NHHOUSING

New Hampshire Housing

Selling Guide

The Official Guide to NH Housing Mortgage Programs

Revised July 22, 2026

NEW HAMPSHIRE HOUSING

SELLING GUIDE

Revised: July 22, 2026

This Selling Guide provides information for New Hampshire Housing's products and processes for Single-Family Mortgage Programs and Special Homeownership Programs. It is considered part of the "Program Guidelines" and therefore part of the New Hampshire Housing's Mortgage Loan Purchase Agreement (MLPA) and Participating Originator Agreement (POA).

New Hampshire Housing reserves the right to amend this Guide by providing reasonable notice with an effective date of the change(s).

HOMEOWNERSHIP DIVISION TEAM

CHASE HAGAMAN—Managing Director, Homeownership
ERIC PALMER—Director, Business Development
TIM KARANASIOS—Director, Loan Servicing
ANDREW CADORETTE—Senior Manager, Marketing and Outreach
JAY LAVALLEE—Manager, Mortgage Quality and Compliance

HOMEOWNERSHIP DIVISION

PO Box 5087, Manchester, NH 03108
E: ownershipinfo@nhhfa.org
T: 603.472.8623 800.649.0470
F: 603.472.2663

NHHousing.org

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SECTION 1 - INTRODUCTION

1.1 OVERVIEW, PURPOSE AND APPLICABILITY

This Selling Guide provides loan origination and operating guidelines for NH Housing's Single-Family Mortgage Programs, primarily intended for Participating Lenders. NH Housing homeownership programs are exclusive to properties in New Hampshire. This document serves as a Program Guideline under the Mortgage Loan Purchase Agreement and/or Participating Originator Agreement between NH Housing and the Participating Lender/Originator.

The Selling Guide applies to all programs unless otherwise specified in specific Homeownership Program Rules (HFA 301-HFA 341). In case of conflict or ambiguity between the Selling Guide and a specific Homeownership Program rule, the latter prevails. NH Housing may amend policies by notifying Participating Lenders in writing, with the amended policy posted on NH Housing's websites (www.NHHousing.org, www.NHHomeownership.org, www.GoNewHampshireHousing.com, www.nhhfa.org).

NH Housing has the authority to determine which homeownership programs to offer and can modify or reduce programs and funding availability. The decision to approve or deny an application is based on various factors, and NH Housing retains sole discretion in this regard.

NH Housing can amend program requirements, including Homeownership Program Rules and program documents, at its sole discretion. Unless explicitly stated, the repeal or amendment of a rule does not affect existing Borrowers who remain subject to the rules in effect at the time of loan execution. Pending applications are subject to the rules in place at the time of application, except if a rule change is mandated by statute, in which case the new statutory requirements apply.

NH Housing maintains a list and copies of repealed rules for inactive programs, which are available upon request.

1.2 CONTACT INFORMATION

All mail correspondence should be sent to:
New Hampshire Housing
Attn: Homeownership
32 Constitution Drive
Bedford, NH 03110

General underwriting and program questions: underwriters@nhhousing.org

Cash assistance wire requests or reservations: cashassistance@nhhousing.org

Follow-up of additional loan documentation: missingitems@nhhousing.org

For Participating Originator channel support: nhhloans@nhhousing.org

Reservation related questions: reservations@nhhousing.org

TPO Connect and Lender Online Portal related questions: HOSystemsSupport@nhhousing.org

1.3 DEFINITIONS

Applicant means an entity that is seeking NH Housing's approval to be a Participating Lender and/or Participating Originator.

Application means the application form and all NH Housing required supporting documents, as detailed in NH Housing's application and supporting document checklist.

Approval means the process and decision by which entities and individuals seek to work with the Homeownership Programs, e.g., Participating Lenders and Participating Originators, and NH Housing's decisions on such applications.

Borrower means a person who applies for and obtains a Mortgage Loan to purchase or refinance an eligible Property.

Cash Assistance means downpayment or closing cost assistance that is provided through a second mortgage, which is a separate loan made by NH Housing to the Borrower.

Closing Documents means the note, mortgage, assignment of mortgage and loan title insurance policy and any other such loan closing documents required by NH Housing.

Closed Loan Package means the loan file submitted by the Participating Lender with required documentation for NH Housing to purchase.

Conforming Loan Limits means the published maximum loan limits allowed for the location of the property for conventional, FHA, VA, and Rural Development.

Complete Application means an application that is completed and contains all information and documents required by NH Housing to apply to be a Participating Lender and/or Participating Originator.

Deed means the closing document that conveys ownership of the subject property.

Error means any closing document that does not comply with this policy, including noncompliance with the MLPA/POA, program guidelines, New Hampshire law or the requirements established by the mortgage insurer/guarantor and the secondary market/document custodian.

Fact Sheets means the written terms and conditions prepared by NH Housing for each of its Mortgage Loan products. The Fact Sheets describe the loan type, loan parameters and conditions that must be met for the loan to be purchased by NH Housing.

Findings means a DO/DU automated underwriting report that summarizes the overall underwriting recommendation and eligibility component of the loan casefile and lists certain steps necessary for the Participating Lender to complete the processing of the loan file.

First Mortgage means a loan having the characteristics described in Program Guidelines whose lien position is senior to any other lien and whose lien is secured by an accepted FHA, RD, VA or Conventional deed of trust.

Homeownership Programs means NH Housing's programs related to homeownership.

Homeownership Rules means all the administrative rules adopted by NH Housing that apply to the operations of NH Housing's Homeownership Programs.

Lender Online means NH Housing's online portal used for creating and updating loan reservations.

Loan means a mortgage as defined herein.

Material means an application, documents, or notification that is permitted or required by NH Housing for an applicant to apply to NH Housing.

Mortgage, Mortgage Loan means a First Mortgage in which Property or real estate is used as collateral. The Borrower enters into an agreement for a specified sum of money made by a Participating Lender to a Borrower to finance a Property and evidenced by a promissory note and secured by a related deed of trust which meets all of the terms and conditions of the Program Guidelines.

Mortgage Applicant means a person who applies for a Mortgage Loan.

Mortgage Loan Purchase Agreement (MLPA) means the Mortgage Loan Purchase Agreement and all addenda that define the contractual relationship between NH Housing and the Participating Lender.

Participating Lender means an entity that has been approved by NH Housing to originate,

process, close, and fund mortgage loans that will be eligible for purchase by NH Housing.

Participating Originator means an entity that has been approved by NH Housing to originate mortgage loans for Borrowers who will be eligible for NH Housing's Single-Family Mortgage Program.

Participating Originator Agreement (POA) means the Participating Originator Agreement and all addenda that define the contractual relationship between NH Housing and the Participating Originator.

Program Guidelines means all Program descriptions, product sheets, administrative rules, guidelines, forms, lender notices and procedures established by NH Housing (including the Selling Guide), any mortgage insurer, FHA, RD, VA, Ginnie Mae and Fannie Mae, all as may be amended from time-to-time.

Property means the land, access, easements, dwelling and all improvements including utility connections and rights to water or water stock that are the subject of a loan.

Purchase means the transaction by which NH Housing compensates the Participating Lender for selling and assigning a mortgage loan to NH Housing pursuant to this Agreement, in conformity with the Program Guidelines.

Qualified Veteran means a veteran who served in the active military, naval, or air service and was discharged or released under conditions other than dishonorable.

Reservation Confirmation means a document from NH Housing's Lender Online system that acknowledges the registration of a Mortgage Loan with NH Housing.

Resident-Owned Community (ROC) means cooperatively owned community of manufactured homes that are owned by the residents who live there, as opposed to an outside landlord. ROCs are allowed under the Home Preferred Manufactured Housing product in Fannie Mae approved ROCs.

Single-Family means, unless more specifically defined, a residence that has one to four attached living units intended to be owner occupied, including stand-alone houses; two-four families; and manufactured housing that meets all code requirements, is permanently affixed, and is considered real estate.

Single Family Mortgage Program means the loan programs offered by NH Housing as described in this Selling Guide.

State means the state of New Hampshire.

Targeted Area means areas identified by the U.S. Department of Housing and Urban Development as Berlin, Claremont, Concord, Dover, Goffstown, Laconia, Lancaster, Littleton, Manchester, Newmarket, Pittsfield, Portsmouth, Rochester, Somersworth and Whitefield.

TPO Connect means NH Housing's web-based Encompass portal for loan applications, loan document submission, loan status updates, and missing item notifications.

Website means any NH Housing websites, including www.NHHousing.org, www.NHHomeownership.org, GoNewHampshireHousing.com or www.nhhfa.org

SECTION 2 – DOING BUSINESS WITH NH HOUSING

2.1 INITIAL QUALIFICATIONS

To be approved as a Participating Lender or Originator, the Applicant must meet the following qualifications:

A. Authorization to Transact Business

The Applicant is in good standing under the laws of the United States, the State, any applicable federal agencies, and the state of its formation or incorporation. The Applicant is authorized to transact mortgage business in the State and possesses all requisite authority and licenses to conduct its business.

B. Authority to Participate in Mortgage Programs

The Applicant has the required approvals, licenses, systems, and experience to perform all such program requirements and all MLPA and/or POA requirements for each mortgage program that the Applicant intends to participate in, e.g., Fannie Mae, Federal Housing Administration, US Department of Agriculture Rural Development, Veterans Administration, or private mortgage insurance.

C. Net Worth

The Participating Lender Applicant must have a net worth equal to $1,000,000 or an amount equal to or in excess of requirements mandated by FHA or Fannie Mae, whichever is higher.

D. Insurance Requirements

A Participating Lender Applicant must have fidelity bond and an errors and omissions insurance coverage in an amount at least equal to $1,000,000. The applicant must provide NH Housing with a certificate from the insurance carrier, naming NH Housing as a party in interest to the bond, or the policy or the bond shall name NH Housing as one of the parties insured. A Participating Originator Applicant must have $300,000 in errors and omissions coverage and $25,000 in surety or fidelity bond coverage.

E. Neighborhood Watch

An acceptable Neighborhood Watch rating (if applicable).

F. Experienced Staff and System

The Applicant has five (5) years or more lending as a mortgage lender and/or mortgage originator, which will include providing information on a history of the Applicant's loan volume. The Applicant has sufficient staffing and systems to perform all MLPA and/or POA requirements, including providing resumes/bios of owner and key personnel.

G. Pending Litigation

There is no action, suit, proceeding, inquiry, or investigation pending or threatened against the applicant that, either individually or in the aggregate, would result in any adverse change in the applicant's business, operations, financial condition, properties, or assets; or draws into question the applicant's ability to perform all MLPA and/or POA requirements.

