LOAN FACT SHEET

Rehabilitation Loan Products

Description:	A Mortgage Loan option with rehabilitation funds combined with a borrower's first mortgage loan insured by Federal Housing Administration (FHA) or guaranteed through Rural Development (RD). These programs are formally known as FHA Section 203(k) Limited Program or RD Section 502 Guaranteed Program. These Mortgage Loan programs are only available with our Home Flex and Home Flex + mortgage options.
Loan Purpose:	• Purchase or rate/term refinance of a primary residence.
Loan Type:	• Fixed-rate loans with 30-year term. FHA 203 (k) only
Interest Rate/Points:	• Established daily and published on NHHousing.org/homeownership/rates • Permanent rate buydown point options may be available, see daily rate sheet.
Occupancy:	• Must be owner-occupied.
Mortgage Insurance:	• Mortgage must be insured/guaranteed through Federal Housing Administration (FHA) or USDA Rural Development (RD).
Eligible Borrowers:	• Must not exceed Home Flex income limits. • RD: the lower of the NH Housing income limits or the RD limits will apply. • Not limited to first-time homebuyers. • Non-occupant co-borrowers allowed per insurer/guarantor guidelines
Eligible Properties:	• Structure must be completed for at least one year • Owner occupied existing 1–4-unit properties (2-4 units FHA only). • 2-4 unit multifamily requires Certificate of Compliance if applicable per local ordinances. • Condos/Condexes approved by FHA or RD. FHA - Regardless of the type of project review/approval type, lender is responsible to provide HUD9991 Condo Questionnaire. • No acreage requirement, unless insurer/guarantor has one. • Manufactured homes are not eligible.
Minimum Owner Investment:	• Per insurer/guarantor requirements. • Cash back at closing is allowed, per insurers requirements, not to exceed borrower contribution.
Maximum LTV/CLTV:	• Per insurer/guarantor guidelines.
Homeownership Education/Counseling:	• Homebuyer education is required for only 1 borrower if receiving Cash Assistance. New Hampshire Housing Online Education is acceptable. • If using 1st GenHomeNH, please see 1st GenHomeNH Fact Sheet for additional education requirements. • All borrowers must complete Purchase Rehab education. Acknowledgement page signed by all borrowers. • 2-4 units require Landlord and homebuyer education.
Income Calculation:	• Qualifying income per insurer/guarantor guidelines. Under no circumstance shall the qualifying income exceed NH Housing's maximum program income limit.
Purchase Price Limits:	• Conforming loan limits apply.
NH Housing Overlays:	• Loan submissions must be within NH Housing income limits • 620 minimum FICO. • 50% DTI unless 680+ FICO and approve/eligible. • Well and septic must be sited on the property being financed. • Private/Individual water supply: Water test is required for purchase transaction (refer to Well and Septic section below). • Homebuyer Education (refer to Homeownership Education/Counseling section). • Loan cannot be closed in a trust. • Escrows for property taxes, hazard insurance, flood insurance (if appliable) and mortgage insurance are required for all loans. • NH Housing does NOT participate in MERS. • Homeowner Insurance Requirement: Max deductible is the greater of $1,000 or 1% of property insurance coverage amount. • HO-6: If any deductible under the master policy is $5,000.00 or more, the borrower must obtain HO-6 policy in the amount of the master insurance policy's deductible

