

Description:	NHHFA/FHA's Limited 203(k) program permits homebuyers to finance up to an additional \$35,000 into their mortgage to improve or upgrade the purchase of their primary owner occupied residence.
Term:	30 years
Interest Rate:	Daily Home Flex rates, including Home Flex Plus. If combining with Flex Plus Homebuyer Education is mandatory. Rates are available on www.nhhfa.org or www.GoNewHampshireHousing.com
Loan Purpose: Occupancy:	<ul style="list-style-type: none"> • Purchase of a primary residence • Must be owner occupied
Eligible Borrowers:	<ul style="list-style-type: none"> • Any borrower who would qualify for New Hampshire Housing and FHA • Non-occupant co-borrower allowed per FHA requirements • Non-borrower title holders is acceptable – if allowed by mortgage insurer • Borrower must complete Purchase Rehab education found at www.GoNHousing.com
Eligible Properties:	<ul style="list-style-type: none"> • Single and two unit owner occupied properties only • No acreage requirement on loan; when combined with MCC max 5 acres • HUD owned properties are allowed • Condos, interior only • <u>Manufactured housing</u> is not eligible
Minimum Cash Investment: Cash Back:	<ul style="list-style-type: none"> • Per FHA requirements • Cash back allowed per FHA requirements, not to exceed borrower contribution
Max Mortgage Amt:	<ul style="list-style-type: none"> • Maximum Base Mortgage Calculation Limited 203(k) program per HUD Handbook 4000.1
Income Limit	<ul style="list-style-type: none"> • Income limits as published by New Hampshire Housing for borrower(s) only.
Underwriting/ Ratios:	<ul style="list-style-type: none"> • Min 620 FICO, all borrowers • Approve/Eligible • Any DTI over 50% requires approve/eligible findings and a minimum credit score of 680 • FHA Refers are acceptable, require a manual underwrite, if a credit score available must be at least 620 • Seller contributions – per FHA guidelines
Appraisal Requirements:	<ul style="list-style-type: none"> • Interior/Exterior photos required with full URAR • Standard FHA and additional Limited 203K appraisal requirements • Repair costs must be reported by the appraiser • Appraisal must reflect "as complete" value
Disbursements:	<p>Please refer to disbursement instructions for reservations as of 4/1/14. Information can be found on the web at www.nhhfa.org</p> <ul style="list-style-type: none"> • If contractors wish to have disbursements at different times additional final inspection and title update fees will be applied
Max Repair Cost:	\$35,000 (Total Rehab Costs per Max Base Mortgage Calculation worksheet) including contingency and fees
Rehab Period:	Rehab construction must begin with 30 days of closing and be completed per FHA guidelines within 180 days of closing
Fees:	A Supplemental Origination Fee of the greater of \$350 or 1.5% of Line B10 (Rehab Amount) on the Max Mortgage Worksheet (HUD-92700) plus title update fee and final inspection fee
Pre-Approval Requirements:	All rehab work needs to be pre-approved prior to scheduling a closing. Please allow at least 48 hours turnaround time.
Pre-Approval Required Documents:	<ul style="list-style-type: none"> • Complete purchase and sales agreement • Appraisal, must reflect "as complete" value • Completed Homeowner/Contractor Agreement(s), contractor may not be a relative • All cost estimates must clearly state the nature and type of repair and the cost for completion • 203K Borrower Acknowledgment (HUD-92700A) • Limited 203k Mortgage Calculation Worksheet • Work plan from borrowers detailing proposed repairs • Completed contractor approval worksheet (s) • General Liability Insurance Binder • W-9's • All cost estimates must clearly state the nature and type of repair and the cost for completion to include: <ul style="list-style-type: none"> ▪ Each line item must break out cost for labor and materials; ▪ Be as specific as possible in describing brand, size, amount, etc • No more than 2 payments may be made per contractor for each specialized item of work performed • Letter from contractor(s) requesting 50% disbursement at closing • Rehab Homebuyer Education acknowledgement page signed by all borrowers. Education can be found at www.GoNHousing.com.