H. No Consent Required

No consent, approval, authority, or order of any court or governmental entity is required for the applicant to operate as a Participating Lender or Participating Originator.

I. No Federal or State Suspension or Investigation

The Applicant is not subject to any federal, state, or other jurisdiction debarment, suspension, or current investigation related to its lending practices or mortgage operations.

J. Physical Location

NH Housing does not require a physical location in NH.

K. Closed Loan Volume

Applicant must demonstrate $6,000,000 in closed purchase loan dollar volume or a minimum of 18 closed unit volume within New Hampshire from previous 12 months.

L. Letters of Reference/Good Standing

Prospective Applicants are expected to demonstrate their good standing as a lender. Two letters of reference/good standing for the application process. These may come from recognized entities such as Fannie Mae, Freddie Mac, Federal Home Loan Bank, Veterans Administration, Housing and Urban Development (HUD), or United States Department of Agriculture Rural Development (USDA RD).

M. Other Qualifications

The Applicant shall provide any other documents or information requested by NH Housing to evaluate the application.

2.2 APPROVAL PROCESS

The approval or denial of an application is determined by multiple factors. It is important to note that the Homeownership Program Rules and Selling Guide, as well as any communication or action, do not establish any entitlement or obligation for NH Housing to approve an application. NH Housing maintains full discretion and exercises judgment in making decisions regarding these applications.

A. Application

The Applicant may initiate a request with NH Housing by submitting a New Lender Request Form. NH Housing will provide draft copies of the Mortgage Loan Purchase Agreement and or Participating Originator Agreement. The completed application and all supporting documentation must be provided to the Director of Business Development for Homeownership at NH Housing. The application fee must be submitted with the application (see fee schedule).

An Applicant may apply to be both a Participating Lender and a Participating Originator provided all required information is submitted.

By submitting a complete application, the Applicant is certifying, under penalties of perjury, that all information, statements, reports, or other documents furnished by the Applicant to NH Housing contain truthful and accurate statements and information. To the extent the Applicant relies on third parties, the Applicant shall take steps to ensure that information, statements, reports, or other documents from third parties are true and accurate.

While the complete application is pending review and approval, the Applicant shall notify NH Housing if anything in its application or supporting documents materially changes or is found to be materially inaccurate.

B. Approval Notification

NH Housing will review all submitted documentation and will respond by written letter (email) of approval or rejection. New lenders will be onboarded first come first serve as capacity allows. If the Applicant is approved, a copy of the Mortgage Loan Purchase Agreement and or

Participating Originator Agreement will be sent for signature.

If NH Housing denies an application, the applicant may seek a review of that decision by sending a request for review, stating the basis for the request, to NH Housing's Executive Director. The Executive Director shall review the request and provide the applicant with a decision. After receiving the Executive Director's decision, the applicant may seek further review by sending a request for review to NH Housing's Board of Directors.

C. Required Training

Newly approved Participating Lenders and or Participating Originators must complete the required NH Housing training before being authorized to originate loans in adherence to this Selling Guide. Lender training is available regularly on our website or upon request. Training requirements apply to both customer-facing and back-office staff who will be working with NH Housing products.

2.3 MAINTAINING LENDER APPROVAL STATUS

After the initial approval, each Participating Lender and Participating Originator will be required to meet the following requirements to maintain their status as an approved NH Housing Lender.

A. New Lenders: All newly approved lenders will be subject to an initial review period where NH Housing will require a closing and compliance review prior to the lender issuing a "clear to close" (CTC). This period will be at minimum the first five (5) loans sold/closed to NH Housing.

B. Existing Lenders: NH Housing has instituted a five (5) loan minimum requirement for both Participating Lenders and Participating Originators. Each Participating Lender shall sell a minimum of five (5) NH Housing loans per calendar year. Each Participating Originator shall close a minimum of five (5) NH Housing loans per calendar year.

C. Participating Lenders and Participating Originators that do not meet satisfactory loan quality will be placed under a review period and assigned mandatory training. Lenders that do not meet the minimum standards for loan delivery or continue to deliver unsatisfactory files may be terminated.

D. Annual recertification of the Mortgage Loan Purchase Agreement and or Participating Originator Agreement that confirms compliance with all NH Housing requirements and qualifications.

2.4 TERMINATION OF PARTICIPATION

The termination of NH Housing's approval to be a Participating Lender and/or Participating Originator is governed by the MLPA and/or the POA. Participation may be terminated by either party.

SECTION 3- RESERVATION AND RATE LOCK POLICY

This policy governs how Participating Lenders and Participating Originators can make reservations in NH Housing's loan reservation system, Lender Online.

3.1 MORTGAGE RATES

NH Housing will post the mortgage interest rates online at NH Housing's website and within Lender Online. The daily rate distribution email is available upon request/subscription. Such rates are subject to change, including changes throughout the day, and are not considered locked until the Participating Lender/Participating Originator makes a valid reservation with NH Housing and receives a Reservation Confirmation.

NH Housing products are available for lenders within the Optimal Blue pricing engine, ICE Product and Pricing Engine, and Marksmen. To incorporate NH Housing products within Optimal Blue, ICE Product and Pricing Engine, and Marksmen programs, lenders should contact their client services representative to ensure programs are added and working correctly.

3.2 REQUIREMENTS

A. In all instances, Participating Lenders and Participating Originators are required to register the loan in TPO and then reserve the loan in Lender Online. Lenders must utilize TPO and Lender Online in an ethical and honest manner. This means correct information, to the best of the Lenders ability, should be imputed for the reservation.

B. A reservation or price guaranty is made based on a mortgage loan application and a specific property. If the mortgage loan application falls through, that application is null and void. The Participating Lender/Participating Originator is responsible for cancelling the reservation in Lender Online. If a change of applicants or property occurs, the subsequent reservation will be treated as a new reservation.

C. The Participating Lender shall reserve the Mortgage Loans it intends to sell to NH Housing under a best-efforts basis. The Participating Lender commits to deliver the Mortgage Loan regardless of market conditions.

D. All NH Housing published rates and prices are subject to change without advanced notice. Once a Participating Lender is notified that the rates have changed, no Mortgage Loans can be reserved at the previous rate and price.

E. The Mortgage Loan must be delivered to NH Housing by the reservation expiration date or extension fees will apply.

F. If a reservation expired on a Saturday, Sunday or holiday, the reservation expiration date will roll forward to the next business day.

G. NH Housing is under no obligation to purchase a mortgage loan at an interest rate that differs from the locked interest rate.

3.3 MORTGAGE LOAN RESERVATION PROCESS

A. Reservation of Funds:

a. The Mortgage Applicant must provide a bona fide contract of sale executed by both the buyer and seller of the property or required information for a refinance application.

b. The Mortgage Applicant must submit information to the Lender demonstrating the ability to satisfy the income and other qualifications of the program under which they are applying, subject to the Participating Lenders' full underwriting of the mortgage

loan or NH Housing's review of the application for Participating Originators.

B. After the Lender has prescreened an applicant for program eligibility, an authorized member for the Lender shall reserve the mortgage loan via Lender Online. Lender Online will be open for reservations from 9:30 a.m. to 8:00 p.m. on weekdays in which NH Housing is open for business. Lender Online is not available the following holidays: New Year's Day, Civil Rights Day, President's Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Indigenous Peoples' Day, Veterans Day, Thanksgiving, the Friday after Thanksgiving, and Christmas.

C. Once all required information has been submitted via TPO and Lender Online, a Reservation Confirmation will be generated, and a reservation number will be assigned.

D. Participating Lenders shall use Lender Online to make loan reservations, update reservation data and update the status of reservations. Participating Originations will use Lender Online to make reservations and will then communicate directly with NH Housing staff for any changes to reserved loans in the pipeline.

E. NH Housing will notify our lending partners of rate and price changes in advance when possible; however, there may be circumstances in the market when Lender Online may be shut down during normal reservation hours.

F. If Lender Online is not working during normal reservation hours for non-market related reasons or if an exception has been granted, the Participating Lender may submit a manual reservation to reservations@nhhousing.org using the Reservation of Funds Form. NH Housing will review the submission, and if approved, will send the Participating Lender a Reservation Confirmation. The reservation is not considered locked until the reservation request is approved by NH Housing. The manual reservation is subject to the rate offered at time of approval.

3.4 PREREQUISITES FOR HOME PREFERRED RESERVATIONS

The Participating Lender must complete additional steps to make a Fannie Mae Home Preferred reservation. It is important to note that reservations are considered valid only after fulfilling these prerequisites. NH Housing will not honor rates until the specified prerequisites have been satisfied.

A. Before making a reservation, the Participating Lender must have received the approve/eligible Desktop Originator (DO) Findings, and/or Desktop Underwriter (DU) Findings. Findings obtained that do not have NH Housing as the sponsor are not acceptable. Additionally, the reservation must be made within 20 days of receiving "approve/eligible" findings. A reservation is not valid, and thus the rate is not considered locked, unless the Participating Lender has:

1. Uploaded correct DU Findings through Lender Online; or
2. Submitted the DO approved Findings; and
3. Made the reservation within 20 days of receiving "approve/eligible" Findings.

B. The Participating Lender must provide all required information for a loan reservation in Lender Online including an accurate automated underwriting system (AUS) case file number.

C. DO/DU Findings must be accurate and complete; and must include the following (not an all-inclusive list):

a. Interest rate in DO/DU must match NH Housing's published interest rate at the time of reservation;
b. All applicable HFA Preferred **Special Feature Codes** must be reflected;
c. All Borrower information must match reservation (e.g., names, Social Security

numbers and property address); and

d. The actual address for the property to be mortgaged must be included – the address on findings cannot be "TBD."

If NH Housing is unable to commit a loan to Fannie Mae due to missing and/or inaccurate information, the Participating Lender will be contacted and asked to update as needed. Inconsistent and or missing information will delay acceptance of the reservation and may result in a different interest rate based on market conditions. NH Housing will not be responsible for changes in interest rates due to incomplete/inaccurate reservation submissions.

3.5 EXTENSION POLICY

Once a reservation is made via Lender Online, the rate is locked for 60 days subject to the Participating Lender delivering the loan to NH Housing as required in the Mortgage Loan Purchase Agreement and the NH Housing Selling Guide. The Participating Lender is responsible for monitoring its pipeline of reserved Mortgage Loans. Extending reservations will vary by Mortgage Loan product:

A. **Home Flex and Home First:** Lenders are not required to extend Home Flex or Home First loan rates prior to expiration; loan funding will automatically be adjusted for loans delivered beyond the expiration date based on the Loan Acquisition Fee Schedule (See Section 8, Fees and Compensation).

