# Home Preferred Plus – PO with Cash Assistance Second Mortgage 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](http://www.nhhfa.org) acceptable
- 2-4 units require Landlord and Homebuyer Education
- **Home Preferred/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:**
- 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](http://www.nhhfa.org) 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), [income and purchase price limits](http://www.nhhfa.org) 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 |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Collections:</td>
<td>• Per DO and insurer’s requirements</td>
</tr>
<tr>
<td>Mortgage Insurance:</td>
<td>• Standard rates apply. Follow your AUS findings. This program is <strong>not</strong> eligible for reduced MI.</td>
</tr>
</tbody>
</table>
| 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 |