LOAN FACT SHEET

Home First Conventional

Description:	A Conventional Mortgage Revenue Bond (Bond) 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 First Conventional product is a variance to the HomeReady product; refer to the HomeReady sections of the Fannie Mae Selling Guide when reviewing eligibility and underwriting requirements in addition to NH Housing requirements identified below.
Loan Purpose:	• Purchase transactions only
Loan Type:	• Fixed-rate loans with 30-year terms. Purchase of primary residence.
Interest Rate/Points:	• Established daily and published on GoNewHampshireHousing.com/rates • Permanent rate buydown point options may be available, see daily rate sheet. • Rates are established for borrowers below 80% AMI and above 80% AMI as per Fannie Mae lookup tool.
Occupancy:	• Must be owner occupied. No more than 15% of the residence can be used for a trade or business.
Mortgage Insurance:	• Follow your DU/DO findings for Fannie Mae PMI insurance requirements. Refer to MI company guidelines for specific eligibility and underwriting requirements. • Borrowers at or below 80% AMI as published by Fannie Mae receive discounted and reduced mortgage insurance rates. Standard MI pricing applies to loans above 80%AMI. NH Housing allows the use of split-premium MI. Refer to your DU/DO findings for guidance. • NH Housing has master contracts with the following MI companies: Arch MI, Enact, Essent, MGIC, National MI, and Radian. Refer to MI company guidelines for specific eligibility and underwriting requirements.
Eligible Borrowers:	• Must not exceed Home First Income and Purchase Price limits. See Income Calculation section below. • Must be a First-Time Homebuyer unless buying in a Targeted Community or a Qualified Veteran (see Bond requirements section below). • Non-occupant co-borrowers allowed per HomeReady Guidelines - must meet Bond requirements. Qualifying income cannot exceed NH Housing's annually published income limit. • Home Preferred/Home Ready rules apply, follow the findings. • If borrower(s) currently owns property and are retaining it, borrowers would need to qualify under HomeReady guidelines. Maximum number of properties a borrower can finance is two (2) per Fannie Mae guidelines for HomeReady program. • Non-borrower title holders acceptable – if allowed by mortgage insurer.
Eligible Properties:	• Owner occupied 1–4-unit properties. • 2-4 Units: multifamily purchase must be at least 5 years old (at least 5 years before the mortgage is executed. The 5-year rule does not apply if purchasing a 2-Unit in a Targeted area). Certificate of Compliance for 2-4 units if applicable per local ordinances. • Condos/Condexes/PUDs: must meet Fannie Mae eligibility, existing or new construction. • Manufactured homes must meet FNMA requirements. Manufactured homes located on leasehold estates are not permitted. Not available for lending in Resident Owned Communities (ROCs). • Max 10 acres- over 10 acres requires Land Use Borrower Affidavit
Minimum Borrower Investment:	• One unit: $0. • 2-4 unit: 3% (3-4 units are subject to PMI availability). • Manufactured Home: 5%. • Private mortgage insurance requirements may differ – check with MI company.
Maximum LTV/CLTV:	• 97% for 1 unit / CLTV 105% with Fannie Mae eligible community seconds. • 95% for 2-4 units and manufactured homes / CLTV 105% with Fannie Mae eligible community seconds.
Homeownership Education/Counseling	• Homebuyer education is required for at least 1 Borrower, regardless of prior homeownership history. New Hampshire Housing Online Education is acceptable. • If using 1stGenHomeNH please see 1stGenHomeNH fact sheet for additional education requirements • 2-4 units require landlord and homebuyer education.
Income Calculation:	Each loan file will have two income calculations: • Qualifying income: Follow industry standard documentation and calculation requirements. This will be used for MI coverage and automated underwriting. In no event shall this income exceed NH Housing's annually published income limit: • Gross Annual Compliance Income: Refer to the Gross Annual Compliance Income Guidance for additional details. Detail income on Home First Gross Annual Compliance Income Calculation Worksheet. In no event shall this income exceed Home First Income and Purchase Price limits. Refer to the Home First Gross Annual Compliance Income Calculation Worksheet for additional guidance.