B. **Home Preferred:** Lenders must request extensions in writing (email) prior to the expiration date of the original reservation. Extensions can be requested in increments of 5 days, with 30 being the maximum. Extension fees will be calculated based on market pricing and the number of days extended. Extension fees will be deducted from loan funding at time of purchase. Participating Lenders will be billed separately for loans extended but not delivered to NH Housing. Loans received after expiration will be subject to worst case pricing plus any additional fees imposed by Fannie Mae.

Participating Originators requiring rate extensions, please contact NH Housing staff and we will disclose updated fees accordingly. Fees will match extension amounts outlined in Section 8.7 of the selling guide.

3.6 RELOCKS

A reservation must be expired or cancelled to relock. Reserved loans for the same Borrower and Property that have been cancelled or expired for less than 30 days are subject to worst-case pricing. Reservations expired for 30 days or more will be relocked at current market pricing.

3.7 PROGRAM CHANGES

Program change requests for active reservations must be requested via email to reservations@nhhousing.org. Generally, changes from one program to another or one agency/insurer to another will require a new reservation. NH Housing staff will advise whether a new lock must be submitted as well as the terms that apply. These requests will be processed within one (1) business day of submission.

Program changes within the same program (for example Home Flex to a Home Flex Plus) will be subject to worst-case pricing and will retain the current lock expiration period.

Program changes to a different program (for example Home Flex to Home First) will be treated as a new lock and based upon current market pricing and the lock expiration date will be 60 days from the newly created reservation.

NH Housing does not offer rate adjustments for interest rate movements within the lock period.

3.8 UPDATING LOAN STATUS

The Participating Lender shall periodically review its reservation pipeline and update the status of each reservation.

3.9 NON COMPLIANCE

NH Housing has the right to reject reservations that do not comply with the NH Housing Selling Guide guidelines, regardless of when that noncompliance is discovered.

SECTION 4 - LOAN PROGRAMS AND POLICIES

Under the Mortgage Loan Purchase Agreement (MLPA), Participating Lenders are required to ensure that a loan meets all of NH Housing's program requirements. It is the Participating Lender's responsibility to fully read the Selling Guide and to ensure that Mortgage Loans are properly underwritten, and the Borrowers are properly qualified.

NH Housing is not obligated to buy a loan that does not meet program-specific eligibility criteria set forth in this Selling Guide, as well as all applicable Federal guidelines, depending on the loan type and program (FHA, VA, USDA or Fannie Mae.)

The following section presents a general overview of the loan programs and policies that Participating Lenders shall follow when delivering loans that will be sold to or closed with NH Housing. For additional information, Participating Lenders should review all NH Housing Program Guidelines, including the Program Matrix, required forms and program Fact Sheets.

4.1 HOME FIRST PROGRAM (MORTGAGE REVENUE BOND- MRB)

NH Housing offers the Home First Mortgage Loan program to provide competitive interest rates and Cash Assistance options. Both new and existing homes may be eligible for financing except as otherwise specified in this Selling Guide. Refinances are not allowed under the Home First program. NH Housing uses tax-exempt Qualified Mortgage Revenue Bonds (MRB's) to fund loans under the Home First mortgage program and therefore the loans must comply with certain requirements as set forth by the IRS as described in the Selling Guide and outlined in the Fact Sheet.

4.1.1 BORROWER ELIGIBILITY

A. **First-Time Homebuyer:** All Mortgagors and any other person who is expected to both live in the home and be secondarily liable on the Mortgage, must be a first-time homebuyer, unless they are purchasing in a Targeted Area or are a Qualified Veteran. A first-time homebuyer for the Home First mortgage program is defined as someone who has not had an ownership interest in (not listed on the deed) their principal residence during the previous three years prior to the date the mortgage is executed. Examples of "ownership interests" include:
    a. A fee simple interest;
    b. A joint tenancy;
    c. Tenancy in common or tenancy by the entirety;
    d. The interest of a tenant-shareholder in a cooperative;
    e. A life estate;
    f. The interest of a purchaser under a land contract or installment sales agreement with a term that exceeds 24 months and under which the purchaser takes possession even though legal title is not transferred until some later time;
    g. An interest held in trust for the person (whether or not created by the person) that would constitute as present ownership interest held directly by the person; or
    h. An ownership interest in a mobile home or other factory-made housing.

    Examples of interests that do not constitute "ownership interests" are:

    a. A remainder of interest;
    b. A lease with or without an option to purchase;
    c. A mere expectancy to inherit an interest in a principal residence;
    d. The interest that a purchaser of a residence acquires upon the execution of a standard purchase contract, without a right of possession; or
    e. An ownership interest in other than a principal residence during the previous three (3) years.

The first-time homebuyer requirement does not apply if the Borrower is purchasing in a Targeted Area. The following 15 communities have been designated as Targeted Areas by the U.S. Department of Housing and Urban Development: Berlin, Claremont, Concord, Dover, Goffstown, Laconia, Lancaster, Littleton, Manchester, Newmarket, Pittsfield, Portsmouth, Rochester, Somersworth and Whitefield.

For the Home First program, Qualified Veterans are also exempt from the First-Time Homebuyer rule. The Affidavit of Veteran for Exception form is required.

If buyer(s) are purchasing in a targeted community or exempt from first-time homebuyer rule due to veteran status the buyers are still required to obtain a homebuyer education certificate from one of NH Housing's approved courses to utilize the Home First program.

B. Home First Income Limits

Each loan file will have two income calculations

a. Qualifying Income: Follow industry standard documentation and calculation requirements. Qualifying income will be used for MI Coverage (if applicable) and automated underwriting. In no event shall this income exceed NH Housing's annually published income limit.
b. 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.

The Gross Annual Compliance Income for all Mortgagors, including non-occupant co-borrowers and any other person who is expected to both live in the home and be secondarily liable on the Mortgage must not exceed the Home First income limits. These limits are adjusted annually. All sources of income must be included. Reference the comprehensive Home First Gross Annual Compliance Income Calculation Guidance for specific information on how to calculate Gross Annual Compliance Income.

Example: The following household scenarios establish guidelines for calculating income and identifying the Borrowers who must meet the first-time homebuyer rule:

SCENARIO 1	**Yes**	**No**
Do they occupy?	✓	
Are they a Borrower? (on Note)	✓	
Are they on Title? (deed & mortgage)	✓	
Must be FTHB	✓	
Must include Income	✓	

SCENARIO 2	**Yes**	**No**
Do they occupy?	✓	
Are they a Borrower? (on Note)	✓	
Are they on Title? (deed & mortgage)		✓
Must be FTHB	✓	
Must include Income	✓	

SCENARIO 3	**Yes**	**No**
Do they occupy?	✓	
Are they a Borrower? (on Note)		✓
Are they on Title? (deed & mortgage)	✓	
Must be FTHB	✓	
Must include Income	✓	

SCENARIO 4	**Yes**	**No**
Do they occupy?	✓	
Are they a Borrower? (on Note)		✓
Are they on Title? (deed & mortgage)		✓
Must be FTHB		✓
Must include Income		✓

SCENARIO 5	**Yes**	**No**
Do they occupy?		✓
Are they a Borrower? (on Note)	✓	
Are they on Title? (deed & mortgage)	✓	
Must be FTHB		✓
Must include Income	✓	

SCENARIO 6	**Yes**	**No**
Do they occupy?		✓
Are they a Borrower? (on Note)	✓	
Are they on Title? (deed & mortgage)		✓
Must be FTHB		✓
Must include Income		✓

C. Home First Purchase Price Limits

The purchase price of the Property utilizing a Home First Mortgage Loan program cannot exceed the purchase price limit applicable to the property's county. Review the Program Matrix to identify specific limits.

D. Eligible Properties

The Property must be a Single-Family Dwelling, including condominium, co-op, townhouse/PUD, and manufactured or mobile home which is permanently affixed to real property owned by the Borrower, that will be the Borrower's primary residence. Two-to-four-unit dwellings, in which the owner uses one unit as his or her primary residence and may rent one or more of the remaining units, that has been used as a residence for the previous five years are also eligible. Two-unit dwellings located in a Targeted Area that will be used for residential purposes are not required to meet the five-year requirement.

A property where more than 15% of the total area is expected to be used primarily for a trade or business purposes does not qualify as a principal residence and therefore not eligible to be funded with a Home First Mortgage loan.

Maximum acreage is 10 acres, however, exceptions are allowed with the completion of a Land Use Borrower Affidavit.

E. Recapture Tax

A Federal tax known as the "Recapture Tax" became effective for all MRB-funded Mortgage Loans that closed after January 1, 1991. As enacted, a Borrower may be subject to this tax if the home is sold or disposed of within the first nine years of the Mortgage Loan purchase date. The tax is payable through the Borrower's Federal Income Tax Return for the year in which the home was disposed of. The maximum tax is 6.25 percent of the mortgage amount or 50 percent of the gain realized on the sale, whichever is less. There are other factors that affect the amount of tax which may be due, including family size and income at the time of the disposition of the Property. The Borrower may wish to consult with a tax advisor or the local IRS office at the time of disposition of the home to determine the amount, if any, of Recapture Tax owed to the IRS. At loan origination, there is no way to predict the amount of Recapture Tax the Borrower may be required to pay. NH Housing will not calculate the amount of Recapture Tax that a Borrower may owe upon disposition of the property.

F. Refinancing

The Mortgage Loan must be a new Mortgage Loan on the Property for the Borrower. Home First cannot be used for refinance transactions.

G. Occupancy, Rental and Assumptions

Rules outlining occupancy, rental and assumptions can be found in HFA Rule 322.

H. Required Forms

There are several forms that are required for the Home First mortgage program.

a. **Loan Agreement and Certification** – must be signed by borrower(s) at closing. The original fully executed agreement must be returned to NH Housing.
b. **Recapture Disclosure Statement** – All buyers applying for a Home First Mortgage Loan must complete a Recapture Disclosure Statement to acknowledge and attest that the Borrower understands the potential recapture tax liability.
c. **Borrower Attestation** – All buyers applying for a Home First Mortgage Loan must complete a Borrower Attestation to acknowledge and attest that they understand and meet the program requirements.

d. **Gross Annual Income Calculation Worksheet** – must include Gross Annual Compliance Income for all Mortgagors, including non-occupant co-borrowers on title and any other person who is expected to both live in the home and be secondarily liable on the Mortgage.
e. **Cash Assistance Program Disclosure (if applicable)** – If the Borrower receives Cash Assistance (downpayment assistance).
f. **Lender Closing Certification** – The Participating Lender is required to complete the Lender Closing Certification to attest that the Recapture Disclosure Statement and Borrower Attestation was provided to the Borrower(s) and that the Lender is not aware of any facts or circumstances that would cause it to question the truth or completeness of the Recapture Disclosure Statement and Borrower Attestation.
g. **Affidavit of Veteran for Exception to First-Time Homebuyer Requirement (if applicable)** – Required if Qualified Veteran is using for the First-Time Homebuyer exception.
h. **Land Use Affidavit (if applicable)** – Required for exceptions if the property acreage exceeds 10 acres.

