



# **New Hampshire Housing Cash Assistance Mortgage Policy**

**Policy and Procedures  
Released: February 1, 2019  
Effective for Reservations on or after February 19, 2019**

*Supersedes the "Home Flex Plus: Cash Assistance Mortgage Program" effective July 16, 2018*

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## ARTICLE I: INTRODUCTION AND EFFECTIVE DATE

**Overview:** This Article covers:

1. The definitions for this policy;
2. A short overview of the policy's goals;
3. The key themes to understanding the policy;
4. The policy's effective date; and
5. How the policy can be amended.

### 1.01 DEFINITIONS

The following words or terms, when the first letter is capitalized, apply to this policy.

**Cash Assistance:** The funds provided by New Hampshire Housing to the borrower, which the borrower may use for downpayment or closing costs.

**Cash Assistance Mortgage:** The second mortgage that secures the borrower's obligation to repay the Cash Assistance. This mortgage will be closed in New Hampshire Housing's name, meaning New Hampshire Housing is the lender on this mortgage. The Cash Assistance Mortgage is attached Exhibit 2.

**CFPB:** The Consumer Financial Protection Bureau and any successor.

**Document Preparation Agreement:** The agreement between New Hampshire Housing and a Participating Lender that governs the preparation of the disclosures and the Cash Assistance Mortgage (Document Preparer). Under the Participating Originator program, New Hampshire Housing acts as the Document Preparer. The agreement is attached Exhibit 1.

**Document Preparer:** A Participating Lender that has also signed the Document Preparation Agreement. On New Hampshire Housing's behalf, the Document Preparer will be preparing the required disclosures and the Cash Assistance Mortgage. Under the Participating Originator program New Hampshire Housing acts as the Document Preparer.

**FHA:** The Federal Housing Administration of the United States Department of Housing and Urban Development (HUD) and any successor.

**Fannie Mae:** Federal National Mortgage Association, a United States Government Sponsored Enterprise (GSE).

**Forgiveness Date:** The date that the borrower's Repayment Obligation is forgiven, which is the fourth anniversary of the closing date for the Cash Assistance Mortgage. The four-year period begins on the closing date of the Cash Assistance Mortgage and ends four years after the closing date. Example: Closing date March 1, 2019. The Forgiveness Date is March 1, 2023.

**First Mortgage:** Either a Home *Flex* Plus mortgage (government insured) or Home *Preferred* Plus mortgage (privately insured) that complies with all Program Guidelines. This First Mortgage will be closed in the Lender's name and will be purchased by New Hampshire

Housing in accordance with the MLPA. (Under the Participating Originator program, the First Mortgage will be closed in New Hampshire Housing's name.)

**Lender:** A Participating Lender or Participating Originator that has a signed MLPA, or POA with New Hampshire Housing.

**MLPA:** The Mortgage Loan Purchase Agreement between New Hampshire Housing and the Participating Lender.

**Participating Lender:** A Lender that has a signed Mortgage Loan Purchase Agreement (MLPA) with New Hampshire Housing.

**Participating Originator:** A Lender that has a signed Participating Originator Agreement (POA) with New Hampshire Housing.

**Program Guidelines:** All program descriptions, product sheets, administrative rules, guidelines, forms, lender notices and procedures established by New Hampshire Housing, any mortgage insurer, FHA, RD, VA, Ginnie Mae, and Fannie Mae, all as may be amended from time to time.

**POA:** Participating Originator Agreement between New Hampshire Housing and the Participating Originator

**RD:** Rural Development division of the United States Department of Agriculture and any successor.

**Repayment Event:** An event that triggers the borrower's obligation to repay all of the Cash Assistance. The following are Repayment Events if they occur before the Forgiveness Date:

- i. The Borrower fully prepays or refinances the First Mortgage;
- ii. The Borrower sells, transfers, conveys or otherwise disposes of the mortgaged property; or
- iii. The Borrower files for bankruptcy or makes a general assignment for the benefit of the Borrower's creditors.

**Repayment Obligation:** The borrower's promise to repay the Cash Assistance consistent with the Cash Assistance Mortgage and this policy.

