**Home Preferred**
**Manufactured Housing ROCs with Cash Assistance Second Mortgage**

**Description:**
- New Hampshire Housing, in conjunction with Fannie Mae’s Home Ready program, is making our Home Preferred program available for manufactured housing in Fannie Mae-approved ROCs (resident-owned community). The program offers up to 95% LTV with low mortgage insurance coverage, making it ideal for borrowers with limited funds. Either 2%, 3% or 4% Cash Assistance Mortgage (DPA) can be combined with the ROC program.

**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
- Home Buyer Education is required for all first-time homebuyers, New Hampshire Housing [Online Education](http://www.nhhfa.org) acceptable
- 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:**
- Must meet current Fannie Mae requirements for manufactured housing in a ROC (resident owned community)
- Must be affixed to property per Fannie Mae requirements
- Fannie Mae approved communities only
- Appraisal forms 1004C and 2090 required for this transaction

**Minimum Cash Investment:**
- One unit: $0
- Private mortgage insurance requirements may differ – please check

**Maximum LTV:**
- 95% / CLTV 105% with Fannie Mae eligible community seconds

**Participating PMI Companies:**
- National MI, MGIC, Genworth

**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
- When combining with the Homebuyer Tax Credit (MCC program), income and purchase price limits must be followed

**Reserves:**
- Per mortgage insurer

**Credit/FICO:**
- 620 minimum FICO (aligning with Fannie Mae guidelines of average median scoring for multiple borrowers refer to [Selling Guide Announcement SEL-2021-08](http://www.nhhfa.org))

**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  
  • Community Wells: we will need a copy of the most recent water test |
| **Homeowners Insurance:** | • Max deductible is the higher of $1,000 or 1% of face amount of policy |
| **Additional Documentation:** | • Rider for the ROC  
  • Recognition Agreement & Affidavit of Intent  
  • ROC Membership Certificate/Occupancy Agreement signed by ROC  
  • Follow correct stacking list for the Home Preferred MH ROC program |
| **Important** | • We DO NOT participate in MERS  
  • Fannie Mae-approved ROCs (resident-owned community) only  
  • 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 |

**Cash Assistance Mortgage**

| **Description:** | • The Cash Assistance Mortgage is the second mortgage that is connected with a Home Preferred MH ROCs first mortgage |
| **Loan Terms:** | • Full amount of the Cash Assistance will be repayable to New Hampshire Housing  
  o Secured by a second mortgage  
  o No interest  
  o No periodic payments  
  o Forgiven in full after four years unless during the first four years, the borrower: 1) sells; 2) refinances; or 3) files for bankruptcy, in which case the borrower must repay the Cash Assistance in full |
| **Reservation:** | • When a lender reserves a Home Preferred MH ROCs loan, there is an automatic reservation for the Cash Assistance Mortgage, meaning a separate reservation is not required |
| **Application:** | • No separate application is required for the Cash Assistance Mortgage. |
| **Lender:** | • New Hampshire Housing is the lender on the Cash Assistance Mortgage |
| **Document Preparer:** | • On the Cash Assistance Mortgage, the lender on the Home Preferred MH ROCs first mortgage acts simply as a document preparer  
  • The document preparer must sign the Document Preparation Agreement |
| **Documents:** | • See New Hampshire Housing’s website for all documents connected with the Cash Assistance Mortgage  
  • To document the repayment obligation and to provide a second mortgage to New Hampshire Housing, the borrower shall sign the Mortgage and Promise to Pay form |
| **Funding Process:** | • There are very specific mandatory steps for requesting and funding the Cash Assistance, which are stated in our Selling Guide  
  • Cash Assistance funds must be requested by 12pm two business days before closing  
  • Failure to follow the Policy could result in:  
  o The loan not being FHA insured  
  o The lender having to pay back the Cash Assistance |