4.2 HOME FLEX PROGRAM

NH Housing offers the Home Flex Mortgage Loan program to provide financing on Mortgage Loans insured by FHA or guaranteed by USDA or VA. Mortgage Loans are underwritten using the guidelines of the respective federal agency providing the insurance/guaranty. NH Housing does not impose additional requirements except as noted in this Selling Guide or on the Fact Sheet.

4.2.1 BORROWER ELIGIBILITY

Review the Home Flex Fact Sheet for specific mortgage details.

4.3 HOME PREFERRED PROGRAM

NH Housing offers the Home Preferred Mortgage Loan program through Fannie Mae's affordable lending option available exclusively to participating Housing Finance Agencies to serve low-to moderate-income borrowers. This is a Conventional Mortgage Loan that provides flexible underwriting to include loan-to-value (LTV) ratios up to 97% with no first-time homebuyer requirement. NH Housing has Master contracts with the following MI companies: Arch MI, Enact, Essent, MGIC, National MI and Radian.

4.3.1 BORROWER ELIGIBILITY

Review the Home Preferred Fact Sheet for specific mortgage details.

4.4 HOME PREFERRED RESIDENT OWNED COMMUNITY (ROC)

NH Housing offers the Home Preferred Resident Owned Community (ROC) Mortgage Loan program through Fannie Mae's affordable lending option available exclusively to participating Housing Finance Agencies to serve low-to moderate-income borrowers. This is a Conventional Mortgage Loan that provides flexible underwriting to include loan-to-value (LTV) ratios up to 95% with no first-time homebuyer requirement. Must be in approved ROC's.

4.4.1 REQUIRED DOCUMENTATION:

A. **Home Preferred Manufactured Home ROC Rider** – Must be annotated, attached to, and recorded with the mortgage.

B. **Home Preferred Manufactured Home ROC Recognition Agreement** – Must be fully executed and recorded immediately following the mortgage as a separate instrument. The original must be provided to NH Housing immediately following recording. The original is required for loan purchase.

C. **Home Preferred Manufactured Home ROC Affidavit of Intent** – A copy of the fully executed affidavit is required for funding. The original must be delivered to NH Housing within 60 days of loan purchase.

D. **ROC Membership Certificate** – An agreement evidencing the Borrower's ownership in the ROC.

E. **Occupancy Agreement signed by the ROC** – An agreement evidencing the Borrower's acceptance in the ROC.

4.4.2 APPRAISAL REQUIREMENTS

The appraisal of each Manufactured Home within a ROC must include:

A. **Manufactured Home Appraisal Report Fannie Mae Form 1004C**

a. Include an attachment or an addendum with information from the project description and project information sections of the Individual Cooperative Interest Appraisal Report (Fannie Mae Form 2090).
b. All fields in the Project Description and Project Information sections of the form must be completed.
c. Enter the co-op name in the Neighborhood Name field in the Subject section on page 1.
d. Project Type in the Subject section on page 1 should have the Cooperative box checked.
e. Property Rights in the Subject section on page 1 should have the 'other' box checked, with fee simple interest of home and leasehold interest in the lot in the description.
f. The Area field in the Site section on page 1 and Site field in the Sales Comparison Approach on page 3 should be the area of the individual lot for the unit that is assigned as the exclusive right of use, if applicable.
g. In the Location field of the grid, enter the co-op name, which is shown on page 1 of the subject section, in the Neighborhood Name.
h. In the LH/Fee Simple field in grid, enter Cooperative.
i. The Site Value field in the Cost Approach on page 2 should reflect '0'.

4.4.3 BORROWER ELIGIBILITY

Review the Home Preferred Resident Owned Community (ROC) Fact Sheet for specific mortgage details.

4.5 CASH ASSISTANCE LOANS

There are very specific guidelines that Participating Lenders **must** follow to use NH Housing Cash Assistance programs. Failure to comply with this guidance could result in a material defect in the Mortgage Loan and NH Housing would not be obligated to purchase that Mortgage Loan. Cash assistance loans are only eligible for purchase transactions, limited cash out refinance transactions are ineligible to receive cash assistance funds.

4.5.1 CASH ASSISTANCE TERMS

Effective for reservations accepted on or before July 31, 2024, Cash Assistance will be forgiven in full five years after the closing date, unless during the first five years the Borrower: sells the Property, refinances the Property, or files for bankruptcy. Cash Assistance must be repaid in full if any of the three events listed above occur.

Effective for reservations accepted on and after August 1, 2024, Cash will be due in full if any of the following events occur: payoff of the first mortgage, the sale or refinance of the Property,

bankruptcy, or the Property is no longer the Borrower's primary residence.

Cash Assistance must be secured by a second mortgage (the Cash Assistance Mortgage). Participating Lenders must list Cash Assistance as a subordinate lien with the source of funds coming from a State Agency. No periodic payments are required, and no interest will be charged on the Cash Assistance Mortgage.

4.5.2 FUNDING CASH ASSISTANCE

NH Housing must send Cash Assistance funds to the closing agent at or prior to closing. Participating Lenders shall request Cash Assistance funds from NH Housing before noon at least two (2) business days before the closing date.

Should a Participating Lender fail to follow this funding approach, the Participating Lender shall immediately notify NH Housing. If a proper reservation was made for the loan and that reservation is still valid and the Participating Lender has a then-current MLPA with NH Housing, then NH Housing will confirm that: 1) it directly funded the Cash Assistance with NH Housing funds; and 2) at or before the loan closing, NH Housing was legally liable/obligated to fund the Cash Assistance.

Should a loan funded under this alternative procedure not be eligible for mortgage insurance, the loan shall be deemed not an "Eligible Mortgage Loan" under the MLPA. If NH Housing provided the Cash Assistance funds, the Participating Lender shall repay NH Housing for those funds.

4.5.3 DOCUMENT PREPARER REQUIREMENTS

The Participating Lender will serve two distinct:

A. The Participating Lender will follow the usual steps for originating, underwriting, processing and closing the first position Mortgage Loan. This role is governed by the Mortgage Loan Purchase Agreement (MLPA), Selling Guide and Product Fact Sheets.

B. **NH Housing is the lender for the Cash Assistance Mortgage**. NH Housing will prepare the Cash Assistance mortgage and note. The following will be completed by the Participating Lender:

- Disclose to the borrower, using NH Housing program disclosure and CFPB TRID disclosures, including the loan estimate and closing disclosure;
- Request cash assistance funds through Lender Online. If Lender Online is unavailable during normal reservation hours, the Participating Lender may submit a manual request to cashassistance@nhhousing.org using the Cash Assistance Wire Transfer Request Form two (2) business days prior to closing;
- Have the Borrower execute the Cash Assistance mortgage and note; and
- Instruct the closing agent to record the Cash Assistance mortgage. NH Housing is exempt from recording fees.

4.6 REHABILITATION LOANS

PLEASE NOTE: NH Housing has implemented a temporary pause on our Home Flex Rehab program effective for reservations after August 3, 2026. The pause on this program will remain in effect until further notice.

NH Housing allows two rehabilitation loan programs under our Home Flex mortgage program.

A. FHA Limited 203(k)

FHA Limited 203(k) rehabilitation program is allowed under the Home Flex mortgage

program. This program permits homebuyers to finance up to an additional $75,000 into their mortgage for improvements, renovations or upgrade the purchase of their primary owner-occupied residence. Repairs must adhere to insurer and guarantor guidelines, meet HUD's Minimum Property Standards, and resolve any deficiencies identified by the appraiser.

B. Rural Development (RD) Rehabilitation

NH Housing's RD Section 502 Guaranteed Purchase Rehabilitation program is allowed under the Home Flex mortgage program. This program permits homebuyers to finance up to an additional $35,000 of renovations plus inspection and contingency fees, into their mortgage to improve or upgrade the purchase of their primary owner-occupied residence. Repairs must adhere to insurer and guarantor guidelines, meet HUD's Minimum Property Standards and resolve any deficiencies identified by the appraiser.

The Participating Lender will be required to follow the process outlined below. After loan purchase, the remaining funds for rehabilitation will be held by NH Housing in an escrow account. NH Housing will disperse payments to the contractor, manage the contingency reserve and finalize the rehabilitation documentation.

4.6.1 CONTRACTOR REQUIREMENTS

Contractor requirement and Plan Specification are outlined in the 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. This request must include a detailed breakdown of estimated costs for materials, permits (if applicable), and labor prior to the commencement of construction.

Contractors must be screened through the Better Business Bureau (BBB) and maintain a contractor accreditation status of "B" or higher. If the contractor is not listed on the BBB, an alternative method of verifying their reputation through online search is required.

4.6.2 REHABILITATION PROCESS

A. Pre-Closing Documentation

Lenders must submit all documents outlined in the Rehabilitation Checklist to underwriters@nhhousing.org. Please allow NH Housing two (2) business days for the pre-closing review.

After the review, the Participating Lender will be notified of either the approval or of additional information needed. The approval will include specific closing agent disbursement instructions (amount and to whom) as well as copies of:

a. Initial Owner's Loan Disbursement Affidavit
b. Notice of Construction Mortgage
c. Closing Agent Disbursement Instructions

These documents must be sent to the closing agent for execution and distribution.

B. Closing Disclosure

The Participating Lender must reflect all rehabilitation costs and disbursements as approved by NH Housing on the Closing Disclosure.

C. Loan Closing/Notice Posting

At the loan closing, the Borrower will be provided with a Notice of Construction Mortgage.

The Borrower must post this notice at the property before rehabilitation funds can be released. The notice must remain posted for the duration of the rehabilitation work. A fully executed and notarized Initial Owner's Loan Disbursement Affidavit and Closing Agent Disbursement Instructions will be relied upon as proof that the posting has taken place and must be included in closed loan file delivered for purchase to NH Housing.

D. Initial Disbursement

Upon receipt of the fully executed and notarized Initial Owner's Loan Disbursement Affidavit, the closing agent is authorized to release the two-party check(s) indicated on the Closing Disclosure.