**TRID:** The CFPB's TILA-RESPA Integrated Disclosure program.

**VA:** United States Department of Veterans Affairs and any successor.

## 1.02 INTRODUCTION

This policy outlines New Hampshire Housing's Cash Assistance Mortgage Program. The program has two components:

1. A First Mortgage; and
2. Cash Assistance provided by New Hampshire Housing secured by the Cash Assistance Mortgage.

The policy aims to provide Lenders with the information and the documents needed to use this program in compliance with the requirements of:

1. New Hampshire Housing;
2. FHA, RD, VA, Fannie Mae; and
3. All other applicable state and federal laws and regulations.

While this policy strives to be informative, it is not comprehensive. Specifically, Lenders when acting as a lender on the First Mortgage, are required to comply with all consumer protection laws and regulations, including those of the CFPB.

## 1.03 OVERARCHING GUIDANCE

To help understand this policy, Lenders should remember that there are two separate but related loans. The Lender will play a different legal role with each loan. These roles are explained in more detail in this policy. Understanding these separate loans and the separate roles is essential to understanding this policy.

1. **First Mortgage:** This will be a loan that meets the Program Guidelines. Specifically, the First Mortgage must meet the current First Mortgage product sheets as posted on [www.nhfa.org](http://www.nhfa.org). Depending on the Lender relationship with New Hampshire Housing, the First Mortgage is closed in its name and then it sells that mortgage to New Hampshire Housing, or the First Mortgage closes and is funded by New Hampshire Housing. These mortgages and the Lender's actions related to this mortgage are governed by the MLPA or POA.
2. **Cash Assistance Mortgage:** The Cash Assistance Mortgage is the second mortgage, which is a loan being made by New Hampshire Housing to the borrowers for the Cash Assistance. The Cash Assistance Mortgage is not being made by the Lender. The First Mortgage lender will act as New Hampshire Housing's Document Preparer for the Cash Assistance Mortgage. The role of Document Preparer is governed by the Document Preparation Agreement, which is attached Exhibit 1. Note: Under the Participating Originator program, New Hampshire Housing prepares all Cash Assistance Mortgage documents.
3. **Participating Originator:** While this policy is meant to be all inclusive, when a Lender works with New Hampshire Housing under the POA, many of the roles, tasks and documents described in this policy will be administered directly by New Hampshire Housing, not the Lender. Under the POA model, while the Lender originates the loan, both the First Mortgage and the Cash Assistance Mortgage will be closed in New Hampshire Housing's name. Given the structure of the POA, New Hampshire Housing is the Lender and is responsible to comply with the Cash Assistance Mortgage Policy under the POA.

## **1.04 EFFECTIVE DATE**

1. This policy applies to all First Mortgage reservations made on or after February 19, 2019 (the Effective Date).
2. This policy replaces the New Hampshire Housing's June 18, 2018 lender notice on the Cash Assistance Program. That prior policy is rescinded as of the Effective Date and does not apply to loans reserved on or after the Effective Date.
3. Important: Lender is required to have signed the Document Preparation Agreement in order to use New Hampshire Housing Cash Assistance Mortgage Program. Note: This is not required under the Participating Originator program.

## **1.05 AMENDMENTS, CHANGES AND MODIFICATIONS**

1. New Hampshire Housing may amend this policy from time to time with notice to the Lender about such changes and the effective date for those changes.

