

Home Preferred Loans



Description:	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 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 of a primary residence. • Limited cash-out refinance transactions, <i>only if</i> the existing loan being refinanced: ◦ Is a conventional loan; and ◦ Was originally originated, acquired, or funded through New Hampshire Housing ◦ The borrower can receive no more than the lesser of 2% of the refinance loan amount, or \$2,000.
Loan Type	• Fixed rate loans with 30-year terms. Purchase/Rate-term, and limited cash out refinances 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.
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:	• Maximum Income Limits as currently published by New Hampshire Housing. Mortgage insurance discounts and reduced rates available to borrowers at or below 80% AMI as published by Fannie Mae. • Not limited to first-time homebuyers. • Non-occupant co-borrower(s) allowed per HomeReady guidelines. • Home Preferred/Home Ready rules apply, follow the Findings. • If borrower(s) currently own 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 unit multifamily requires Certificate of Compliance 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).
Minimum Borrower Investment:	• One unit: \$0. • 2-4 unit: 3% (3-4 units are subject to PMI availability). • Manufactured Homes: 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 if borrower(s) is a first-time homebuyer or utilizing Cash Assistance. Only one (1) homebuyer is required to complete education. New Hampshire Housing Online Education acceptable. • If using 1st GenHomeNH, please see 1st GenHomeNH Fact Sheet for additional education requirements • 2-4 units require Landlord and homebuyer education.
Income Calculation:	• Qualifying income for all borrowers, including occupant and non-occupant, are counted toward the income limit. • 2-4 unit - if using rental income to qualify, rental income must be included in the maximum Income Limits as currently published by New Hampshire Housing.

Home Preferred Loans



	- Mortgage insurance discounts and reduced rates available to borrowers at or below 80% AMI as published by Fannie Mae. - Under no circumstance shall the qualifying income exceed NH Housing's maximum program income limit.
Purchase Price Limits:	Conforming loan limits apply.
Reserves:	Per mortgage insurer.
NH Housing Overlays:	- Loan submissions must be within NH Housing income limits. 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 applicable) 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. - No Manual Underwrites are allowed
Underwriting/Ratios:	- Approve/Eligible. - Approval per DU/DO. When entering DO/DU, choose the HFA Preferred option on the community lending screen. - Follow DO/DU underwriter findings. - Appraisal waivers accepted if in DO/DU Findings. - Qualifying ratios, reserves, and income requirements are determined by DO/DU. - No manual underwrites are allowed.
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 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. - 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 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.
Cash Assistance/Down payment Assistance (Home Preferred 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 Preferred (+) Guide below.
Voucher Assisted Mortgage Option (VAMO):	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, HQS inspection, and Homebuyer education are required.
Rehab Funds:	Not allowed.
Stacking Lists:	Click HERE to access stacking list document.

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Preferred (+) Cash Assistance Mortgage

Description:	The "Cash Assistance Mortgage" is the second mortgage that relates to a Home Preferred 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 Preferred 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.
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.