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**Homeownership
Happen!**

Lender Notice

NH Housing Selling Guide Update with Comprehensive Revisions

August 1, 2023

Introduction

This Lender Notice relates to important updates to NH Housing's Selling Guide. Over the past few months, the Homeownership Team has been working on a comprehensive rewrite of our existing Selling Guide to ensure it is transparent, comprehensive, and reflective of our current policies and upcoming implementations.

Summary

The revised Selling Guide can be found here: [NH Housing Selling Guide](#).

Below is a summarized overview of the areas that have undergone notable revisions:

- **Initial Qualifications for New Lenders (Section 2.1):** clarified requirements for new Participating Lenders and Originators and added an additional qualification that includes an acceptable Neighborhood Watch rating. The application fee has been increased from \$1,000 to \$1,500 for Participating Originators and from \$1,500 to \$2,500 for Participating Lenders.
- **New Lender Approval Process (Section 2.2):** added a requirement for mandatory training for both customer facing and back-end staff before log-in credentials will be provided.
- **Reservation and Rate Lock Policy (Section 3.):** added clarification on when NH Housing will honor a rate lock request and when NH Housing will not honor a rate lock request. The revised Selling Guide includes a policy that new rate locks for previously reserved loans for the same borrower and property that had been cancelled or expired for less than 30 days are subject to worst-case pricing. Lastly, clarification that we do not adjust interest rates for previously submitted rate lock/reservations based on movement in the market.
- **Loan Programs and Polices (Section 4.1):** revamped the Home First loan program compliance section. Additions include guidance on the first-time homebuyer rule, income limit calculations, forms, and recapture tax. We moved some details from the Fact Sheets to the Selling Guide and created a new Home First Gross Annual Compliance Income

Calculation Guide for your reference.

- **Cash Assistance Loans (Section 4.4.1):** added a new policy that extends the repayment obligation on Cash Assistance loans. For Mortgage Loans that include Cash Assistance reserved after August 31, 2023, the **Cash Assistance will be forgiven in full five years after the closing date (previously four)**, unless during the first five years the Borrower: sells the home, refinances the home or files for bankruptcy. This will enable us to tighten the spread between the assisted and unassisted loan rates. The Cash Assistance Mortgage Program Disclosure will be updated before this change becomes effective.
- **Rehab Loans (Section 4.5):** we removed the ability to offer a rehab program under our Home First mortgage programs. Due to IRS limitations, we will no longer be able to offer FHA 203K or RD Rehab Mortgage Loans through Home First. We are still able to offer rehab Mortgage Loans through our Home Flex mortgage programs. This change will go into effect for reservations after August 31, 2023.
- **Previous/Current NH Housing Borrowers (Section 5.8):** we clarified our policy on previous/current NH Housing Borrowers. A Participating Lender will need approval from NH Housing before a reservation can be confirmed for a previously foreclosed NH Housing Borrower or a current Borrower with a new purchase transaction.
- **Early Payment Default (Section 5.13):** added a new rule that defines Early Payment Default (EPD) as a 60 or more day delinquency within the first four post-purchase payments. Additionally, if a Mortgage Loan meets the Early Payment Default (EPD) definition, the Participating Lender must repay compensation and the servicing release premium that was paid on the loan at the time of acquisition. All EPD loans will trigger a quality control review by NH Housing.
- **Assumptions (Section 5.16):** clarified assumption policy.
- **Fees and Compensation (Section 10.):** clarified fees and compensation.

The revised Selling Guide is now available on our website. We encourage you to review it thoroughly and reach out to us with any questions.

Effective Date: August 1st, 2023

Unless specifically identified in this notice, effective August 1, 2023, all Participating Lenders and Participating Originator must comply with all guidelines in the updated Selling Guide.

If you have any questions, please email underwriters@nhhfa.org.

Sincerely,

Homeownership Team
New Hampshire Housing
ownershipinfo@nhhfa.org
NHHomeownership.org

About New Hampshire Housing As a self-sustaining public corporation, New Hampshire Housing promotes, finances, and supports housing solutions for the people of New Hampshire. NH Housing operates a number of rental and homeownership programs that assist low- and moderate-income persons in obtaining affordable housing. Since its inception, NH Housing has helped more than 55,000 families purchase their own homes and has been instrumental in financing the creation of almost 16,000 multifamily housing units. Learn more at NHHomeownership.org

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