## **ARTICLE II: CASH ASSISTANCE MORTGAGE BORROWER'S REPAYMENT OBLIGATION**

**Overview:** This Article covers:

1. The details the borrower's repayment obligation for the Cash Assistance under the Cash Assistance Mortgage.

### **2.01 REPAYMENT OBLIGATION AND FORGIVENESS**

1. **Repayment Obligation:** First Mortgage borrowers will be required to promise to pay back the Cash Assistance under the following terms of the Cash Assistance Mortgage (Repayment Obligation).
  - a. **Interest Rate:** 0%. No interest shall accrue or be payable on the Cash Assistance Mortgage.
  - b. **Periodic Payments:** None. No periodic payments are required.
  - c. **Repayment Obligation:** The borrower is obligated to repay the full amount of the Cash Assistance upon the happening of a Repayment Event, namely:
    - i. The Borrower fully prepays or refinances the First Mortgage;
    - ii. The Borrower sells, transfers, conveys or otherwise disposes of the mortgaged property; or
    - iii. The Borrower files for bankruptcy or makes a general assignment for the benefit of the Borrower's creditors.
2. **Forgiveness:** Provided that no Repayment Event has occurred; the borrower's Repayment Obligation shall terminate fully and finally on the fourth anniversary of the closing date of the Cash Assistance Mortgage (the Forgiveness Date).
3. **Cash Assistance Mortgage:** To document the Repayment Obligation and to provide a second mortgage to New Hampshire Housing, the borrower shall sign the Cash Assistance Mortgage, which is attached Exhibit 2.
4. **Release and Discharge:** The Repayment Obligation and the Cash Assistance Mortgage will be automatically released and discharged on the Forgiveness Date.

#### **Notes:**

1. The Cash Assistance Mortgage is a direct promise to pay and mortgage from the borrower to New Hampshire Housing. The Participating Lender shall prepare the Cash Assistance Mortgage and provide that document to the closing agent for execution and recording. The Cash Assistance Mortgage shall be subordinate to the First Mortgage. Note: Under the Participating Originator program New Hampshire Housing prepares all Cash Assistance Mortgage documents.
2. Neither New Hampshire Housing nor the Lender shall charge the borrower any fees for the Cash Assistance Mortgage. Also, New Hampshire Housing is *exempt* from paying recording fees. See RSA 204-C:49 I ("nor shall the Authority be required to pay any recording fee...").
3. The Repayment Obligation applies even if the borrower refinances with New Hampshire Housing.
4. New Hampshire Housing will not be releasing the Repayment Obligation as part of any loss mitigation or bankruptcy.



## **2.02 QUALIFIED MORTGAGE (QM) AND ABILITY TO REPAY (ATR): HFA EXEMPTION**

New Hampshire Housing has concluded that the Cash Assistance Mortgages are exempt from the requirements for QM and ATR. The CFPB regulations, 12 CFR 1026.43 (a) (iv), are clear that that the QM and ATR regulations do not apply to: “An extension of credit made pursuant to a program administered by a Housing Finance Agency, as defined under 24 CFR 266.5.” New Hampshire Housing meets this definition of “Housing Finance Agency.” *Also see* FHA QM rules at 24 CFR 203.19 (c) (2).

## **ARTICLE III: DOCUMENT PREPARATION CASH ASSISTANCE MORTGAGE**

**Overview:** This Article covers:

1. The separate legal role played by the Participating Lender when acting as the Document Preparer on New Hampshire Housing’s behalf;
2. The disclosures required for the Cash Assistance Mortgage; and
3. The other steps and documents required for the Cash Assistance Mortgage.

### **3.01 SEPARATE LEGAL ROLES: LENDER AND DOCUMENT PREPARER**

One of the keys to understanding this new approach is to understand that the Participating Lender will serve two legally separate roles based on which loan is being discussed.

1. **Lender:** In providing the First Mortgage, the Participating Lender is acting as the lender. The relationship between New Hampshire Housing and the Participating Lender is governed by the MLPA. Under the MLPA, the lender exercises significant independent discretion.
2. **Document Preparer:** In preparing the documents related to the Cash Assistance Mortgage, the Participating Lender is acting solely as the Document Preparer, not as a lender. This relationship is governed by the Document Preparation Agreement, see attached Exhibit 1. Under that agreement, the Document Preparer will provide the borrower with the required disclosures and the Mortgage and Promise to Pay. The Document Preparer:
  - a. is **not the lender** for the Cash Assistance Mortgage; New Hampshire Housing is the lender for the Cash Assistance Mortgage;
  - b. is **not making a credit decision** on the Cash Assistance Mortgage (if the borrower qualifies for the First Mortgage, the borrower automatically qualifies for the Cash Assistance Mortgage.); and
  - c. is **not exercising discretion** but is following New Hampshire Housing’s direction about how to disclose and how to process the Cash Assistance Mortgage.

