

# Home Preferred Loans

<b>Description:</b>	A Conventional loan program offered exclusively by NH Housing in partnership with Fannie Mae. This program offers up to 97% LTV and reduced mortgage insurance coverage for borrowers at or below 80%AMI. The Home Preferred <a href="#">Conventional</a> product is a variance to the HomeReady product; refer to the <b>HomeReady</b> sections of the Fannie Mae Selling Guide when reviewing eligibility and underwriting requirements in addition to NH Housing requirements identified below.
<b>Loan Purpose:</b>	<ul style="list-style-type: none"> <li>• Purchase of a primary residence</li> <li>• Limited cash-out refinance: The borrower can receive no more than the lesser of 2% of the refinance loan amount, or \$2,000.</li> </ul>
<b>Loan Type</b>	<ul style="list-style-type: none"> <li>• Purchase transactions and rate/term refinances. Fixed rate loans with 30-year terms.</li> </ul>
<b>Interest Rate/Points:</b>	<ul style="list-style-type: none"> <li>• Established daily and published on <a href="https://www.gonewhampshirehousing.com/rates">https://www.gonewhampshirehousing.com/rates</a>.</li> <li>• Permanent rate buydown point options may be available, see daily rate sheet.</li> <li>• Rates are established for borrowers below 80% AMI and above 80% AMI.</li> </ul>
<b>Occupancy:</b>	<ul style="list-style-type: none"> <li>• Must be owner occupied</li> </ul>
<b>Mortgage Insurance:</b>	<ul style="list-style-type: none"> <li>• Follow your DU/DO findings for Fannie Mae PMI insurance requirements. Refer to MI company guidelines for specific eligibility and underwriting requirements.</li> <li>• Borrowers at or below 80% AMI receive discounted mortgage insurance, refer to your findings for guidance. Standard MI pricing applies to loans above <a href="#">80%AMI</a>. NH Housing allows the use of Split Premium MI.</li> <li>• NH Housing has Master contracts with the following MI companies: Arch MI, Enact, Essent, MGIC, National MI and Radian.</li> </ul>
<b>Eligible Borrowers:</b>	<ul style="list-style-type: none"> <li>• Borrower(s) not required to be a first-time homebuyer.</li> <li>• Maximum <a href="#">Income Limits</a> as currently published by New Hampshire Housing. Mortgage insurance discounts and reduced rates available to borrowers at or below <a href="#">80% AMI</a> as published by Fannie Mae.</li> <li>• Non-occupant co-borrower(s) allowed per HomeReady guidelines.</li> <li>• Home Preferred/Home Ready rules apply, follow the Findings.</li> <li>• If borrower(s) currently own property and are retaining it, borrowers would need to qualify under HomeReady guidelines.</li> <li>• Non-borrower title holders acceptable – if allowed by mortgage insurer.</li> </ul>
<b>Eligible Properties:</b>	<ul style="list-style-type: none"> <li>• 1-4 family primary residence                             <ul style="list-style-type: none"> <li>◦ Condos/Condexes/PUDs: must meet Fannie Mae eligibility, existing or new construction.</li> </ul> </li> <li>• Must meet Fannie Mae eligibility on all condos/condexes.</li> <li>• Manufactured housing (single-wide and double-wide) must meet FNMA requirements. Manufactured homes located on leasehold estates are not permitted.</li> </ul>
<b>Minimum Cash Investment:</b>	<ul style="list-style-type: none"> <li>• One unit: \$0</li> <li>• 2-4 unit: 3% (3-4 units are subject to PMI availability)</li> <li>• Private mortgage insurance requirements may differ – check with MI company.</li> </ul>
<b>Maximum LTV/CLTV:</b>	<ul style="list-style-type: none"> <li>• 97% for 1 unit / CLTV 105% with Fannie Mae eligible community seconds.</li> <li>• 95% for 2-4 units and Manufactured homes / CLTV 105% with Fannie Mae eligible community seconds.</li> </ul>
<b>Homeownership Education/Counseling:</b>	<ul style="list-style-type: none"> <li>• Home Buyer Education is required for all first-time homebuyers, New Hampshire Housing <a href="#">Online Education</a> acceptable</li> <li>• 2-4 units require Landlord and Homebuyer Education</li> </ul>
<b>Income Calculation:</b>	<ul style="list-style-type: none"> <li>• Qualifying income for all borrowers, (occupant and non-occupant), are counted toward the income limit.</li> <li>• 2-4 unit - if using rental income to qualify, rental income must be included in the maximum <a href="#">Income Limits</a> as currently published by New Hampshire Housing.</li> <li>• Mortgage insurance discounts and reduced rates available to borrowers at or below <a href="#">80% AMI</a> as published by Fannie Mae.</li> </ul>
<b>Purchase Price Limits:</b>	<ul style="list-style-type: none"> <li>• Conforming loan limits apply.</li> </ul>
<b>Reserves:</b>	<ul style="list-style-type: none"> <li>• Per mortgage insurer</li> </ul>
<b>NH Housing Overlays</b>	<ul style="list-style-type: none"> <li>• 620 minimum FICO</li> <li>• 50% DTI unless 680+ FICO and approve/eligible.</li> <li>• HFA Preferred special feature codes <b>MUST</b> be selected when running DO/DU.</li> </ul>

