



Home *Preferred Plus* with Cash Assistance Second Mortgage

Description:	<ul style="list-style-type: none"> New Hampshire Housing, in conjunction with Fannie Mae's Home Ready program, offers Home <i>Preferred Plus</i>. It offers up to 97% LTV with low mortgage insurance coverage, along with Cash Assistance of 3% of the base loan amount. This program is ideal for borrowers with limited funds for downpayment and closing costs. When you run DO always pick HFA <i>Preferred</i>. 	
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.GoNewHampshireHousing.com 	
Loan Purpose: Occupancy:	<ul style="list-style-type: none"> Purchase of a primary residence, or 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"> 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 <i>Preferred</i>/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:	<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 need questionnaire Manufactured housing allowed up to 95% LTV on its own land per Fannie Mae guidelines (Double Wide Only) 	
Minimum Cash Investment:	<ul style="list-style-type: none"> 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:	<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 	
Income Limits:	<ul style="list-style-type: none"> 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:	<ul style="list-style-type: none"> 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:	<ul style="list-style-type: none"> Per mortgage insurer 	
Credit/FICO:	<ul style="list-style-type: none"> 620 minimum FICO for all borrowers 	
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 insurer's 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"> • Please refer to Fannie Mae Selling Guide
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 • 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, 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	<ul style="list-style-type: none"> • 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	<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

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>Preferred Plus</i> 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>Preferred Plus</i> 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>Preferred Plus</i> 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