### **3.02 DISCLOSURES FOR CASH ASSISTANCE MORTGAGE**

1. **Disclosure Overview:** As detailed next, two disclosures are required:
  - a. A program disclosure that is being required by New Hampshire Housing; and
  - b. The CFPB required disclosures.
2. **Program Disclosure:** Although not required by FHA, VA, RD, Fannie Mae or CFPB, New Hampshire Housing has decided to provide the borrower with a “Program Disclosure,” attached Exhibit 3. This Program Disclosure asks that the borrower acknowledge that to obtain the Cash Assistance, the borrower agrees to pay a higher interest rate on the First Mortgage. The goal is to provide the Program Disclosure early in the loan process. Therefore, the borrower shall receive the Program Disclosure with the CFPB Loan Estimate. The Program Disclosure is a one-time disclosure. Under the Participating Originator Program New Hampshire Housing provides the borrower these disclosures.

3. **CFPB Disclosures**
  - a. New Hampshire Housing has concluded that the Cash Assistance Mortgages qualifies for a partial exemption under the TRID. See 12 CFR §1026.3 (h) and CFPB *TILA- RESPA Integrated Disclosure Rule Small Entity Compliance Guide* (August 11, 2017) Section 4.5 (attached Exhibit 4). That guide on page 30 states:
 

“The creditor provides either the Truth-in-Lending disclosures or the **Loan Estimate** and **Closing Disclosure**. Regardless of which disclosures the creditor chooses to provide, the creditor must comply with all Regulation Z requirements pertaining to those disclosures.”
  - b. New Hampshire Housing has decided to use the new TRID disclosures.
  - c. On New Hampshire Housing’s behalf, the Document Preparer shall provide the borrower with Loan Estimate, attached Exhibit 5, and Closing Disclosure, attached Exhibit 6, following the models shown in Exhibits 5 and 6.
4. **Hold Harmless:** In accordance with the Document Preparation Agreement, provided the Document Preparer is acting with good faith and with reasonable efforts to comply with New Hampshire Housing’s instructions on how to disclose the Cash Assistance Mortgage, New Hampshire Housing will defend, indemnify and hold the Document Preparer harmless should a borrower seek redress against the Document Preparer for a disclosure claim related to the Cash Assistance Mortgage.

### **3.03 DOCUMENT PREPARER STEPS FOR THE CASH ASSISTANCE MORTGAGE**

To provide an overview, here is a summary of the steps the Document Preparer shall take for processing the Cash Assistance Mortgage.

1. **Loan Application:** No separate loan application is required for the Cash Assistance Mortgage. If the borrower qualifies for the First Mortgage, the borrower automatically qualifies for the Cash Assistance Mortgage. The loan application for the First Mortgage should state for source of down payment “Secured Borrowed Funds.”
2. **Loan Reservation:** No separate loan reservation is required for the Cash Assistance Mortgage. When a Lender makes a reservation for the First Mortgage, the system will automatically make a loan reservation for the Cash Assistance Mortgage.
3. **Program Disclosure:** Provide the borrower with the Program Disclosure, using the New Hampshire Housing provided form, attached Exhibit 3, and obtain the borrower’s signature on that Program Disclosure or other evidence of receipt. This disclosure may be electronically signed.
4. **Loan Estimate:** Generate the Loan Estimate (LE), which shall show New Hampshire Housing as the lender. Sample LE is attached Exhibit 5.
5. **Closing costs:** \$0. No fees. Neither New Hampshire Housing nor the Lender/Document Preparer shall charge the borrower any fees. Also, New Hampshire Housing is exempt from recording fees.
6. **Underwriting:** See Article III and IV above for automated underwriting submission requirements.
7. **Closing Disclosure:** Generate the Closing Disclosure (CD), Exhibit 6, and see the notes above used for completing the LE.

8. **Requesting Cash Assistance:** Request the Cash Assistance in compliance with Article V, 5.02 and Article VII, 7.02 of this policy, which provides detailed instructions for requesting Cash Assistance.
9. **Closing:** New Hampshire Housing will prepare the Cash Assistance Mortgage and note, attached Exhibit 2, and borrower will execute the documents at closing.
10. **Record:** Arrange for recording the Cash Assistance Mortgage.
11. **Closing Package:** Submit Cash Assistance Mortgage documents as required per the current First Mortgage stacking list.

