

## Home *Preferred* Manufactured Housing ROCs with Cash Assistance Second Mortgage - Over 80% AMI

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| <b>Description:</b>                    | <ul style="list-style-type: none"> <li>New Hampshire Housing, in conjunction with Fannie Mae, is making our Home <i>Preferred</i> program available for manufactured housing in Fannie Mae approved ROCs (resident owned community). The program offers up to 95% LTV with standard mortgage insurance coverage, making it ideal for borrowers with limited funds. <b>Either 3% or 4%</b> Cash Assistance Mortgage (DPA) can be combined with the ROC program.</li> </ul>  |
| <b>Term:</b>                           | <ul style="list-style-type: none"> <li>30 years</li> </ul>   |
| <b>Interest Rate:</b>                  | <ul style="list-style-type: none"> <li>Established daily and published on <a href="https://www.gonewhampshirehousing.com/rates">https://www.gonewhampshirehousing.com/rates</a></li> </ul>   |
| <b>Loan Purpose:<br/>Occupancy:</b>    | <ul style="list-style-type: none"> <li>Purchase of a primary residence, or limited cash-out refinance</li> <li><b>Must be owner occupied</b></li> <li><b>Loans cannot be closed in a trust (NHHFA policy)</b></li> </ul>   |
| <b>Eligible<br/>Borrowers:</b>         | <ul style="list-style-type: none"> <li>Borrower not required to be a first-time homebuyer</li> <li>Home Buyer Education is required for first-time homebuyers<br/>See: <a href="https://www.gonewhampshirehousing.com/education-and-resources/online-education">https://www.gonewhampshirehousing.com/education-and-resources/online-education</a></li> <li>If borrower(s) own property that will be retained Lender must follow Home Ready/AUS guidelines to ensure eligibility.</li> <li>Non-borrower title holders acceptable – if allowed by mortgage insurer</li> </ul> |
| <b>Eligible<br/>Properties:</b>        | <ul style="list-style-type: none"> <li>Must meet Fannie Mae requirements for manufactured housing in a Resident Owned Community (ROC)</li> <li>Must be affixed to the property per Fannie Mae requirements.</li> <li>Fannie Mae approved communities only. <a href="https://www.nhhfa.org/wp-content/uploads/2019/07/Home_Preferred_MH_ROCs_borrower_info.pdf">https://www.nhhfa.org/wp-content/uploads/2019/07/Home_Preferred_MH_ROCs_borrower_info.pdf</a></li> <li>Appraisal forms 1004C and 2090 required for this transaction.</li> </ul>                               |
| <b>Minimum Cash<br/>Investment:</b>    | <ul style="list-style-type: none"> <li>One unit: \$0</li> <li><i>Private mortgage insurance requirements may differ – please check</i></li> </ul>  |
| <b>Maximum LTV:</b>                    | <ul style="list-style-type: none"> <li>95% / CLTV 105% with Fannie Mae eligible community seconds</li> </ul>   |
| <b>Participating PMI<br/>Companies</b> | <ul style="list-style-type: none"> <li>National MI, MGIC, Genworth</li> </ul>  |
| <b>Income Limits:</b>                  | <ul style="list-style-type: none"> <li>Income limit as published by New Hampshire Housing, see income limits: <a href="https://www.nhhfa.org/wp-content/uploads/2020/05/Program-Income-Limits.pdf">https://www.nhhfa.org/wp-content/uploads/2020/05/Program-Income-Limits.pdf</a></li> <li>Qualifying income for all borrowers, occupant, and non-occupant, is counted towards income limit</li> <li><i>When combining with the Homebuyer Tax Credit (MCC program), <a href="#">income and purchase price limits must be followed.</a></i></li> </ul>                        |
| <b>Reserves:</b>                       | <ul style="list-style-type: none"> <li>Per mortgage insurer</li> </ul>   |
| <b>Credit/FICO:</b>                    | <ul style="list-style-type: none"> <li>Per DO with Approved Eligible - 620 minimum FICO for all borrowers</li> </ul>   |
| <b>Underwriting/<br/>Ratios:</b>       | <ul style="list-style-type: none"> <li>Per DO. When entering DO, choose the HFA Preferred option on the community lending screen.</li> <li>DO recommendations of Approve/Eligible are eligible for DO's Limited Waiver of reps and warrants.</li> <li>Qualifying ratios, reserves, and income requirements are determined by DO.</li> <li>Follow the findings</li> </ul>   |
| <b>Collections:</b>                    | <ul style="list-style-type: none"> <li>Per DO and insurer's requirements. *Choose Property type: Condo/PUD/Coop/Manufactured</li> </ul>  |
| <b>Mortgage<br/>Insurance:</b>         | <ul style="list-style-type: none"> <li>Standard rates apply. Follow your AUS findings. This program is <b>not</b> eligible for reduced MI.</li> </ul>  |

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| <b>Gifts:</b>                          | <ul style="list-style-type: none"> <li>• A gift letter is required</li> <li>• Transfer of gift funds must be documented.</li> <li>• File must include documentation that the gift funds were from an acceptable source and were the donor's own funds</li> </ul>   |
| <b>Interested Party Contributions:</b> | <ul style="list-style-type: none"> <li>• Please refer to Fannie Mae Selling Guide</li> </ul>   |
| <b>Water Test:</b>                     | <ul style="list-style-type: none"> <li>• Water test required on private water source, test must include Ecoli, Total Coliform, Lead, Nitrate and Nitrite. Any other primary parameters tested must pass</li> <li>• Community Wells: we will need a copy of the most recent water test.</li> </ul>  |
| <b>Homeowners Insurance:</b>           | <ul style="list-style-type: none"> <li>• Max deductible is the higher of \$1,000 or 1% of face amount of policy.</li> </ul>  |
| <b>Additional Documentation:</b>       | <ul style="list-style-type: none"> <li>• Rider for the ROC</li> <li>• Recognition Agreement &amp; Affidavit of Intent (forms available at <a href="http://www.nhhfa.org">www.nhhfa.org</a>).</li> <li>• ROC Membership Certificate/Occupancy Agreement signed by ROC</li> <li>• Follow correct stacking list for the Home <i>Preferred</i> MH ROC program</li> </ul> |
| <b>*Important*</b>                     | <ul style="list-style-type: none"> <li>• We DO NOT participate in MERS</li> <li>• Fannie Mae approved Resident Owned Communities (ROCs) only</li> <li>• Loans cannot be closed in a trust (NHHFA policy)</li> <li>• Escrows for property taxes, hazard insurance, flood insurance and mortgage insurance are required on every New Hampshire Housing loan</li> </ul> |

## Cash Assistance Mortgage

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