E. Loan Purchase

Upon purchase of the loan from the Participating Lender, NH Housing will send the Borrower a "Welcome Package," which will include contact information, instructions on the final disbursement process, and the following documents:

a. Mortgagor's Letter of Completion
b. Final Owner's Loan Disbursement Affidavit (one per contractor)
c. Final Contractor's Loan Disbursement Affidavit (one per contractor)

F. Final Disbursement

When the work is complete, (must be completed within 270 days of closing for FHA and 180 days for RD) the Borrower must contact NH Housing to request a final appraisal inspection. NH Housing will order the title update and final appraisal inspection upon receipt of the following documents:

a. Fully executed rehabilitation Mortgagor's Letter of Completion
b. Final invoices from all contractors
c. Fully executed Final Owner's Loan Disbursement Affidavit (one per contractor)

NH Housing will issue the final two-party check and close out the file. Unused funds will be applied to the principal balance of the loan.

4.7 VOUCHER ASSISTED MORTGAGE OPTION (VAMO)

Voucher Assisted Mortgages provides an opportunity for very low-income households to purchase a property and use their Housing Choice Voucher (HCV) as a portion of their monthly mortgage payment. This initiative is an option to and follows all guidelines of the Single-Family Mortgage Program and is open to approved Housing Choice Voucher participants.

A. Application of Housing Choice Voucher (HCV) payments

NH Housing will defer to the insurer or guarantor's guidelines regarding the application of HCV payments. The HCV 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.

B. Required Documentation

a. **Home Inspection:** The Borrower must have a home inspection and a Housing Quality Standard (HQS) inspection complete.
b. **VAMO Closing Certificate:** The VAMO closing certificate must be completed prior to closing.
c. **Payment Authorization Form (if applicable):** If the borrower elects to reduce

monthly PITI with the HCV payment, then a Payment Authorization Form must be completed prior to closing. A copy of the form must be submitted to NH Housing staff prior to closing.

4.8 REFINANCE

NH Housing allows refinances with the primary goal of modifying the interest rate and/or term of the mortgage. Refinancing is available to current NH Housing borrowers and in some circumstances may be available for qualified non-NH Housing borrowers.

Refinance mortgage options are available through the Home Preferred and Home Flex programs.

The Home Flex program allows for rate/term and limited cash out refinances for both current and non-NH Housing borrowers. Streamline refinances are allowed according to the insurer guidelines and requirements.

The Home Preferred and the Home Preferred ROC program allow for rate/term and limited cash-out refinance transactions, *only if:*

- The current loan is a *conventional loan;* and
- Was originated, acquired, or funded through NH Housing.

Under the Home Preferred programs, NH Housing does not allow cash-out refinancing; only limited cash-out refinancing is permitted.

Home First Mortgage Loan programs do not offer a refinance option. Cash assistance programs are ineligible for use with refinance transactions.

NH Housing does not require water tests for refinances.

SECTION 5 – OTHER LOAN POLICIES AND REQUIREMENTS

5.1 GOVERNMENT INSURED/GUARANTEED LOANS

Government insured/guaranteed loans can be paired with NH Housing Home First and Home Flex Mortgage programs. Refer to each program for eligibility with the insurer/guarantor.

A. FHA Insured Mortgage Loans:

FHA insured Mortgage Loans are eligible for sale to NH Housing under the Home First and Home Flex mortgage programs. These Mortgage Loans must adhere to all applicable FHA underwriting guidelines, as well as all applicable NH Housing specific guidelines contained in this Selling Guide and product Fact Sheets.

The Participating Lender must be approved by HUD as a Title II Supervised or Non-Supervised Mortgagee and must have Direct Endorsement (DE) underwriting authority.

B. USDA Guaranteed Mortgage Loans:

USDA guaranteed Mortgage Loans are eligible for sale to NH Housing under the Home First and Home Flex mortgage programs. USDA guaranteed Mortgage Loans must comply with all applicable USDA underwriting guidelines, as well as all applicable NH Housing specific guidelines contained in this Selling Guide and product Fact Sheets.

The Participating Lender must be approved by the USDA for underwriting and servicing of the Guaranteed Rural Program.

C. VA Guaranteed Mortgage Loans:

VA Guaranteed Mortgage Loans are eligible for sale to NH Housing under the Home First and Home Flex mortgage programs. These Mortgage Loans must comply with all applicable VA underwriting guidelines, as well as all applicable NH Housing specific guidelines contained in this Selling Guide and product Fact Sheets.

5.2 LOAN TERMS

Each mortgage loan must be for a term of thirty (30) years, at the fixed interest rate specified on the Reservation Confirmation. The thirty-year term is both a minimum and maximum term. The loans may be repaid in whole or in part at any time without penalty.

5.3 LOAN USE

All Borrowers must occupy the mortgaged property as a principal residence within 60 days after closing the mortgage loan. The property must be maintained as the principal residence of the Borrower in accordance with NH Housing mortgage loan program requirements.

5.4 NH HOUSING OVERLAYS

Under the Mortgage Loan Purchase Agreement (MLPA), lenders are required to ensure that a loan meets all of NH Housing's program requirements. Before making a loan reservation, the Participating Lender shall confirm that the Borrower meets the applicable income limit, purchase (if applicable) and program rules. If the Mortgage Loan does not meet the requirements, NH Housing is not obligated to buy that Mortgage Loan. Refer to the program matrix for quick access to program income limits, purchase price limits and program Fact Sheets.

A. Income and Purchase Price Limits

Home First Program Income and Purchase Price Limits

NH Housing establishes income and purchase price limits for the Home First loan program, a Mortgage Revenue Bond (MRB) funded program, based on IRS requirements. Home First Borrower(s) cannot have, at the time of application or at

closing, an income greater than the applicable Home First income limit. NH Housing cannot allow exceptions to these income and purchase limits. Home First income must include the Gross Annual Compliance Income, earned and unearned, from all sources before taxes or other deductions, received by the Borrower(s). See Section 4 for additional information on Home First income calculation. Purchase prices will vary by county.

Home Flex Program Income and Purchase Price Limits

This policy applies to all loans made pursuant to the Home Flex loan programs. NH Housing establishes Income Limits for all Home Flex loan programs. This limit applies regardless of family size. The limit is based on the income used by the Borrower to qualify for the loan. This is not necessarily based on all income or everyone in the household. Loans must be within the Conforming Loan Limits for the applicable year.

Home Preferred Program Income and Purchase Price Limits

This policy applies to all loans made pursuant to the Home Preferred loan programs. NH Housing establishes Income Limits for the Home Preferred loan programs. These limits apply regardless of family size. These limits are based on the income used by the Borrower to qualify for the loan. This is not necessarily based on all income or everyone in the household. Loans must be within the Conforming Loan Limits for the applicable year.

B. Private/Individual Water Supply (Wells)

Current water tests are required on all purchase transactions for all Properties with a private/individual water source (well). Testing must include all primary parameters: Arsenic, Copper, E. coli, Lead, Nitrate, Nitrite, and Total Coliform. All listed parameters must meet acceptable levels for the test to pass. A current water test is one that has been completed within 90 days of the signing of the purchase and sales agreement.

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 NH Housing's Water Wellness Course dated on or before the execution of the Purchase and Sale Agreement for the Property. NH Housing's Water Wellness Course can be found on our website. Water test certificate is valid for (one) 1 year from completion of course.

All private/individual wells must meet insurer and guarantor requirements and must be sited on the property being financed. If there is a shared well, then the lender must include the shared well agreement.

C. Sewage Disposal/Septic Systems

Septic systems must be sited on the property being financed. If there is a shared septic, then the lender must include the shared septic agreement.

D. Underwriting Criteria

The Borrower must have a minimum representative credit score of 620, as calculated by first mortgage insurer/investor guidelines. NH Housing requires that the DTI ratio, as calculated in accordance with all insurer/investor guidelines, not exceed 50% unless approve/eligible and the borrower has a 680+ credit score.

Borrowers with no credit score are eligible under a manual underwrite following agency/insurer guidelines.

5.5 IRS TAX TRANSCRIPTS

NH Housing may require IRS tax transcripts, depending on the loan program. Tax transcripts will be required as per AUS findings for all NH Housing loan programs.

5.6 HOMEOWNER INSURANCE REQUIREMENTS

All insurance policies must follow insurer/guarantor guidelines and be effective on or before the Mortgage Loan closing date. Purchase transactions require the policy to be effective for 12 months. All policy premiums must be paid in full at or prior to closing and must contain the following Mortgagee clause upon purchase of the Mortgage Loan:

New Hampshire Housing Finance Authority, ISAOA/ATIMA,

PO BOX 961292, Fort Worth, TX 76161-0292

The Lender, to the extent permitted by law, hereby assigns to NH Housing, on the date of purchase of a Mortgage Loan, all of its rights, title, and interest in such insurance policies or contracts; and any benefits, which it has received, or which it may receive in the future, on all Mortgage Loans delivered to NH Housing.

A. Homeowner Insurance

Homeowner insurance must be escrowed. Homeowner insurance coverage in the following kinds and amounts is required on the Property:

a. The maximum deductible is the higher of $1,000 or 1% of property insurance coverage amount.
b. Coverage must be equal to the lesser of:
    i. 100% of the replacement cost value of the improvements as of the current property insurance policy effective date (Participating Lender must submit replacement cost estimator or binder must reflect 100% replacement cost); or
    ii. The unpaid principal balance of the first and second Mortgage Loan, provided it equals no less than 80% of the replacement cost value of the improvements as of the current property insurance policy effective date.

B. Flood Insurance

Flood insurance is required and must be maintained at all times if it is determined the Property is located in a Special Flood Hazard Zone, as evidenced by the appraisal report and/or a flood certification. Flood insurance in the following kinds and amounts is required on the Property:

a. The maximum deductible is the higher of $1,000 or 1% of the face amount of the policy.
b. Coverage must equal the lesser of:
    i. 100% of the replacement cost value of the improvements
    ii. The maximum coverage available from National Flood Insurance Program (NFIP), or
    iii. The unpaid principal balance of the first and second Mortgage Loan.

C. Condominium Insurance

For condominiums, it is the Participating Lender's responsibility to obtain proof of insurance from the Mortgagor(s) and the Condominium Association to restore the condominium unit to

its condition prior to a loss claim event. Insurance of the following kinds and amounts is required for condominiums:

a. Must have a master insurance policy.
b. If master insurance policy does not cover unit interiors or improvements/betterments, the Borrower must obtain HO-6 that is sufficient to repair the condominium unit to at least its condition prior to a loss claim event.
c. If any deductible under the master policy is $5,000 or more, the Borrower must obtain HO-6 policy in the amount of the master insurance policy's deductible.
d. Escrow of HO-6 coverage is not required but allowed.
e. HO-6 coverage must be paid in full for one year.