## ARTICLE IV: LENDER’S RESPONSIBILITIES HOME *FLEX* PLUS MORTGAGE

**Overview:** This Article covers:

1. How Participating Lenders should enter the Home *Flex* Plus Mortgage in the FHA systems.

### 4.01 PARTICIPATING LENDERS ENTERING HOME *FLEX* PLUS MORTGAGE INFORMATION IN FHA SYSTEMS

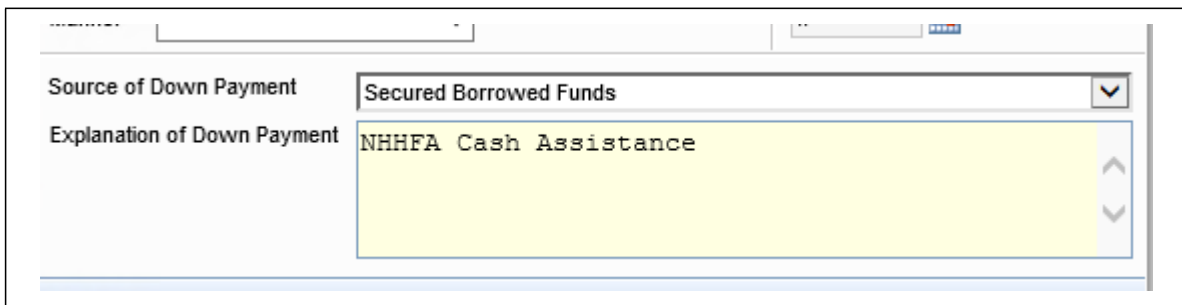
This section applies to the Home *Flex* Plus (First Mortgage) and provides guidance on how to enter certain information in the FHA system.

Note: Under the FHA Handbook 4000.1, Section I.B.4.a (C), page 72 (12/30/2016):

“Governmental Entities ...may provide secondary financing assistance to homebuyers utilizing FHA insurance on a first Mortgage when that assistance is secured with a second Mortgage or lien.” See also FHA Handbook 4000.1, Section II.(J), page 235-236; see also 24 CFR 203, Federal Register, Vol 77, No. 234, page 72219, 72223 (December 5, 2012) (Housing finance agencies are a permitted source for borrower’s minimum required investment; FHA Handbook 4000.1, Section I.B.4.iii (B), page 74.

#### 1. **FHA: Underwriting and AUS Upload:**

- a. **Uniform Residential Loan Application 1003: Page 1** - Source of down payment must reflect “Secured Borrowed Funds.”



The screenshot shows a web-based form with two fields. The first field, labeled "Source of Down Payment", has a dropdown menu with "Secured Borrowed Funds" selected. The second field, labeled "Explanation of Down Payment", has a text area containing "NHHFA Cash Assistance".

- b. **Details of Transaction:** Cash Assistance must be shown as Subordinate financing, not listed as an asset or gift funds.

VII. Details of Transaction	
a. Purchase Price	200,000.00
b. Alterations	
c. Land	
d. Refinance	
e. Estimated prepaid items	2,383.80
f. Estimated closing costs	5,503.60
g. PMI, MIP, Funding Fee	3,377.50
h. Discount (if Borrower will pay)	
i. Total Costs ( a through h )	211,264.90
j. Subordinate financing	5,790.00
k. CC paid by seller	
l. Cash Deposit on sales c	1,000.00
New First Mortgage	
CC from 2nd	
CC paid by Broker, Lender, Oth.	3,436.60
m. Loan Amount	193,000.00
n. PMI, MIP Financed	3,377.00
o. Loan Amount ( m + n )	196,377.00
Total Credits ( j through n )	206,603.60

- c. **Declarations:** Question h. must be answered as Yes (Y).