Home First Conventional

	Mortgage insurance discounts and reduced rates available to borrowers at or below 80% AMI as published by Fannie Mae.
Purchase Price Limits:	• Follow Home First purchase price limits for property location.
NH Housing Overlays:	• 620 minimum FICO. • 50% DTI unless 680+ FICO and approve/eligible. • HFA Preferred special feature codes **MUST** be selected when running DO/DU. • 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 higher 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. • No Manual Underwrites are allowed.
Mortgage Revenue Bond Requirements:	• Income and Purchase Price Limits as currently published by NH Housing. • Must be a First-Time Homebuyer* unless buying in a Targeted Community. A first-time homebuyer for the Home First Conventional mortgage program is defined as someone who has not had an ownership interest in (not listed on the deed of) their principal residence during the previous three years prior to the date the mortgage is executed. (Refer to section 4.1 of the Selling Guide for additional guidance) • All loan file submission must include the following required documentation: o Home First Gross Annual Compliance Income Calculation Worksheet (in accordance with Gross Annual Compliance Income) o Loan Agreement and Certification o Recapture Disclosure Statement o Borrower Attestation o Lender Closing Certification o Affidavit of Veteran for Exception to FTHB requirement (if required) o Land Use Affidavit (if property is greater than 10 acres) • Loans may be subject to Recapture Tax. Refer to Selling Guide for additional information.
Underwriting/Ratios:	• Approve/Eligible • Approval per DU/DO. When entering DU/DO, choose the HFA Preferred option on the community lending screen. • Follow DU/DO underwriter findings. • Appraisal waivers accepted if in DO/DU Findings • Qualifying ratios, reserves, and income requirements are determined by DU/DO. • No manual underwrites are allowed.
Well and Septic:	• All private/individual wells must meet insurer and guarantor requirements. • Well and septic must be 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 by the borrower, in accordance with insurer and guarantor guidelines, if a borrower provides a certificate of completion of New Hampshire Housing's Water Wellness Course dated on or before the execution of the Purchase and Sale Agreement for the Property. • Shared wells or septic require shared well/septic agreement.
Homeowners Insurance:	• Max deductible is the higher of $1,000 or 1% of face amount of property insurance coverage. • Condo(s): Must have Master Insurance policy. The Lender is responsible for validating 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 HO-6 will be required. NH Housing will escrow for the HO6 only if it is requested by the borrower.

LOAN FACT SHEET

Home First Conventional

Cash Assistance/Down payment Assistance (Home First Plus):	• 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 First Conventional (+) Guide below.
Voucher Assisted Mortgage Option (VAMO):	• This program is eligible for the VAMO program. Borrowers must receive an eligibility letter. Voucher benefit amount to be added to income only and cannot offset PITI. VAMO closing certification needs to be completed before closing. Home inspection, HQS inspection and Homebuyer education are required.
Rehab Funds:	• Not allowed.
Stacking Lists:	• Click HERE for the stacking list document.

LOAN FACT SHEET

Home First Conventional

Home First Conventional (+) Cash Assistance Mortgage

Description:	The "Cash Assistance Mortgage" is the second mortgage that relates to a Home First Conventional 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 events occur **a)** Buyer fully prepays or refinances the first mortgage; **b)** Buyer sells, transfers, or otherwise disposes of the Property; **c)** Buyer files for bankruptcy, or **d)** The property is no longer the primary residence of buyer. See Selling guide for additional details.
Use:	The Cash Assistance can be used for downpayment, closing costs, and prepaids for **PURCHASE TRANSACTIONS ONLY**. Refinance transactions are not eligible for cash assistance. NH Housing also allows the borrower to utilize the cash assistance towards the Split Premium MI.
Reservation:	When a lender reserves a Home First 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 TRID disclosure 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.