

Home First Government



Description:	A government insured or guaranteed Mortgage Loan option with low downpayment requirements and the ability to add Cash Assistance offered exclusively by NH Housing. This Mortgage Loan program is funded with Mortgage Revenue Bond (Bond) proceeds and requires compliance with certain IRS regulations.
Loan Purpose:	Purchase transactions only
Loan Type:	Fixed-rate loans with 30-year terms. Purchase of primary residence.
Interest Rate/Points:	- Established daily and published on GoNewHampshireHousing.com/rates - Permanent rate buydown point options may be available, see daily rate sheet.
Occupancy:	Must be owner occupied. No more than 15% of the residence can be used for a trade or business.
Mortgage Insurance	Mortgage must be insured/guaranteed through Federal Housing Administration (FHA), Veterans Administration (VA) or USDA Rural Development (RD).
Eligible Borrowers:	- Must not exceed Home First income and purchase price limits. See Income Calculation Section below. - Must be a First-Time Homebuyer unless buying in a Targeted Community or a Qualified Veteran (see Bond requirements section below). - Non-occupant co-borrowers allowed per insurer/guarantor guidelines, must meet Bond requirements. - Qualifying income cannot exceed NH Housing's annually published income limit.
Eligible Properties:	- Owner occupied 1–4-unit properties. 2-4 Units multifamily purchase must be at least 5 years old (at least 5 years before the mortgage is executed. The 5-year rule does not apply if purchasing a 2-Unit in a targeted area). 2-4 unit multifamily requires Certificate of Compliance if applicable per local ordinances. - Condos/Condominiums/PUD's must meet insurer/guarantor eligibility. FHA - Regardless of the type of project review/approval type, lender is responsible to provide HUD9991 Condo Questionnaire. - Manufactured homes permitted on their own land; must meet insurer/guarantor guidelines. Manufactured homes located on leasehold estates are not permitted. - Max 10 acres – over 10 acres requires Land Use Borrower Affidavit
Minimum Borrower Investment:	- Per insurer/guarantor guidelines - Cash back at closing is allowed, per insurers requirements, not to exceed borrower contribution
Maximum LTV/CLTV:	Per insurer/guarantor guidelines.
Homeownership Education/Counseling:	- Homebuyer education is required for only one (1) Borrower. New Hampshire Housing Online Education is acceptable. - If using 1st GenHomeNH, please see 1st GenHomeNH Fact Sheet for additional education requirements 2-4 units require Landlord and homebuyer education.
Income Calculation:	Each loan file will have two income calculations: - Qualifying Income: Follow industry standard documentation and calculation requirements. In no event shall this income exceed NH Housing's annually published income limit. - Gross Annual Compliance Income: Refer to the Gross Annual Compliance Income Guidance for additional details. Detail income on Home First Gross Annual Compliance Income Calculation Worksheet. In no event shall this income exceed Home First Income and Purchase Price limits. Refer to the Home First Gross Annual Compliance Income Calculation Worksheet for additional guidance.
Purchase Price Limits:	Follow Home First purchase price limits for property location.

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NH Housing Overlays:	• 620 minimum FICO. • 50% DTI unless 680+ FICO and approve/eligible. • Well and septic must be sited on the property being financed. • Private/Individual water supply: Water test is required (refer to Well and Septic section below). • Homebuyer education (refer to Homeownership Education/Counseling section above). • Loan cannot be closed in a trust. • Escrows for property taxes, hazard insurance, flood insurance (if applicable) and mortgage insurance are required for all loans. • NH Housing does NOT participate in MERS. • Homeowner Insurance Requirement: Max deductible is the greater of \$1,000 or 1% of property insurance coverage amount. • HO-6: If any deductible under the master policy is \$5,000.00 or more, the borrower must obtain HO-6 policy in the amount of the master insurance policy's deductible.
Mortgage Revenue Bond Requirements:	• Income and Purchase Price Limits as currently published by NH Housing. • Must be a First-Time Homebuyer unless buying in a Targeted Community or 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 of) their principal residence during the previous three years prior to the date the mortgage is executed. (Refer to section 4.1.1 of the Selling Guide for additional guidance) All loan file submissions must include the following required documentation: ○ Home First Gross Annual Compliance Income Calculation Worksheet (in accordance with Gross Annual Compliance Income) ○ Loan Agreement and Certification ○ Recapture Disclosure Statement ○ Borrower Attestation ○ Lender Closing Certification ○ Affidavit of Veteran for Exception to FTHB requirement (if required) ○ Land Use Affidavit (if property is greater than 10 acres) • Loans may be subject to Recapture Tax. Refer to Selling Guide for additional information.
Underwriting/Ratios:	• Approve/Eligible. • RD and FHA Refer/Eligible are acceptable with 620 minimum credit score. • Manual underwrites allowed per guidelines.
Well and Septic:	• All private/individual wells must meet insurer and guarantor requirements. • Well and septic must be sited on the property being financed. • Private/Individual water supply requires a water test. Municipal water and sewer do not need tests. • Private/individual testing must include Arsenic, Copper, E. coli, Total Coliform, Lead, Nitrate and Nitrite. Any other primary parameters tested must pass. The water test requirement may be waived, in accordance with insurer and guarantor guidelines, if the borrower provides a certificate of completion of New Hampshire Housing's Water Wellness Course that is dated on or before the execution of the Purchase and Sale Agreement for the Property. • Shared wells or septic require shared well/septic agreement.
Homeowners Insurance:	• Max deductible is the higher of \$1,000 or 1% of face amount of property insurance coverage. • Condo(s): Must have master policy. The Lender is responsible for validating required insurance coverage to ensure they do not exceed limits as described by insurer/guarantor. If no walls in coverage and/or deductible is \$5,000 or more, an HO6 will be required. NH Housing will escrow for the HO6 only if it is requested by the borrower.

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Cash Assistance/Down payment Assistance (Home First +):	- NH Housing provides either a \$5,000, \$10,000 or \$15,000 Cash Assistance option based on program availability. Check daily rates for availability and interest rates. - See Home First (+) Guide below.
Voucher Assisted Mortgage Option (VAMO):	This program is eligible for the VAMO program. The borrower must have eligibility letter. The Housing Choice Voucher payment may be added to the borrower's qualifying income or used as a direct reduction to the PITI payment per the applicable insurer or guarantor guidelines. VAMO closing certification needs to be completed before closing. A home inspection, HQS inspection, and homebuyer education are required.
Rehab Funds:	Not allowed.
Stacking List:	Click HERE for the stacking list document.

Home First Government (+) Cash Assistance Mortgage

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