VIII. Declarations	
	B (Y/N)
a. Are there any outstanding judgments against you?	N
b. Have you been declared bankrupt in the past 7 years?	N
c. Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years?	N
d. Are you a party to a lawsuit?	N
e. Have you been obligated on any loan resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment?	N
f. Are you presently delinquent or in default on any Federal debt or any other loan, mortgage, financial obligation, bond or loan guarantee?	N
g. Are you obligated to pay alimony, child support, or separate maintenance?	N
h. Is any part of the down payment borrowed?	Y
i. Are you a co-maker or endorser on a note?	N
j. Are you a U.S. citizen?	Y
k. Are you a permanent resident alien?	N
l. Do you intend to occupy the property as your primary residence?	Y
m. Have you had an ownership interest in a property in the last three years?	N

d. **FHA 92900 LT:** Must show as Secondary Financing from Gov't Source.

Secondary Financing	
Source / EIN	NHHFA Cash Assistance
<input checked="" type="checkbox"/> Gov't	<input type="checkbox"/> NP <input type="checkbox"/> Family
<input type="checkbox"/> Other	
Amount of Secondary Financing	5,790.00

e. **LTV/CLTV:** Per FHA guidelines, there is no maximum Combined Loan-to-Value (CLTV) when subordinate financing is from a housing finance agency such as New Hampshire Housing. See FHA Handbook 4000.0 II (A)(4)(d)(1)(b) (below extract from FHA guideline):

“Handbook 4000.0 II (A)(4)(d)(1)(b) Standard FHA will insure a first Mortgage on a Property that has a second Mortgage or lien made or held by a Governmental Entity, provided that:

- the secondary financing is disclosed at the time of application;
- no costs associated with the secondary financing are financed into the FHA-insured first Mortgage;
- the insured first Mortgage does not exceed the FHA [Nationwide Mortgage Limit](#) for the area in which the Property is located;
- the secondary financing payments are included in the total Mortgage Payment;
- any secondary financing of the Borrower’s MRI fully complies with the additional requirements set forth in [Source Requirements for the Borrower’s MRI](#);
- the secondary financing does not result in cash back to the Borrower except for refund of earnest money deposit or other Borrower costs paid outside of closing; and
- the second lien does not provide for a balloon payment within 10 years from the date of execution.

Nonprofits assisting a Governmental Entity in the operation of its secondary financing programs must have HUD approval and placement on the Nonprofit Organization Roster unless there is a documented agreement that:

- the functions performed are limited to the Governmental Entity’s secondary financing program; and
- the secondary financing legal documents (Note and Deed of Trust) name the Governmental Entity as the Mortgagee.

Secondary financing that will close in the name of the nonprofit and be held by a Governmental Entity must be made by a HUD-approved Nonprofit.

The Mortgagee must enter information on HUD-approved Nonprofits into [FHA Connection \(FHAC\)](#), as applicable.

Secondary financing provided by Governmental Entities or HOPE grantees may be used to meet the Borrower’s MRI. Any loan of the Borrower’s MRI must also comply with the additional requirements set forth in [Source Requirements for the Borrower’s MRI](#).

There is no maximum Combined Loan-to-Value (CLTV) for secondary financing loans provided by Governmental Entities or HOPE grantees.

Any secondary financing meeting this standard is deemed to have prior approval in accordance with [24 CFR § 203.32](#).”

Note: The findings must show the Cash Assistance as a subordinate lien, and DU will provide the following note: "This loan casefile may be ineligible for HFA financing as the CLTV exceeds 96.5% on a purchase transaction. Please refer to the online version of FHA Single Family Housing Policy Handbook 4000.1 to determine if the source of the secondary financing allows the CLTV to exceed 96.5%."



## **ARTICLE V: HUD/FHA AND NEW HAMPSHIRE HOUSING REQUIREMENTS FOR FUNDING CASH ASSISTANCE**

**Overview:** This Article covers:

1. HUD's/FHA's requirements for New Hampshire Housing to provide Cash Assistance; and
2. New Hampshire Housing's requirements for funding the Cash Assistance.

