

## Home *Flex* RD Rehab – PO

<b>Description:</b>	<ul style="list-style-type: none"> <li>New Hampshire Housing's RD Purchase Rehab program permits homebuyers to finance up to an additional \$35,000 into their mortgage to improve or upgrade the purchase of their primary owner-occupied residence.</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 / Occupancy:</b>	<ul style="list-style-type: none"> <li>Purchase of a primary residence</li> <li>Must be owner occupied</li> <li><b>Loans cannot be closed in a trust (New Hampshire Housing policy)</b></li> </ul>
<b>Eligible Borrowers:</b>	<ul style="list-style-type: none"> <li>Any borrower who would qualify for New Hampshire Housing and RD</li> <li>Non-borrower title holders now acceptable, if allowed by mortgage insurer</li> <li>Borrowers must complete Purchase Rehab education. If combining with Home <i>Flex</i> Plus, Homebuyer Education is also required.</li> <li>See: <a href="https://www.gonewhampshirehousing.com/education-and-resources/online-education">https://www.gonewhampshirehousing.com/education-and-resources/online-education</a></li> </ul>
<b>Eligible Properties:</b>	<ul style="list-style-type: none"> <li>Single family primary residence</li> <li>No max acreage, unless insurer requires one</li> <li>When combined with MCC max, acreage is 5 acres</li> <li>Condos, interior rehab only</li> <li><b>Manufactured housing is not eligible</b></li> </ul>
<b>Minimum Cash Investment / Cash Back:</b>	<ul style="list-style-type: none"> <li>Per RD requirements</li> <li>Cash back at closing is allowed, per insurers requirements, not to exceed borrower contribution</li> </ul>
<b>Maximum LTV / Mortgage Amount:</b>	<ul style="list-style-type: none"> <li>Use RD max mortgage worksheet</li> </ul>
<b>Income Limits:</b>	<ul style="list-style-type: none"> <li>Income limits as currently published by New Hampshire Housing for borrower(s) only, or <b>RD guidelines if lower</b>. See: <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> </ul>
<b>Eligible Areas:</b>	<ul style="list-style-type: none"> <li>Per RD requirements</li> </ul>
<b>Income, Credit, Asset, Seller Contribution Ratio Overview:</b>	<ul style="list-style-type: none"> <li>Written VOE's and 1 month of paystubs will be required for each borrower</li> <li>Min 620 FICO, all borrowers</li> <li>Approve/Eligible</li> <li>Max New Hampshire Housing ratio of 50.00% / or <b>RD guidelines if lower</b></li> <li>Refers w/ RD approval / RD manual underwriter acceptable for no credit</li> <li>Collections – per findings and insurers requirements</li> <li>Seller contributions – per RD guidelines</li> </ul>
<b>Appraisal Requirements:</b>	<ul style="list-style-type: none"> <li>New Hampshire Housing orders with complete rehab package</li> <li>Appraisal must reflect "as complete" value</li> </ul>
<b>Disbursements:</b>	<ul style="list-style-type: none"> <li>Please refer to disbursement requirements for reservations on the web at <a href="http://www.nhhfa.org">www.nhhfa.org</a>.</li> </ul>
<b>Max Repair Cost:</b>	<ul style="list-style-type: none"> <li>\$35,000 including contingency and fees</li> </ul>
<b>Rehab Period:</b>	<ul style="list-style-type: none"> <li>Rehab construction must begin within 30 days of closing and be completed within 180 days of closing</li> </ul>
<b>Fees:</b>	<ul style="list-style-type: none"> <li>A Supplemental Origination Fee of the greater of \$350 or 1.5% of Total Rehab costs plus title update and final inspection fee</li> </ul>

