

Home Preferred Plus with Cash Assistance Second Mortgage

Description:	<ul style="list-style-type: none"> New Hampshire Housing, in conjunction with Fannie Mae's Home Ready program, offers Home Preferred Plus. It offers up to 97% LTV with low mortgage insurance coverage, along with Cash Assistance of either 2%, 3% or 4% of the base loan amount. This program is ideal for borrowers with limited funds for downpayment and closing costs. When you run DO always pick HFA Preferred.
Term:	<ul style="list-style-type: none"> 30 years
Interest Rate:	<ul style="list-style-type: none"> Established daily and published on www.nhhfa.org, www.GoNewHampshireHousing.com
Loan Purpose:	<ul style="list-style-type: none"> 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:	<ul style="list-style-type: none"> Must be owner occupied Loans cannot be closed in a trust (New Hampshire Housing policy)
Eligible Borrowers:	<ul style="list-style-type: none"> Must meet current income and credit score requirements for mortgage programs Non-occupant co-borrowers allowed per Home Ready Guidelines Home Buyer Education is required for all first-time homebuyers, New Hampshire Housing Online Education 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:	<ul style="list-style-type: none"> 1-4 family primary residence <ul style="list-style-type: none"> 1-unit max 97% loan-to-value 2-4 unit max 95% loan-to-value Must meet Fannie Mae eligibility on all condos/condexes If the condo is not currently in our system, we will need questionnaire Manufactured housing (single-wide and double-wide) allowed up to 95% LTV on its own land per Fannie Mae guidelines
Minimum Cash Investment:	<ul style="list-style-type: none"> One unit: \$0 2-4 unit: 3% (3-4 units are subject to PMI availability) Private mortgage insurance requirements may differ – please check
Maximum LTV:	<ul style="list-style-type: none"> 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:	<ul style="list-style-type: none"> Income limits as currently published by New Hampshire Housing Non-occupant, co-borrower income does have to be added to total for compliance 2-unit 75% of rental can be added to income to quality. If used to qualify, must be added for compliance. If not used to qualify, does not need to be counted. Written VOE's and 1 month of paystubs will be required for each borrower
Purchase Price Limits:	<ul style="list-style-type: none"> No Purchase Price limits apply to this program However, when combining with the Homebuyer Tax Credit (MCC program), income and purchase price limits must be followed
Reserves:	<ul style="list-style-type: none"> Per mortgage insurer
Credit/FICO:	<ul style="list-style-type: none"> 620 minimum FICO (aligning with Fannie Mae guidelines of average median scoring for multiple borrowers refer to Selling Guide Announcement SEL-2021-08)

Underwriting/Ratios:	<ul style="list-style-type: none"> 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:	<ul style="list-style-type: none"> Per DO and insurer's requirements 	
Mortgage Insurance:	LTV	Mortgage Insurance
	>95% and <=97%	18%
	>90% and <=95%	16%
	>85% and <=90%	12%
Gifts:	>80% and <=85%	6%
	<ul style="list-style-type: none"> 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:	<ul style="list-style-type: none"> Please refer to Fannie Mae's Selling Guide 	
Water Test:	<ul style="list-style-type: none"> 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:	<ul style="list-style-type: none"> 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:	<ul style="list-style-type: none"> 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 only if it is requested by the borrower 	
NHHFA Overlays	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 	

Cash Assistance Mortgage

Description:	<ul style="list-style-type: none"> The Cash Assistance Mortgage is the second mortgage that is connected with a Home <i>Preferred Plus</i> first mortgage
Loan Terms:	<ul style="list-style-type: none"> Full amount of the Cash Assistance will be repayable to New Hampshire Housing <ul style="list-style-type: none"> Secured by a second mortgage No interest No periodic payments 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:	<ul style="list-style-type: none"> When a lender reserves a Home <i>Preferred Plus</i> loan, there is an automatic reservation for the Cash Assistance Mortgage, meaning a separate reservation is not required
Application:	<ul style="list-style-type: none"> No separate application is required for the Cash Assistance Mortgage.
Lender:	<ul style="list-style-type: none"> New Hampshire Housing is the lender on the Cash Assistance Mortgage
Document Preparer:	<ul style="list-style-type: none"> On the Cash Assistance Mortgage, the lender on the Home <i>Preferred Plus</i> first mortgage acts simply as a document preparer The document preparer must sign the Document Preparation Agreement
Documents:	<ul style="list-style-type: none"> 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:	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> The loan not being FHA insured The lender having to pay back the Cash Assistance