# Home Preferred – PO
## Over 80% AMI

### Description:
- New Hampshire Housing, in conjunction with Fannie Mae’s Home Ready program, offers Home Preferred with up to 97% LTV with low mortgage insurance coverage. This program is ideal for borrowers with limited funds for downpayment and closing costs. When you run DO always pick HFA Preferred.

### Term:
- 30 years

### Interest Rate:

### Loan Purpose:
- Purchase of a primary residence
- Limited cash-out refinance: The borrower can receive no more than the lesser of 2% of the refinance loan amount, or $2,000

### Occupancy:
- Must be owner occupied
- Loans cannot be closed in a trust (New Hampshire Housing policy)

### Eligible Borrowers:
- Borrower not required to be a first-time homebuyer
- Non-occupant co-borrowers allowed per Home Ready Guidelines
- 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 Preferred/Home Ready rules apply, follow the findings
- If borrower(s) 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:
- 1-4 family primary residence
  - 1-unit max 97% loan-to-value
  - 2-4 unit max 95% loan-to-value
- Must meet Fannie Mae eligibility on all condos/condexes
- Manufactured housing (single-wide and double-wide) allowed up to 95% LTV on its own land per Fannie Mae guidelines
- Please note:
  - Single-wide manufactured housing must have a manufacture date of 10 years or less, measured from the effective date of the appraisal per Fannie Mae guidelines
  - Single-wide manufactured housing must be at least 12 feet wide and have a minimum 400 square feet of gross living area

### Minimum Cash Investment:
- One unit: $0
- 2-4 unit: 3% borrower funds (3-4 units are subject to PMI availability)
- Private mortgage insurance requirements may differ – please check

### Maximum LTV:
- 97% for 1 unit / CLTV 105% with Fannie Mae eligible community seconds
- 95% for 2-4 units / CLTV 105% with Fannie Mae eligible community seconds

### Income Limits:
- 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:
- No Purchase Price limits apply to this program
- However, when combining with the Homebuyer Tax Credit (MCC program), include and purchase price limits must be followed

### Reserves:
- Per mortgage insurer

### Credit/FICO:
- 620 minimum FICO for all borrowers
### Underwriting/Ratios:
- 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:
- Per DO and insurer’s requirements.

### Mortgage Insurance:
- Standard rates apply. Follow your AUS findings. This program is **not** eligible for reduced MI.

### Gifts:
- 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:
- Please refer to Fannie Mae’s Selling Guide.

### 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.
- 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:
- 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.

### NHHFA Overlays:
- 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*
- We DO NOT participate in MERS.
- Loans cannot be closed in a trust (New Hampshire Housing policy).
- Escrows for property taxes, hazard insurance, flood insurance and mortgage insurance are required on every New Hampshire Housing loan.