5.7 HOMEBUYER EDUCATION AND COUNSELING POLICY

A. Requirements

Borrowers may be required to obtain pre-purchase homebuyer education. The education requirement can be satisfied utilizing NH Housing's homebuyer education available on our website or education from an Approved Homebuyer Education Provider (list below) for the following mortgage programs:

a. **Home First –** education is required for at least 1 Borrower.
b. **Home Flex –** education is required only if the Borrower is receiving Cash Assistance.
c. **Home Preferred –** education is required for first-time homebuyers and Borrowers receiving Cash Assistance.
d. **2-4 unit homes –** must complete an acceptable landlord education course in addition to homebuyer education. Landlord education is provided on our website.
e. **Rehabilitation –** education is required for 203K and RD rehabilitation mortgage programs. Rehab education is provided on our website.
f. **1st Gen Home NH-** In person education is required from one of the below approved education providers and must be completed prior to the loan closing. All buyers on the mortgage or deed must complete education. Online course is not acceptable.

B. Required Documentation

If education is required, a Homebuyer Education Certificate must be submitted with the Closed Loan Package and the course must be completed within 12 months prior to closing.

Additionally, Participating Lenders are required to present the Supplemental Consumer Information Form (Form 1103) to Fannie Mae and FHA Borrowers. The Participating Lender or Borrower(s) should complete the Homeownership Education and Housing Counseling section of the form for those transactions where homeownership education or housing counseling is required.

C. List of Approved Homebuyer Education Providers

AHEAD, Inc.	HOMEteam (Available in English and Spanish)	The Housing Partnership
262 Cottage Street Ste 116	801 Elm Street, Second Floor	222 International Drive Ste 165
Littleton, NH 03561	Manchester, NH 03105	Portsmouth, NH 03802
603-444-1377	1-866-701-9097	603-431-3620
www.homesahead.org	www.hometeamnh.org	www.housingpartnership.org

Other Approved Online providers:

- Fannie Mae HomeView
  https://www.gonewhampshirehousing.com/education-and-resources/online-education

- eHomeAmerica (Available in English and Spanish)
  https://www.ehomeamerica.org/

- CreditSmart Homebuyer U (Available in English and Spanish)
  https://creditsmart.freddiemac.com/paths/homebuyer-u

- Framework Homebuyer Education Course (Available in English and Spanish)
  https://frameworkhomeownership.org/get-started

- Arch MI Landlord education certificate course offered through BALANCE (Landlord education only. This is not acceptable for general homebuyer education)
  https://mortgage.archgroup.com/us/training/homebuyer-education/

NH Housing may approve unique homebuyer education and counseling courses and providers based on specific loan program requirements. Approved homebuyer education and counseling courses and providers are subject to change at any time.

5.8 PREVIOUS NH HOUSING BORROWERS

Previous NH Housing Borrowers with a NH Housing foreclosure will require approval from NH Housing before a reservation can be submitted.

No borrower may have more than one active NH Housing mortgage loan. Exceptions may be submitted and reviewed by NH Housing.

5.9 NON-OCCUPANT CO-BORROWERS

Non-occupant co-borrowers are permitted. Must meet the underlying insurer and investor requirements if more restrictive.

5.10 MANUAL UNDERWRITING

If the findings report generates a finding of “Refer” (or similar risk classification), the Participating Lender must perform a manual underwriting review of the file and must meet the applicable underwriting guidelines per the loan type (i.e. FHA, VA, USDA). If a manual review is required or is chosen by the Participating Lender, the loan must meet the applicable program guidelines depending on the program and insurance/guaranty.

Manual reviews are not permitted under the Home Preferred mortgage program.

5.11 POWER OF ATTORNEY

NH Housing strongly suggests that all Borrowers be present at closing. If a Borrower’s presence at closing is unavoidable or presents a hardship for the Borrower, counsel representing the Borrower needs to prepare a Power of Attorney acceptable to the title company and acceptable to NH Housing. The Power of Attorney must comply with HUD regulations, New Hampshire state law, and title requirements imposed by the title company. There must be no exception on the title policy for the Power of Attorney.

NH Housing must review and approve the Power of Attorney before closing any loan requiring a Power of Attorney for both Participating Lenders and Originators.

For Participating Lenders, please send the Power of Attorney to underwriters@nhhousing.org.

A. Power of Attorney General Requirements

a. The Power of Attorney must be specific to the real estate transaction.

b. The property address must be present and must match the property address on the closing documents. **No address variations are permitted.**

c. The Power of Attorney must be executed on or before the date of execution of the closing documents.

d. The Power of Attorney must be notarized.

5.12 RATE BUYDOWN OPTIONS

Permanent rate buydowns may be available for our mortgage programs. Rates will be published daily, if available. Points must be calculated off the base loan amount with the exception of FHA that requires points to be calculated from the total mortgage amount. Participating Lenders are required to issue Form 1098 to report all points paid.

5.13 EARLY PAYMENT DEFAULT (EPD)

A Mortgage Loan that meets the Early Payment Default (EPD) definition shall be considered an EPD loan and will require the Participating Lender to reimburse NH Housing for all compensation and servicing release premium that was paid on the Mortgage Loan at the time of acquisition. Early Payment Default is defined as a sixty (60) or more day delinquency within the first four post-purchase payments. All EPD loans will trigger a quality control review by NH Housing.

5.14 EARLY REFINANCE

If the Participating Lender/Originator knowingly causes the refinance or payoff of a Mortgage Loan within one hundred and twenty (120) days of the Purchase, the Participating Lender/Originator shall reimburse NH Housing all compensation and servicing release premium paid to the Participating Lender with that Mortgage Loan. NH Housing has six (6) months from such refinance or payoff to send the Participating Lender/Originator a notice requiring repayment of the lender fee.

5.15 REPURCHASE

After the Mortgage Loan has been Purchased and for so long as the loan remains outstanding, NH Housing may perform such reviews or investigations as it deems warranted. NH Housing's right to such review exists regardless of any prior reviews. If, in NH Housing's judgment and, at any time determines the following deficiencies:

a. The Mortgage Loan does not comply with Program Guidelines, Laws, MLPA or this Selling Guide;
b. Any Covenant by the Participating Lender or its agent was or is untrue;
c. The required Mortgage Documents, in the form required by the Program Guidelines and the Laws, do not exist, have a Defect, or have not been provided to NH Housing in accordance with the terms of this Agreement;
d. The Participating Lender participated in or knew of any fraud, misrepresentation or misstatement related to the Mortgage Loan, the Mortgage Documents or any process in obtaining the Mortgage Loan;
e. A Mortgage Loan's insurance or guarantee is not effective, in whole or in part;

f. A title defect to the mortgaged property that could invalidate or jeopardize the mortgage or render the title unmarketable, and NH Housing has provided the Participating Lender with notice of the title defect and provided Participating Lender with ninety (90) days to cure the defect or repurchase the Mortgage Loan; or
g. The Participating Lender did not have good and clear title to a Mortgage Loan or did not have authority to sell a Mortgage Loan when the Mortgage Loan was purchased by NH Housing.

In General, the Participating Lender shall cure the defect or covenant noncompliance within thirty (30) days of NH Housing's notice to the Participating Lender. If the Participating Lender fails to submit a completed Mortgage Loan file to NH Housing or if any defect or covenant noncompliance is not or cannot be cured to NH Housing's satisfaction within the thirty (30) day period, the Participating Lender shall repurchase the Mortgage Loan.

NH Housing shall notify the Participating Lender in writing of the repurchase, including the reason for the repurchase. The Participating Lender shall have thirty (30) days to respond to the repurchase notification. The Participating Lender shall repurchase the loan within an additional thirty (30) days.

The repurchase price shall be based on the following formula, subject to any "repurchase price adjustments" described below:

Mortgage Loan's principal balance at Loan Purchase

–	(minus)	payments made to principal
+	(plus)	interest accrued but unpaid
+	(plus)	funds advanced under the Mortgage, e.g., taxes and insurance
+	(plus)	compensation paid to the Participating Lender by NH Housing connected with the Purchase

For this formula, "repurchase price adjustments" shall mean: If NH Housing has collected other funds related to the Mortgage Loan, including funds from a foreclosure, sale or an insurance or guarantee claim, the repurchase price shall be adjusted to reflect these payments. Cash Assistance, if applicable, will need to be repaid as well.

5.16 ASSUMPTIONS

Assumptions may be permitted with the approval of NH Housing acting in its sole discretion. Under no circumstances are Cash Assistance loans assumable. Any outstanding Cash Assistance loan amount must be paid off at the time of transfer of ownership.

A. Home First

If authorized by the investor, insurer and/or guarantor, NH Housing Mortgage Loans may be assumed by qualified Borrowers meeting NH Housing income requirements, and any other eligibility requirements applicable to the Program at the time of the assumption. All requirements of the applicable sections of the IRS Code, including the income limitation, principal residence, and three-year non-homeowner requirement and the purchase price limitations must be met with respect to the assumption.

When the assumption occurs, the residence is considered to be an existing property for NH Housing purposes, regardless of the fact that the home was considered new when the Mortgage Loan closed. The new Borrower may be subject to Federal Recapture Tax, if the sale occurs within nine (9) years following the original closing date.

B. Home Preferred

NH Housing will follow Fannie Mae assumption guidelines as well as the private mortgage insurer, if the mortgage insurance is still active. Please note that buyers cannot assume the conventional mortgage but a transfer due to marriage, divorce, or inheritance is possible.

C. Home Flex

If authorized by the investor, insurer and/or guarantor, NH Housing Mortgage Loans may be assumed by qualified Borrowers meeting NH Housing income requirements, and any other eligibility requirements applicable to the Program at the time of the assumption.

5.17 EXCEPTIONS

NH Housing may grant exceptions to certain policies due to extenuating circumstances that are beyond the control of the Borrower and/or Lender or compensating factors that will reduce risk. All exception requests must be submitted to exceptions@nhhousing.org and include the NH Housing loan/reservation number, exception being requested, compensating factors and/or extenuating circumstances. NH Housing will review and respond to all exception requests within one (1) business day of receipt. Under no circumstances will NH Housing approve exceptions for the following reasons: waiver of a water test, rate change due to market fluctuations or rate extensions on Home Preferred at no cost.

