



LENDER NOTICE

Property Tax Escrows with Exemptions on Closed Loans

January 29, 2021

Introduction

This lender notice relates to closed loans with property-tax escrows that have been calculated based on the seller's exemption that will not continue for the buyer/borrower. This situation leads to unexpected increases in property taxes, which presents challenges to borrowers. To address this, a new form is being required.

Summary

Recently, New Hampshire Housing has noted numerous loans that have been underwritten and closed with property taxes based on an exemption the seller has but will not continue for the buyer/borrower. Once the exemption goes away, the taxes go up. As a result, the borrower's escrow account is short, which can lead to a significant increase in the borrower's monthly payment. Upon communicating this information, borrowers have expressed frustration of not having any knowledge about the exemption and therefore not being prepared for the tax increase.

To ensure: 1) borrowers are aware of existing exemptions; and 2) the loan is underwritten with an accurate property-tax amount, New Hampshire Housing has created the [Property Tax Exemption Disclosure](#). This form must be fully completed and included with all loans that close on or after February 15, 2021. This form will be a funding requirement for loans submitted for purchase.

Effective Date

Loans that close on or after February 15, 2021

If you have any questions, please contact Mike Chadbourne at 603.310.9247 or mchadbourne@nhhfa.org.

Sincerely,
Homeownership Team
New Hampshire Housing
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www.nhhfa.org/lenders



About New Hampshire Housing As a self-sustaining public corporation, New Hampshire Housing Finance Authority promotes, finances and supports affordable housing. NHHFA operates a number of rental and homeownership programs that assist low- and moderate-income persons in obtaining affordable housing. Since its inception, NHHFA has helped more than 50,000 families purchase their own homes and has been instrumental in financing the creation of almost 15,000 multi-family housing units. [NHHFA.org/Lenders](https://www.nhhfa.org/Lenders)

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