<p><b>Rehab Required Documents:</b></p>	<ul style="list-style-type: none"> <li>• Complete purchase and sales agreement</li> <li>• Completed Homeowner/Contractor Agreement(s), contractor may not be a relative</li> <li>• RD Purchase Rehab Mortgage Worksheet – New Hampshire Housing to complete</li> <li>• Completed contractor approval worksheet(s)</li> <li>• General Liability Insurance Binder</li> <li>• W-9's</li> <li>• All cost estimates must clearly state the nature and type of repair and the cost for completion to include: <ul style="list-style-type: none"> <li>◦ Each line item must break out cost for labor and materials;</li> <li>◦ Be as specific as possible in describing brand, size, amount, etc.</li> </ul> </li> <li>• No more than 2 payments may be made per contractor for each specialized item of work performed</li> <li>• Rehab Homebuyer Education acknowledgement page signed by all borrowers, Education can be found here: <a href="https://www.gonewhampshirehousing.com/education-and-resources/online-education">https://www.gonewhampshirehousing.com/education-and-resources/online-education</a></li> </ul>
<p><b>Upon Completion:</b></p>	<p>Once all work is complete, New Hampshire Housing will follow up and request these items:</p> <ul style="list-style-type: none"> <li>• Mortgagor's Letter of Completion</li> <li>• Final invoices from all contractors and subcontractors</li> <li>• Final title update</li> <li>• Executed Final Owner's Loan Disbursement Affidavit</li> <li>• Executed Final Contractor's Loan Disbursement Affidavit</li> <li>• Compliance inspection report, FHA's final evidencing 100% complete</li> </ul>
<p><b>Allowable Repairs:</b></p>	<ul style="list-style-type: none"> <li>• Repair/replace roofs, gutters and downspouts</li> <li>• Repair/replace/upgrade of existing HVAC systems</li> <li>• Repair/replace/upgrade of plumbing and electrical systems</li> <li>• Repair/replace existing flooring</li> <li>• Minor remodeling, such as kitchens, which does not involve structural repairs</li> <li>• Exterior and interior painting</li> <li>• Weatherization: including storm windows and doors, insulation, weather stripping, etc.</li> <li>• Appliances: Only stove and refrigerator allowed IF NOT IN PROPERTY</li> <li>• Improvements for accessibility for persons with disabilities</li> <li>• Repair/replace/add exterior decks, patios, porches</li> <li>• Basement refinishing and remodeling, which does not involve structural repairs</li> <li>• Basement waterproofing</li> <li>• Window and door replacements and exterior wall re-siding</li> <li>• Septic system and or well repair or replacement (well replacement requires 100% contingency.</li> <li>• Mold Remediation is now allowed with a total contingency <b>of 20%</b></li> </ul> <p><b><i>Any repairs not listed are ineligible</i></b>  <b><i>All repairs need to be completed within 180 days of closing. Extensions for weather are not permitted.</i></b></p>
<p><b>Ineligible Repairs:</b></p>	<ul style="list-style-type: none"> <li>• Major rehabilitation or major remodeling, such as the relocation of a load-bearing wall</li> <li>• New construction (including room additions)</li> <li>• Repair of structural damage</li> <li>• Repairs requiring detailed drawings or architectural exhibits</li> <li>• Landscaping or similar site amenity improvements</li> <li>• Any repair or improvement requiring a work schedule longer than 180 days; or</li> <li>• Rehabilitation activities that require more than two (2) payments per specialized contractor</li> </ul> <p>Mortgagors may <u>not</u> use the New Hampshire Housing RD Purchase Rehab program to finance any required repairs arising from the appraisal that do not appear on the list of Allowable Repairs, or that would:</p> <ul style="list-style-type: none"> <li>• Necessitate a "consultant" to develop a "Specification of Repairs/Work Write-Up"</li> <li>• Require plans or architectural exhibits</li> <li>• Require a plan reviewer</li> <li>• Require more than two months to complete</li> <li>• Result in work not starting within 30 days after loan closing; or</li> <li>• Cause the mortgagor to be displaced from the property for more than 30 days during the time the rehabilitation work is being conducted</li> </ul>

<b>Water Test:</b>	<ul style="list-style-type: none"> <li>• Water test required on private water source. Testing must include Ecoli, Total Coliform, Lead, Nitrate and Nitrite. If any other primary parameters are tested, they must pass.</li> <li>• Community Wells: we will need a copy of the most recent water test</li> <li>• Dug Well: must meet insurer requirements as well as testing listed above.</li> <li>• Well and septic must be sited on the property being financed.</li> <li>• 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.</li> </ul>
<b>Private Roads:</b>	<ul style="list-style-type: none"> <li>• Must meet RD requirements</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. When allowed by the mortgage insurer, we will take into consideration value of out buildings.</li> <li>• CONDO: Must have master policy. If no walls in coverage and/or deductible is \$5,000 or more an HO6 will be required.</li> <li>• We will escrow for the HO6 only if requested by the borrower.</li> </ul>
<b>*IMPORTANT*</b>	<ul style="list-style-type: none"> <li>• <b>Loans cannot be closed in a trust (New Hampshire Housing policy)</b></li> <li>• <b>Loans rate cannot exceed max RD rate</b></li> </ul>