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Underwriting/Ratios:	• Approve/Eligible. • RD and FHA Refer/Eligible are acceptable with 620 minimum credit score. • Seller contributions – per FHA & RD guidelines.
Well and Septic:	• All private/individual wells must meet insurer and guarantor requirements. • Well and septic must be sited on the property being financed. • Private/Individual water supply requires a water test. Municipal water and sewer do not need tests. Private/individual testing must include Arsenic, Copper, E. coli, Total Coliform, Lead, Nitrate and Nitrite. Any other primary parameters tested must pass. Water test requirement may be waived, in accordance with insurer and guarantor guidelines, if the borrower provides a certificate of completion of New Hampshire Housing's Water Wellness Course that is dated on or before the execution of the Purchase and Sale Agreement for the property. • Shared wells or septic require shared well/septic agreement. • Refinance transactions do not require a water test.
Homeowners Insurance:	• Max deductible is the higher of $1,000 or 1% of face amount of policy. • Condo(s): Must have master policy. The Lender is responsible for validating required insurance coverage to ensure they do not exceed limits as described by insurer/guarantor. If no walls in coverage and/or deductible is $5,000 or more an HO6 will be required. NH Housing will escrow for the HO6 only if it is requested by the borrower.
Cash Assistance/Down payment Assistance (Home Flex +):	• NH Housing provides either a $5,000, $10,000 or $15,000 Cash Assistance option based on program availability. Check daily rates for availability and interest rates. • See Home Flex (+) Guide below.
Voucher Assisted Mortgage Option (VAMO):	• This program is eligible for the VAMO program. Borrower must receive an eligibility letter. The Housing Choice Voucher payment may be added to the borrower's qualifying income or used as a direct reduction to the PITI payment per the applicable insurer or guarantor guidelines. VAMO closing certification needs to be completed before closing. A home inspection, HQS inspection, and homebuyer education are required.
Allowable Repairs Examples:	• Non-structural repairs only. All repairs must be permanently affixed to the property (dwelling or land) and allowable by HUD. • Repairs that are required to meet HUD's Minimum Property Standards must be completed. • All appraiser notated deficiencies and required repairs must be completed.
Max rehabilitation funds:	• FHA 203(k) Limited: $75,000 (Total Rehabilitation Costs per Max Base Mortgage Calculation worksheet, including contingency and fees). • RD Rehabilitation: $35,000 (Total Rehabilitation Cost).
Disbursement Policy:	• No more than 35% of the rehab funds can be disbursed at closing. NH Housing will verify the amount during the pre-approval review. • If contractors wish to have disbursements at different times, additional final inspection and title update fees will be applied.
Rehab Period:	• FHA 203(k) Limited: construction must begin within 30 days of closing, cannot cease for more than 30 consecutive days and be completed per FHA guidelines within 270 days of closing. • RD Rehabilitation: Construction must begin within 30 days of closing, cannot cease for more than 30 consecutive days and be completed within 180 days of closing.
NH Housing Fees:	• $350 or 1.5% of the total rehab amount. Also known as the Supplemental Origination Fee.
Contractor Requirements:	• Must meet all criteria in the FHA 203(k) Limited/RD Purchase Rehabilitation Checklist. • Contractors may request an initial disbursement of no more than 35% at closing if they cannot defer payment until project completion, provided that the payment is for materials incurred before construction begins and is supported by a statement from the contractor.
Appraisal Requirements:	• Standard FHA and additional 203(k) Limited program appraisal requirements - Repair costs and finalized work plan and contractor's bid/specification of repairs must be reported on the appraisal report. • Any additional appraiser required repairs must be added to the plans and specs.

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Pre-Approval:	• Lenders must submit to NH Housing all documents as listed in the Rehabilitation Checklist and receive a pre-closing pre-approval. • A 48-hour review time is required by NH Housing. • Upon approval the Lender will be supplied with copies of the Notice of Construction Mortgage, Closing Agent Disbursement Instructions and Initial Owner's Loan Disbursement Affidavit(s) which are expected to be sent to the closing agent, completed and returned with the closed loan package.
Post-Closing:	Once a fully completed submission is received (see stacking list below), NH Housing will purchase the loan from the Lender and manage the remaining disbursements and project completion. At this stage, NH Housing will take over as the primary point of contact with the Borrower, and the lender's obligations will conclude. Once all rehab work is complete; NH Housing will collect the following documentation for final disbursement: • Mortgagor's Letter of Completion. • Final invoices from all contractors and subcontractors. • Final title update. • Executed final Owners Loan Disbursement Affidavit. • Executed final Contractors Loan Disbursement Affidavit. Compliance Inspection Report. (FHA's final evidencing 100% complete)
Stacking List:	Click HERE to access stacking list document.

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Home Flex (+) Cash Assistance Mortgage

Description:	The "Cash Assistance Mortgage" is the second mortgage that relates to a Home Flex Plus, first mortgage.
Amount:	Cash Assistance is structured as a fixed $5,000, $10,000 or $15,000. Check daily rates for availability and interest rates.
Loan Terms:	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 occur: a) the buyer fully prepays or refinances the first mortgage; b) the buyer sells, transfers, or otherwise disposes of the Property; c) the buyer files for bankruptcy; or d) the property is no longer the buyer's primary residence. See Selling Guide for additional details.
Use:	The Cash Assistance can be used for downpayment, closing costs, and prepaids for **PURCHASE TRANSACTIONS ONLY.**
Reservation:	When a lender reserves a Home Flex Plus 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/ Document Preparer:	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.
Documents:	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 Cash Assistance Program Disclosure Loan Estimate and Closing Disclosure following standard TRID guidelines
Funding Process:	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 **must** be requested in Lender Online by 12 p.m., two business days prior to closing.