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	<ul style="list-style-type: none"> <li>• <b>Well and septic must be sited on the property being financed.</b></li> <li>• Wells: Water test required on private water sources. Testing must include Ecoli, Total Coliform, Lead, Nitrate and Nitrite. Any other primary parameters tested must pass. Condex requires test and hold harmless affidavit.</li> <li>• Septic: must be on the property being financed. Condex with shared septic needs acceptable test and hold harmless affidavit.</li> <li>• Homebuyer education (refer to Education/Counseling section)</li> <li>• Loan cannot be closed in a trust.</li> <li>• Escrows for property taxes, hazard insurance, flood insurance (if applicable) and mortgage insurance are required for all loans.</li> <li>• No Manual Underwrites.</li> <li>• Last 2 years tax transcripts.</li> <li>• NH Housing does NOT participate in MERS</li> </ul>
<b>Underwriting/ Ratios:</b>	<ul style="list-style-type: none"> <li>• Follow DO/DU underwriter findings.</li> <li>• When entering DO/DU, choose the HFA Preferred option on the community lending screen.</li> <li>• Appraisal waivers accepted if in DO/DU Findings.</li> <li>• Qualifying ratios, reserves, and income requirements are determined by DO/DU.</li> <li>• No manual underwrites are allowed.</li> </ul>
<b>Well and Septic:</b>	<ul style="list-style-type: none"> <li>• Municipal water and septic do not need tests.</li> <li>• Wells: Water test required on private water sources. Testing must include Ecoli, Total Coliform, Lead, Nitrate and Nitrite. Any other primary parameters tested must pass. Condex requires test + hold harmless affidavit. Private well (flow) and septic tests only need if determined necessary by the appraiser. Community Wells: NH Housing will need a copy of the most recent water test.</li> <li>• Septic: must be on the property being financed. Condex with shared septic needs acceptable test + hold harmless affidavit. Private well (flow) and septic tests only need if determined necessary by the appraiser.</li> <li>• Shared wells or septic require shared well/septic agreement.</li> </ul>
<b>Homeowners Insurance:</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• CONDO: Must have Master Insurance policy. The Lender is responsible to validate required insurance coverage to ensure they do not exceed limits as described by Fannie Mae Selling Guide regardless of Condo Project Manager status. 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.</li> </ul>
<b>Cash Assistance/Down payment Assistance (Home Preferred Plus):</b>	<ul style="list-style-type: none"> <li>• NH Housing provides either a \$5,000, \$10,000 or \$15,000 Cash Assistance option based on program availability. Check daily <a href="#">rates</a> for availability and interest rates.</li> <li>• See Home First Conventional (+) Guide below.</li> </ul>
<b>Voucher Assisted Mortgage Option (VAMO):</b>	<ul style="list-style-type: none"> <li>• This program is eligible for the VAMO program. Borrower must receive an eligibility letter. Voucher benefit amount needs to be added to income only and cannot offset PITI. VAMO closing certification needs to be completed before closing. A home inspection, an HQS inspection and Homebuyer education are required.</li> </ul>
<b>Rehab Funds:</b>	<ul style="list-style-type: none"> <li>• Not allowed.</li> </ul>
<b>Mortgage Credit Certificate:</b>	<ul style="list-style-type: none"> <li>• Allowed per MCC guidelines, refer to MCC Fact Sheet. Income and purchase price limits apply.</li> </ul>
<b>Stacking Lists:</b>	<ul style="list-style-type: none"> <li>• Click <a href="#">HERE</a> to access stacking list document.</li> </ul>

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## Preferred (+) Cash Assistance Mortgage

<b>Description:</b>	The "Cash Assistance Mortgage" is the second mortgage that relates to a Home Preferred first mortgage.
<b>Amount:</b>	Cash Assistance is structured as a fixed \$5,000, \$10,000 or \$15,000. Check daily <a href="#">rates</a> for availability and interest rates.
<b>Loan Terms:</b>	Secured by a second mortgage. No interest. No periodic payments. 30-year term.  NH Housing Cash Assistance will be due in full if any of the following events occur <b>a)</b> Buyer fully prepays or refinances the first mortgage; <b>b)</b> Buyer sells, transfers, or otherwise disposes of the Property; <b>c)</b> Buyer files for bankruptcy, or <b>d)</b> The property is no longer the primary residence of buyer.  See Selling Guide for additional details.
<b>Use:</b>	The Cash Assistance can be used for downpayment, closing costs, prepaids
<b>Reservation:</b>	When a lender reserves a Preferred Plus loan, there is an automatic reservation for the Cash Assistance Mortgage, meaning a separate reservation is not required.
<b>Application:</b>	No separate application is required for the Cash Assistance Mortgage.
<b>Lender/Document Preparer:</b>	The Participating Lender will serve as the Document Preparer on behalf of NH Housing in relation to the Cash Assistance Mortgage. New Hampshire Housing is the sole lender on the Cash Assistance Mortgage.
<b>Documents:</b>	New Hampshire Housing will provide the Document Preparer with required Cash Assistance Mortgage Documents and with instructions for creating, executing, and, when appropriate, recording the Cash Assistance Mortgage Documents.  The lender is responsible for supplying the <a href="#">Cash Assistance Program Disclosure</a> , Loan Estimate and Closing Disclosure.
<b>Funding Process:</b>	There are very specific mandatory steps for requesting and funding the Cash Assistance, which are stated in the Document Preparation Agreement and Selling Guide. Cash Assistance funds <b>must</b> be requested by 12pm two business days before closing using Lender Online or the <a href="#">Cash Assistance Mortgage Wire Transfer Request</a> .