

Home Preferred Plus with Cash Assistance Second Mortgage – Over 80% AMI

Description:	<ul style="list-style-type: none"> New Hampshire Housing, in conjunction with Fannie Mae’s Home Ready program, offers Home Preferred Plus. It offers up to 95% LTV with standard mortgage insurance coverage, along with Cash Assistance of either 3% or 4% 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 Preferred.
Term:	<ul style="list-style-type: none"> 30 years
Interest Rate:	<ul style="list-style-type: none"> Established daily and published on https://www.gonewhampshirehousing.com/rates/
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"> Borrower not required to be a first-time homebuyer Home Buyer Education is required for first-time homebuyers See: https://www.gonewhampshirehousing.com/education-and-resources/online-education 2-4 units require Landlord and Homebuyer Education If borrower(s) own property that will be retained Lender must follow Home Ready/AUS guidelines to ensure eligibility. 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 condo is not listed in Lender Online, ensure the loan file includes master insurance, budget and questionnaire at time of loan submission. The review of this data does not infer approval of the condo for the agency/insurer-the lender is responsible to ensure approval. 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, see: https://www.nhhfa.org/wp-content/uploads/2020/05/Program-Income-Limits.pdf 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. 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 Follow the findings
Collections:	<ul style="list-style-type: none"> Per DO and insurer’s requirements
Mortgage Insurance:	<ul style="list-style-type: none"> Standard rates apply. Follow your AUS findings. This program is not eligible for reduced MI.

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.
Documents:	<ul style="list-style-type: none"> • See NHHFA.org 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.
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 Selling Guide. • 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