### **5.01 HUD/FHA REQUIREMENTS**

1. **FHA Handbook:** The FHA Handbook, Section II.A.4.d.ii pages 225-227 (12/30/2016), (attached Exhibit 7); see also superseded HUD Mortgagee Letter 2013-14, provides specific guidance regarding: a) funding; and b) documenting down payment assistance (DPA) offered by housing finance agencies such as New Hampshire Housing. Please read the FHA Handbook sections in Exhibit 7 because it has a direct impact on how New Hampshire Housing and all lenders shall process loans with Cash Assistance. **Failure to comply with the FHA Handbook can result in the loan being ineligible for FHA insurance, which means New Hampshire Housing cannot purchase the loan and the loan will not have FHA insurance.** HUD will be auditing to ensure loans comply with this section of the FHA Handbook, and New Hampshire Housing's goal is to ensure compliance with the FHA Handbook.
2. **Other Requirements:** Loans remain subject to all New Hampshire Housing requirements, including the requirements in the Mortgage Loan Purchase Agreement (MLPA). Therefore, New Hampshire Housing retains the right to rescind the obligation to pay Cash Assistance for nonconformance and to reject purchasing a non-compliance loan. Such actions could result in the loan being uninsurable by FHA. Further, a Participating Lender who fails to follow all applicable requirements would be required to pay back the Cash Assistance to New Hampshire Housing.

### **5.02 REQUESTING CASH ASSISTANCE FUNDS**

1. **Funding:** The FHA Handbook states two ways to comply:
  - a. **Actual funding by the housing finance authority at the closing.** Under this approach, New Hampshire Housing funds are wired to the closing agent at or before the closing.
  - b. **Legal liability/obligation at or before the closing to fund the Cash Assistance.** Under this approach, New Hampshire Housing acknowledges that it is legally obligated to pay the Cash Assistance even if another party advances the funds at closing.

New Hampshire Housing has decided to use the first method because of the certainty of compliance with FHA requirements. Participating Lenders that fail to follow the first approach do so at their own risk. Here is a further description of the two approaches.

2. **The Standard Operating Policy: Actual Funding at or Before Closing:**
  - a. Participating Lenders shall request Cash Assistance funds from New Hampshire Housing before noon at least two (2) business days before the closing date. New Hampshire Housing wants the Cash Assistance funds sent to the settlement agent before the closing.
  - b. The Cash Assistance Wire Transfer Request, attached Exhibit 8, shall be used to

comply with the FHA Handbook and this New Hampshire Housing policy. Once the Cash Assistance Wire Transfer Request has been processed by New Hampshire Housing, the Cash Assistance Wire Transfer Request will be signed by New Hampshire Housing and sent back to the Participating Lender. The signed Cash Assistance Wire Transfer Request specifically confirms that New Hampshire Housing is directly funding the Cash Assistance and that New Hampshire Housing has a legal obligation to fund the Cash Assistance before closing.

- c. If a close date is postponed less than 10 days from receipt of the Cash Assistance funds, the Participating Lender may hold the funds and distribute them as usual on the new closing date. If the new closing date is greater than 10 days from the receipt of the Cash Assistance funds, the funds must be returned to New Hampshire Housing and a new Wire Transfer Request must be completed for the new closing date. If the closing is cancelled after receiving the wired Cash Assistance funds, then the funds must be return to New Hampshire Housing immediately.

**3. The Exception: Legal Liability/Obligation to Fund:**

- a. Participating Lenders shall follow the first approach method. However, New Hampshire Housing recognizes that Participating Lenders can make good-faith errors. Therefore, New Hampshire Housing will allow exceptions under the second method, provided the Lender: i) complies with this section; and ii) signs the Participating Lenders Exception Request and Acknowledgement, Exhibit 9. This request states the Participating Lender is liable to repurchase a loan should FHA find this alternative procedure failed to comply with the FHA Handbook.
- b. Should a Participating Lender fail to follow the standard funding approach (New Hampshire Housing funds Cash Assistance directly at closing), the Participating Lender shall immediately notify New Hampshire 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 New Hampshire Housing, then New Hampshire Housing will confirm that: 1) it directly funded the Cash Assistance with New Hampshire Housing funds; and 2) at or before the loan closing, it was legally liable/obligated to fund the Cash Assistance. See attached Exhibit 10 for a model of this letter.
- c. Should the FHA determine a loan funded under this alternative procedure does not have FHA insurance, the loan shall be deemed not an “Eligible Mortgage Loan” under the MLPA. This means either: i) New Hampshire Housing is not be obligated to buy that loan; or ii) if New Hampshire Housing has already purchased the loan, the Participating Lender shall immediately repurchase the loan under Article VI of the MLPA. Additionally, if New Hampshire Housing provided the Cash Assistance funds, the Participating Lender shall repay New Hampshire Housing for those funds.

