a separate reservation is not required.</td>
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<tr>
<td>Application:</td>
<td>No separate application is required for the Cash Assistance Mortgage.</td>
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<tr>
<td>Lender:</td>
<td>New Hampshire Housing is the lender on the Cash Assistance Mortgage.</td>
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<tr>
<td>Document Preparer:</td>
<td>On the Cash Assistance Mortgage, the lender on the Home Flex Plus first mortgage acts simply as a document preparer.</td>
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<td>The document preparer must sign the Document Preparation Agreement (see the Policy).</td>
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<tr>
<td>Documents:</td>
<td>The Policy provides a list of and the forms for all of the documents connected with the Cash Assistance Mortgage.</td>
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<td>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).</td>
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<tr>
<td>Funding Process:</td>
<td>There are very specific mandatory steps for requesting and funding the Cash Assistance, which are stated in the Policy.</td>
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<td>Cash Assistance funds must be requested by 12pm two business days before closing.</td>
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<td>Failure to follow the Policy could result in:</td>
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<td></td>
<td>o The loan not being FHA insured</td>
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<td>o The lender having to pay back the Cash Assistance</td>
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