

Home *Flex* RD Rehab

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| Description: | <ul style="list-style-type: none"> New Hampshire Housing's RD Purchase Rehab program permits homebuyers to finance up to an additional \$35,000 of renovation plus inspection and contingency fees into their mortgage to improve or upgrade the purchase of their primary owner-occupied residence. |
| 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 Must be owner occupied Loans cannot be closed in a trust (NHHFA policy) |
| Eligible Borrowers: | <ul style="list-style-type: none"> Any borrower who would qualify for New Hampshire Housing and RD Non-borrower title holders now acceptable, if allowed by mortgage insurer Borrowers must complete Purchase Rehab education. If combining with Home <i>Flex</i> Plus, Homebuyer Education is also required. See: https://www.gonewhampshirehousing.com/education-and-resources/online-education |
| Eligible Properties: | <ul style="list-style-type: none"> Single family primary residence No max acreage, unless insurer requires one When combined with MCC max, acreage is 5 acres Condos, interior rehab only Manufactured housing is not eligible |
| Minimum Cash Investment / Cash Back: | <ul style="list-style-type: none"> Per RD requirements Cash back at closing is allowed, per insurers requirements, not to exceed borrower contribution |
| Maximum LTV/ Mortgage Amount: | <ul style="list-style-type: none"> Use RD max mortgage worksheet |
| Income Limits: | <ul style="list-style-type: none"> Income limits as currently published by New Hampshire Housing for borrower(s) only, or RD guidelines if lower. See: https://www.nhhfa.org/wp-content/uploads/2020/05/Program-Income-Limits.pdf |
| Eligible Areas: | <ul style="list-style-type: none"> Per RD requirements |
| Underwriting/ Ratios: | <ul style="list-style-type: none"> Min 620 FICO, all borrowers Approve/Eligible Max New Hampshire Housing ratio of 50.00% / or RD guidelines if lower Refers w/ RD approval / Rd manual underwriter acceptable for no credit Collections – per findings and insurers requirements Seller contributions – per RD guidelines |
| Appraisal Requirements: | <ul style="list-style-type: none"> Interior/Exterior photos required with full URAR Should be a standard FHA Limited 203k appraisal Repair costs must be reported by the appraiser Appraisal must reflect "as complete" value |
| Disbursements: | <ul style="list-style-type: none"> Please refer to disbursement requirements for reservations on the web at www.nhhfa.org. |
| Max Repair Cost: | <ul style="list-style-type: none"> \$35,000 contingency and fees can be added after and do not need to be included |
| Rehab Period: | <ul style="list-style-type: none"> Rehab construction must begin within 30 days of closing and be completed within 180 days of closing |
| Fees: | <ul style="list-style-type: none"> A Supplemental Origination Fee of the greater of \$350 or 1.5% of Total Rehab costs plus title update and final inspection fee |
| Pre-Approval Requirements: | <ul style="list-style-type: none"> All rehab work needs to be pre-approved prior to scheduling a closing. Please allow at least 48 hours turn-around time. |

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| <p>Pre-Approval Required Documents:</p> | <ul style="list-style-type: none"> • Complete purchase and sales agreement • Appraisal must reflect "as complete" value • Completed Homeowner/Contractor Agreement(s), contractor may not be a relative • RD Purchase Rehab Mortgage Worksheet • Completed contractor approval worksheet (s) • General Liability Insurance Binder • W-9's • 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"> ▪ Each line item must break out cost for labor and materials ▪ Be as specific as possible in describing brand, size, amount, etc. • No more than 2 payments may be made per contractor for each specialized item of work performed • Rehab Homebuyer Education acknowledgement page signed by all borrowers, Education can be found here: https://www.gonewhampshirehousing.com/education-and-resources/online-education • Notice of Construction Mortgage – must be posted at the home in a visible area. Date and time that notice was posted will be recorded |
| <p>Upon Completion:</p> | <p>Once all work is complete, the following forms must be submitted for final disbursement:</p> <ul style="list-style-type: none"> • Mortgagor's Letter of Completion • Final invoices from all contractors and subcontractors • Final title update • Executed Final Owner's Loan Disbursement Affidavit • Executed Final Contractor's Loan Disbursement Affidavit • Compliance inspection report, RD's final evidencing 100% complete • Each Contractor W-9 • Each Homeowner Contract Agreement |
| <p>Allowable Repairs:</p> | <ul style="list-style-type: none"> • Eliminating health and safety hazards that would violate HUD's MPR • Repairing or replacing wells and/or septic systems (well needs 100% cushion) • Connecting to public water and sewage systems • Repairing/replacing plumbing, heating, AC and electrical systems • Making changes for improved functions and modernization • Eliminating obsolescence • Repairing or installing new roofing, provided the structural integrity of the structure will not be impacted by the work being performed; siding; gutters; and downspouts • Making energy conservation improvements • Creating accessibility for persons with disabilities • Installing or repairing fences, walkways, and driveways • Installing a new refrigerator, cooktop, oven, dishwasher, built-in microwave oven and washer/dryer • Repairing or removing an in-ground swimming pool • Installing smoke detectors • Installing, replacing or repairing exterior decks, patios, and porches • Covering lead-based paint stabilization costs (above and beyond what is paid for by HUD when it sells REO properties) if the Structure was built before 1978, in accordance with the Single-Family mortgage insurance • Lead-based paint rule and EPA's Renovation, Repair, and Painting Rule • Mold Remediation is now allowed with a total contingency of 20% <p>All repairs need to be completed within 180 days of closing. Any repairs not listed are ineligible.</p> |

**Ineligible
Repairs:**

- The Limited 203k mortgage proceeds may not be used to finance major rehabilitation or major remodeling. FHA considers a repair to be "major" when any of the following are applicable:
- The repair or improvements are expected to require more than six months to complete
- The rehabilitation activities require more than two payments per specialized contractor
- The required repairs arising from the appraisal:
 - Necessitate a Consultant to develop a specification of repairs/Work Write-Up; or
 - Require plans or architectural exhibits; or
 - The repair prevents the Borrower from occupying the Property for more than 15 Days during the rehabilitation period.
- Additionally, the Limited 203k mortgage proceeds may not be used to finance the following specific repairs:
 - Converting a one-family Structure to a two-, three- or four-family Structure
 - Decreasing an existing multi-unit Structure to a one- to four-family Structure
 - Reconstructing a Structure that has been or will be demolished
 - Repairing, reconstructing or elevating an existing foundation
 - Purchasing an existing Structure on another site and moving it onto a new foundation
 - Making structural alterations such as the repair of structural damage and new construction, including room additions
 - Landscaping and site improvements
 - Constructing a windstorm shelter
 - Making additions or alterations to support commercial use or to equip or refurbish space for commercial use; and/or making recreational or luxury improvements, such as:
New swimming pools; An exterior hot tub, spa, whirlpool bath, or sauna; Barbecue pits, outdoor fireplaces or hearths; Bath houses; Tennis courts; Satellite dishes; Tree surgery (except when eliminating an endangerment to existing improvements)