5.18 ESCROW HOLDBACK

A. Participating Lender

If permitted by agency, insurers or guarantors, all repairs specified in an escrow holdback agreement must be finalized and documented with an appraisal update and/or completion report (Form 1004D) before NH Housing purchases the Mortgage Loan. Participating Lenders will be subject to rate extensions if applicable. Mortgage Loans insured or guaranteed by FHA, VA, or RD with repairs that cannot be completed before the sale to NH Housing due to weather-related delays may be submitted to NH Housing for evaluation. If approved, NH Housing will require the Participating Lender to execute an undertaking and indemnity agreement.

B. Participation Originator

If permitted by the agency, insurers, or guarantors, escrow holdbacks may be used to address repairs, renovations, or meeting appraisal standards for transactions. However, escrow holdbacks are not permitted on Conventional Mortgage Loans. For Mortgage Loans insured or guaranteed through FHA, VA, or RD, required repairs must be completed within sixty (60) days of the closing date and in compliance with the escrow holdback agreement. Repairs that cannot be completed within this timeframe due to weather-related delays may be presented to NH Housing for consideration. Additionally, escrow holdback funds must be related to the property securing the mortgage.

NH Housing reserves the right to stop accepting escrow holdbacks at any time. Please check with NH Housing before approving any holdback to ensure a holdback will be permitted.

SECTION 6 - DELIVERY AND PURCHASE

The following policy presents an overview of the process Participating Lenders shall follow when delivering Mortgage Loans that will be sold to NH Housing.

6.1 LOAN DELIVERY BY PARTICIPATING LENDER

The Participating Lender shall deliver the Closed Loan Package to NH Housing in accordance with the MLPA and Program Guidelines and with all of the documents listed on the Stacking List for the specific type of loan found in the Forms section of the Website. To avoid late delivery fees, the Participating Lender must deliver a complete Closed Loan Package on or before the reservation expiration date except for Home Preferred loan, which must be delivered ten (10) days prior to the expiration date. Participating Lenders shall commit the loan and then close the loan reservation in Lender Online.

6.2 COMPLIANCE REVIEW BY NH HOUSING

NH Housing will review the Mortgage Loan documents for compliance with AUS findings and Program Guidelines to ensure documents are correctly completed and executed. NH Housing shall then notify the Participating Lender about the loan's purchase, suspension or rejection via TPO Connect portal.

6.3 CLOSING DOCUMENT REVIEW BY NH HOUSING

NH Housing will review all Closing Documents (except the title policy that shall be reviewed post purchase) to ensure compliance with Section 8 of this Selling Guide. If the Closing Documents do not comply with this policy (an error), then NH Housing shall not purchase the loan until the error has been corrected, consistent with this policy.

6.4 MORTGAGE LOAN PURCHASE

NH Housing will purchase the Mortgage Loan if it is determined that the Mortgage Loan complies with the Mortgage Loan Purchase Agreement, Selling Guide and Program Guidelines. Upon approval, NH Housing shall email the Participating Lender a pre-purchase advice, listing the amounts due to the Participating Lender.

The Participating Lender is responsible for collecting all mortgage payments due prior to the purchase of the loan by NH Housing. The pre-purchase advice will show a payment adjustment if the loan will be purchased within 15 days of the payment due date. The Participating Lender shall then review, verify and send NH Housing an email either approving the amounts stated in the pre-purchase advice or advise NH Housing of any discrepancies. Once the Participating Lender has approved the pre-purchase advice, NH Housing shall email the final purchase advice to the Participating Lender.

Participating Lenders will be responsible to pay taxes and/or insurance if the due date is on or before first payment due to NH Housing. Any payments due to be collected by the Participating Lender that are fifteen (15) days or more past due must be reported to NH Housing within five (5) business days of exceeding this grace period.

NOTE: The purchase advice merely addresses the amounts related to the loan; it does not address whether the loan complies with the Program Guidelines.

6.5 POST- PURCHASE LENDER OBLIGATIONS

Upon notification of purchase, the Participating Lender shall:

- **A.** Send the Borrower a transfer of servicing letter (aka “goodbye letter”)
- **B.** Record the Assignment of Mortgage at the registry of deeds, with NH Housing as the addressee for the assignment once recorded. The mortgage assignment shall be the same mortgage assignment approved by NH Housing prior to loan purchase.
- **C.** Activate Private Mortgage Insurance certificate, as applicable
- **D.** Notify FHA/RD/VA of servicing transfer, as applicable
- **E.** Notify the following providers servicing has been transferred (as applicable):
    a. Master Condominium Insurance
    b. Hazard Insurance
    c. Flood Insurance
    d. PMI Company
    e. Flood Determination Company
- **F.** Forward to NH Housing copies of all servicing transfer correspondence
- **G.** Forward to NH Housing any missing loan closing documents

Upon purchase, NH Housing shall send the Bborrower a transfer of servicing letter (aka a “welcome letter”).

6.6 POST- PURCHASE LOAN REVIEW

The Participating Lender shall deliver: the original recorded mortgage, the original recorded assignment of mortgage, the final loan title insurance policy and all Trailing Documents to NH Housing within sixty (60) days of the loan purchase date. Upon receipt and before submitting the Trailing Documents to document custodian, NH Housing shall again review the Trailing Documents to ensure they comply with this Selling Guide.

6.7 QUALITY CONTROL

NH Housing complies with industry-standard policies for quality control (QC). NH Housing’s policy is a systematic process for assessing, monitoring, and improving the quality of mortgage loan origination and servicing activities. Within the course of the QC process, if deficiencies in loan quality are detected and remediation is required, NH Housing’s expectation is for a prompt response from the Participating Lender. All required remediation documentation shall be provided within seven (7) business days from notification or communication regarding the reason for the delay.

SECTION 7 – CLOSING DOCUMENT COMPLIANCE POLICY

The following policy presents an overview of the process which Participating Lenders shall follow when delivering loan Closing Documents to NH Housing under the MLPA between NH Housing and the Participating Lender.

This policy constitutes a "Program Guideline" under the MLPA, which means Participating Lenders and the loans they submit to NH Housing must comply with this policy.

This policy, and NH Housing's actions, hereunder, must consider requirements of NH Housing, New Hampshire State Law, Mortgage Insurers/Guarantors, Secondary Markets and Document Custodians.

The Closing Documents shall comply with this policy, the Program Guidelines and all other requirements of the mortgage insurer or the secondary market program. In addition to this Policy, all loans are subject to the MLPA.

7.1 GENERAL GUIDELINES

This policy applies to all loans sold to NH Housing.

All missing items will be noted in TPO Connect. Participating Lenders shall review the status of their loans in TPO Connect periodically to ensure corrections are resolved in a timely manner. The Closing Documents will be delivered to the document custodian for review and compliance with applicable guidelines.

This policy does not include all possible errors. If a loan includes an error not covered by this policy, the Participating Lender shall contact NH Housing to determine what corrective action is required by NH Housing and/or the document custodian; all corrections are to be in accordance with New Hampshire law.

NH Housing may require Participating Lenders to provide a legal opinion about what corrective action suffices or is required.

7.2 IDENTICAL INFORMATION

In addition to the specific requirements stated below, all Closing Documents shall have the identical transactional information. This means the note, endorsement/allonge, mortgage, assignment of mortgage and final loan title policy shall be identical in terms of all required information, including name of the Borrower(s), mortgage property address, loan amount, interest rate, property description and other such required information. A loan that does not have identical information does not meet NH Housing's requirements.

There is one exception: When a property owner is not a Borrower. In such case, that non-borrower owner would:

A. Not be on the note;
B. Must be a signatory on the mortgage and waive their homestead rights; and,
C. Must be on the title policy when the section identifies the owner(s) as compared to any section that identifies the Borrower(s).

7.3 GENERAL LOAN DOCUMENTATION REQUIREMENTS

A. Promissory Note and Endorsement / Allonge

The note shall conform to all requirements of the mortgage program under which the loan is being made. Specifically, the note shall include the following:

a. Borrower(s) name(s)
b. Mortgaged property address
c. Lender loan number

d. FHA/VA case number
e. Date
f. Due date
g. Loan amount
h. Principal and interest amount
i. Lender
j. First payment due date
k. Maturity date
l. Interest rate
m. Late charge rate
n. Original signature(s) of Borrower(s)
o. Printed name(s) of Borrower(s) adjacent to the signature

The note shall be endorsed/assigned to NH Housing (either on the note or using an allonge attached to the note), and that endorsement shall include the following:

a. Lender's name
b. Original signature of authorized signer for lender
c. Printed name and title of signer
d. Proper endorsement language

The following is the required language for the endorsement: "Payable without recourse to the order of the New Hampshire Housing Finance Authority."

B. Mortgage

The mortgage shall conform to all requirements of the mortgage program under which the loan is being made. Specifically, the mortgage shall include the following:

a. Date of mortgage
b. Lender's information (name and address)
c. Borrower(s) – all names shown on the deed. Borrower, and Borrower's Spouse, if any, shall release all rights of homestead in the Property and release all rights of courtesy and other interests in the Property.
d. Loan amount
e. Maturity date
f. Language that the Exhibit A is attached
g. Property address that matches the note
h. Riders – noted and attached
i. Signatures and notarization (including any non-borrower owner)
j. Exhibit A (property description)

Any corrections to the notary area must be initialed.

The mortgage shall be recorded at the registry of deeds where the mortgaged property is located.

C. Assignment of Mortgage

The assignment of mortgage shall include:

a. Lender's (assignor) name and address
b. Assignee's name
c. Mortgaged property address
d. Mortgagor's name as shown on mortgage
e. Mortgage loan amount
f. Mortgage date

g. Mortgage book and page
h. Signatures and notarization

D. Loan Title Policy

The loan title policy shall include:

a. Effective date and time that matches the date and time of the mortgage recording
b. Schedule A #1 (name of insured/its successors or assigns as their interests may appear)
c. Schedule A #4 (mortgage recording information)
d. Any required endorsements
e. Property description
f. Full policy jacket
g. The identical policy number throughout the policy
h. Deletion of standard exceptions 1, 2 and 3

E. Manufactured Housing

The following data points must be identified and be consistent within the loan documents, including the deed:

a. Manufacturer's name;
b. Model name and/or model number;
c. Year of manufacture; and
d. Serial number.

If the loan documentation references other data points (such as the size of the manufactured home), those data points must also be consistent throughout the loan documents.

We urge Participating Lenders to review the deed and all Closing Documents prior to closing to ensure the above information is provided and consistent with the loan documents and to correct any inconsistencies prior to closing. NH Housing will not purchase a loan that does not comply with these requirements.

F. Initial Escrow Disclosure

Escrow calculations must be made using the aggregate adjustment method and include a 2-month cushion for all escrowed items.