<p>Upon Completion:</p>	<p>Once all work is complete, the following forms must be submitted for final disbursement:</p> <ul style="list-style-type: none"> • Mortgagor's Letter of Completion • Final invoices from all contractors and subcontractors • Final title update • Executed final Owners Loan Disbursement Affidavit • Executed final Contractors Loan Disbursement Affidavit • Compliance Inspection Report (FHA's final evidencing 100% complete)
<p>Allowable Repairs:</p>	<ul style="list-style-type: none"> • Eliminating health and safety hazards that would violate HUD's MPR; • Repairing or replacing wells and/or septic systems; (well needs 100% cushion) • Connecting to public water and sewage systems; • Repairing/replacing plumbing, heating, AC and electrical systems; • Making changes for improved functions and modernization; • Eliminating obsolescence; • Repairing or installing new roofing, provided the structural integrity of the structure will not be impacted by the work being performed; siding; gutters; and downspouts; • Making energy conservation improvements; • Creating accessibility for persons with disabilities; • Installing or repairing fences, walkways, and driveways; • Installing a new refrigerator, cooktop, oven, dishwasher, built-in microwave oven and washer/dryer; • Repairing or removing an in-ground swimming pool; • Installing smoke detectors; • Installing, replacing or repairing exterior decks, patios, and porches; and • Covering lead-based paint stabilization costs (above and beyond what is paid for by HUD when it sells REO properties) if the Structure was built before 1978, in accordance with the Single Family mortgage insurance lead-based paint rule and EPA's Renovation, Repair, and Painting Rule; • Mold Remediation is now allowed with a total contingency of 20% <p>All repairs need to be completed within 180 days of closing. Any repairs not listed are ineligible</p>
<p>Ineligible Repairs:</p>	<p>The Limited 203(k) mortgage proceeds may not be used to finance major rehabilitation or major remodeling. FHA considers a repair to be "major" when any of the following are applicable:</p> <ul style="list-style-type: none"> • The repair or improvements are expected to require more than six months to complete • The rehabilitation activities require more than two payments per specialized contractor; • The required repairs arising from the appraisal: <ul style="list-style-type: none"> ▪ Necessitate a Consultant to develop a specification of repairs/Work Write-Up; or ▪ Require plans or architectural exhibits; or ▪ The repair prevents the Borrower from occupying the Property for more than 15 Days during the rehabilitation period. <p>Additionally, the Limited 203(k) mortgage proceeds may not be used to finance the following specific repairs:</p> <ul style="list-style-type: none"> • Converting a one-family Structure to a two-, three- or four-family Structure; • Decreasing an existing multi-unit Structure to a one- to four-family Structure; • Reconstructing a Structure that has been or will be demolished; • Repairing, reconstructing or elevating an existing foundation; • Purchasing an existing Structure on another site and moving it onto a new foundation; • Making structural alterations such as the repair of structural damage and new construction, including room additions; • Landscaping and site improvements; • Constructing a windstorm shelter; • Making additions or alterations to support commercial use or to equip or refurbish space for commercial use; and/or making recreational or luxury improvements, such as: <ul style="list-style-type: none"> ▪ New swimming pools; An exterior hot tub, spa, whirlpool bath, or sauna; Barbecue pits, outdoor fireplaces or hearths; Bath houses; Tennis courts; Satellite dishes; Tree surgery (except when eliminating an endangerment to existing improvements)
<p>Water Test Requirement:</p> <p>Septic Test:</p>	<ul style="list-style-type: none"> • Water test required on private water source. Test to include Ecoli, Total Coliform, Lead, Nitrate and Nitrite. Any other primary parameter tested must pass. • Community Wells: we will need a copy of the most recent water test • Dug Well: must meet insurer requirements as well as a test requirements listed above. • Well and septic must be sited on the property being financed. • CONDEX: with shared well and septic will need acceptable tests for both systems and a hold harmless stating the borrower is aware they are responsible for those systems.
<p>Homeowners Insurance:</p>	<ul style="list-style-type: none"> • Max deductible is the higher of \$1,000 or 1% of face amount of policy, when allowed by the insurer we will take into consideration value of out buildings. • CONDO: Must have master policy. If no walls in coverage and/or deductible is \$5,000 or more an HO6 will be required. • We will escrow for the HO6 only if requested by the borrower.
<p>*IMPORTANT*</p>	<ul style="list-style-type: none"> • We DO NOT participate in MERS • Loans cannot be closed in a trust (NHHFA policy) • Escrows for property taxes, hazard insurance, flood insurance and mortgage insurance are required on every New Hampshire Housing loan. • MANCHESTER multi families need Certificate of Compliance