All scheduled tax payments must be paid out of escrow one month prior to the tax due date. Lenders are not permitted to conduct escrow analysis on loans prior to loan purchase without the prior approval of NH Housing.

7.4 RESIDENT OWNED COMMUNITY (ROC) LOAN DOCUMENTATION REQUIREMENTS

Home Preferred Manufactured Home ROC loans have several additional documentation requirements. Strict adherence to proper documentation is required.

B. **Home Preferred Manufactured Home ROC Rider** – Must be annotated, attached to, and recorded with the mortgage.

C. **Home Preferred Manufactured Home ROC Recognition Agreement** – Must be fully executed and recorded immediately following the mortgage as a separate instrument. The original must be provided to NH Housing immediately following recording. The original is required for loan purchase.

D. **Home Preferred Manufactured Home ROC Affidavit of Intent** – A copy of the fully executed affidavit is required for funding. The original must be delivered to NH Housing

within sixty (60) days of loan purchase.

7.5 OMISSIONS AND REVISIONS

Closing Documents that do not comply with this policy must be corrected consistent with this policy and consistent with the requirements of the loan program under which the loan was made.

When an error is discovered in the Closing Documents, NH Housing shall note the error in TPO Connect. The Participating Lender shall correct the error consistent with the following paragraphs.

A. Promissory Note

If the note includes an error, the Participating Lender shall obtain and provide NH Housing with a new note and/or a new note endorsement/allonge. These documents must have new original signatures and be delivered to NH Housing. NH Housing will not accept a note that has initialed cross-outs or additions.

B. Mortgage

If a mortgage includes an error, the Participating Lender shall correct that error consistent with the following recommendations:

ERROR TYPE	REQUIRED MINIMUM CORRECTION	CORRECTION TYPE Detailed in Section 7.6 Below
Notary stamp incomplete/missing	Scriveners' affidavit with legal opinion	Section 7.6-A
Notary acknowledgement incomplete	Scriveners' affidavit with legal opinion	Section 7.6-A
Mortgage rider incomplete/not attached	Corrective mortgage	Section 7.6-B
Legal description error	Corrective mortgage	Section 7.6-B
Missing pages	Corrective mortgage	Section 7.6-B
Maturity date incorrect/missing	Corrective mortgage	Section 7.6-B**
Mortgage in MERS	Certification of MERS deactivation and assignment of mortgage	Section 7.6-C
Names on mortgage do not match the deed	Name affidavit. Corrective mortgage and/or new deed	Section 7.6-B*
County	Scriveners' affidavit with legal opinion	Section 7.6-A
Address including zip code	Scriveners' affidavit with legal opinion or corrective mortgage	Section 7.6-A**
Marital status – required on all refinance transactions	Corrective mortgage	Section 7.6-B**

*Depending on error type, Participating Lender may either obtain a name affidavit, corrective mortgage and/or a new deed. A legal opinion must be provided to support the manner of correction.

** Depending on error type, Participating Lender may either obtain a scriveners' affidavit with legal opinion **or** corrective mortgage. A legal opinion must be provided to support the manner of correction.

All corrective documents must be reviewed and approved by NH Housing prior to execution and recording.

The execution and recording of a corrective document may require an update to the final loan title policy. Therefore, the execution of all corrective documents must be coordinated with the closing agent that closed the loan.

7.6 CORRECTIVE REQUIREMENTS

A. Scrivener's Affidavit with Legal Opinion

For this category, the Participating Lender shall correct the error and provide NH Housing with the following:

a. Scrivener's affidavit
b. Legal opinion

A scrivener's affidavit shall include the following:

a. Book and page of document being corrected
b. Borrower(s) name
c. Property address
d. Statement of the error and how the error is being corrected
e. Proper signature and notarization

A legal opinion shall:

a. Be prepared and signed by a licensed New Hampshire attorney
b. Be provided on the attorney's letterhead
c. Be addressed to NH Housing, its successors and or assigns
d. Include a detailed reference to the scrivener's affidavit
e. Include an attached copy of the scrivener's affidavit
f. State the error
g. Opine that the corrective action:
    i. Corrects the errors;
    ii. The mortgage, as originally recorded and as corrected, creates a valid mortgage; and,
    iii. The error does not in any way affect the validity, enforceability or recording priority of the mortgage as originally recorded
    iv. Include the legal citations/authorities relied on in providing the legal opinion

B. Corrective Mortgage

For this category, the Participating Lender shall provide a corrective mortgage, either by:

a. Correcting the original recorded mortgage; or
b. Obtaining a new mortgage document that will replace the original mortgage

If the Participating Lender chooses to correct the original mortgage, the corrective mortgage shall include:

a. Reference to the original mortgage, including recording information for original mortgage;
b. Statement that the new corrective mortgage corrects the original mortgage but preserves the recording priority of the original mortgage;
c. Statement of what was corrected;

d. Entire original mortgage document, including all riders and exhibits, must be rerecorded.

If the Participating Lender chooses to obtain a new mortgage document, the corrective mortgage shall include:

a. Reference to the original mortgage, including recording information for original mortgage;
b. Statement that the new corrective mortgage corrects the original mortgage but preserves the recording priority of the original mortgage;
c. Statement of what was corrected;
d. Proper signature and notarization;
e. Entire original mortgage document, including all riders and exhibits, must be recorded.

Following the recording of the corrective mortgage, the Participating Lender shall provide NH Housing with an assignment of mortgage that references the original mortgage and the corrective mortgage, as well as an endorsement to the loan title policy that references both mortgages.

C. Certification of MERS Deactivation and Assignment of Mortgage

For this category, the Participating Lender shall provide NH Housing with certification that the mortgage has been deactivated with MERS. The Participating Lender must also prepare an assignment of mortgage of the loan from MERS to itself, have the assignment of mortgage executed, and recorded with the registry of deeds.

D. Assignment of Mortgage

If the recorded assignment of mortgage has an error, the Participating Lender shall provide NH Housing with a new corrective assignment that will include:

a. The word “Corrective” (only if already recorded);
b. Recording information of the original assignment;
c. Statement of what was corrected;
d. Statement that the new corrective assignment replaces the original assignment;
e. Proper signature and notarization.

The corrective assignment of mortgage shall be executed by the Participating Lender and recorded.

7.7 LOAN DOCUMENT CONTACTS

Borrower Servicing Website:	Dovenmuehle Mortgage, Inc. https://www.yourmortgageonline.com/
Collateral Original Note: (via overnight courier)	New Hampshire Housing Attn: Homeownership 32 Constitution Drive Bedford, NH 03110
Final Documents Address:	New Hampshire Housing Attn: Homeownership 32 Constitution Drive Bedford, NH 03110
Final Documents Contacts:	missingitems@nhhousing.org
Note Return Request Contact:	missingitems@nhhousing.org
Overnight Correspondence (Servicing):	New Hampshire Housing Attn: Servicing 32 Constitution Drive Bedford, NH 03110
Shipping Address or Website:	TPO Connect New Hampshire Housing TPO Connect

7.8 HYBRID CLOSING AND E-SIGNATURES

NH Housing will accept hybrid closing documents with e-signatures, provided they comply with all agency requirements. Any documents that involve or require notarization must be executed in ink. NH Housing does not accept e-notes or e-mortgages.

SECTION 8 – FEES AND COMPENSATION

This section of the Guide describes the compensation paid to Participating Lenders as well as certain fees charged to access certain programs. The Selling Guide will state when such a fee is authorized, and NH Housing will publish that fee on the Website (see fee schedule).

8.1 REIMBURSEMENT OF COSTS

The Participating Lender may collect reimbursement for costs incurred in the underwriting of the Mortgage Loan such as credit reports, appraisals or flood certification fees, if applicable.

8.2 LENDER ORIGINATION FEE

Participating Lenders may charge a standard lender fee that is reasonable and customary.

8.3 SERVICE RELEASE FEE

A service release fee of .75% will be paid to the Participating Lender by NH Housing at the time of purchase with the submission of a Closed Loan Package.

8.4 LENDER ACQUISITION FEES

A lender acquisition fee of 1.30% will be paid to the Participating Lender by NH Housing at the time of purchase with the submission of a Closed Loan Package that was submitted within sixty (60) days. An additional .20% will be paid for Home Flex loans without a permanent rate buydown.

8.5 FANNIE MAE FEES

A $300 Fannie Mae Fee will be paid by the Borrower and will be net-funded at the time of purchase.

8.6 DOCUMENT PREPARER FEES

NH Housing will pay the Participating Lender $100 for each second mortgage prepared in connection with a Cash Assistance Product. The fee will be paid when NH Housing purchases the Mortgage Loan.

8.7 HOME FIRST AND HOME FLEX RESERVATION EXTENSION FEES

Home First and Home Flex Mortgage Loans that are delivered late or incomplete shall be subject to applicable financial adjustments. Adjustments will be net-funded at the time of purchase.

In counting “calendar days,” the day of the reservation and day of delivery are counted as days. If the delivery deadline is a weekend or holiday, the Participating Lender has until the following business day to deliver the loan.

The following chart represents the fees charged for late or incomplete delivery of a Mortgage Loan:

Calendar Days	Fee Charged
1-60	Full compensation paid
61-70	-.125
71-80	-.250
81-90	-.375
91-100	-.500
101-110	-.750
111-120	-1.00
120+	No Compensation

8.8 HOME PREFERRED RESERVATION EXTENSION FEES

Home Preferred extensions must be requested via email **PRIOR** to expiration. Minimum extension timeframe is five (5) days and the maximum extension is thirty (30) days. Extension fees will be net-funded at loan purchase or invoiced if loan does not close.

For all reservation and extension questions, please email reservations@nhhousing.org.

8.9 EXTENDED DELAYS

NH Housing, in its sole discretion, may elect to purchase or not purchase a loan delivered more than 120 days after reservation. Such loans have an expired rate lock. NH Housing reserves the right to charge the Participating Lender a penalty of up to 1% of the mortgage amount.

SECTION 9 – REVISION HISTORY

Date	Section	Revision
January 2022	Various	Reviewed and added MCC
February 2022	3.5.3	Added new Fannie Mae approved online provider
February 2022	6.7.2	Corrective action for MERS loans
March 2022	6.8	Added NH Housing Contacts
June 2022	3	Program Income Limits updated
October 2022	5, 7	New Home First Program
August 2023	Various	Comprehensive rewrite
March 2024	Various	Various revisions
June 2024	Various	Various revisions
September 2024	Various	Various revisions
October 2024	4.6	Rehabilitation Program revisions
October 2025	Various	Various revisions
April 2026	4.8	Updated Home Preferred refinance qualifications and clarified water test requirements
July 2026	4.6	Updated rehab loan program