# ARTICLE VI: PARTICIPATING LENDER’S RESPONSIBILITIES HOME *PREFERRED* PLUS MORTGAGE

**Overview:** This Article covers:

1. How Participating Lenders should enter the Home *Preferred* Plus Mortgage in the Fannie Mae systems.

## 6.01 PARTICIPATING LENDERS ENTERING HOME *PREFERRED* PLUS MORTGAGE INFORMATION INTO FANNIE MAE SYSTEMS

This section applies to the Home *Preferred* Plus (First Mortgage) and provides guidance on how to enter certain information in the Fannie Mae Designated Underwriter (DU) system.

Note: New Hampshire Housing has designed the Home *Preferred* Plus program to be consistent with the Fannie Mae Selling Guide. Additionally, the Cash Assistance Mortgage complies with Fannie Mae’s Community Seconds program. To ensure compliance, the following steps must be followed when entering the Cash Assistance Mortgage into DU.

While the full amount of the Cash Assistance is forgiven on the fourth anniversary of the Cash Assistance Mortgage closing date, provided no Repayment Event, New Hampshire Housing has confirmed with Fannie Mae that the lender must choose **“Payment deferred 5 or more years and fully forgiven”** for the Community Seconds Repayment Structure in DU.

By following these instructions, DU does not impute any Cash Assistance payments in underwriting.

### 1. Fannie Mae: Underwriting and DU Upload:

#### a. Income & Housing in the Navigation Bar

The Income and Housing screen appears in the navigation bar. In the **Combined Monthly Housing Expense** section, enter the subordinate financing payment amount in the **Other Financing (P&I)** field in the **Proposed** column if a payment is required.

Combined Monthly Housing Expense		
	Present/Principal	Proposed/Subject
	John H	
Rent	<input type="text"/>	<input type="text"/>
First Mortgage (P&I)	<input type="text"/>	\$0.00
Other Financing (P&I)	<input type="text"/>	<input type="text"/>
Hazard Insurance	<input type="text"/>	<input type="text"/>
Real Estate Taxes	<input type="text"/>	<input type="text"/>
Mortgage Insurance	<input type="text"/>	<input type="text"/>
Homeowner Assn Dues	<input type="text"/>	<input type="text"/>
Other	<input type="text"/>	<input type="text"/>
Total	\$0.00	\$0.00

**b. Details of Transaction**

The Details of Transaction screen appears in the navigation bar. Enter the subordinate lien amount in the **j. Subordinate Financing** field.

**Edit Loan: Quick 1003: Details of Transaction**

Borrower Name	Loan Number	Institution Name
Homeowner	Case #1	Documentation

**Quick 1003**

- Borrower Information
- Types, Terms & Property
- Employment Information
- Income & Housing
- Assets
- Liabilities
- Details of Transaction
- Declarations
- Additional Data

**Full 1003**

- Link to Underwriting Guides

a. Purchase Price	\$160,000.00
b. Alterations, Improvements, Repairs	\$0.00
c. Land	\$0.00
d. Refinance (inc. debts to be paid off)	\$0.00
e. Estimated Prepaid Items	\$1,100.00
f. Estimated Closing Costs	\$2,900.00
g. PMI, MIP, Funding Fee	\$0.00
h. Discount	\$0.00
i. Total Costs	\$164,000.00
<b>j. Subordinate Financing</b>	<b>\$10,000.00</b>
k. Closing Costs Paid By Seller	\$0.00

**c. Additional Data**

Add additional Data in the navigation bar. Locate the **Community Lending Information** section.

**Quick 1003**

- Borrower Information
- Types, Terms & Property
- Employment Information
- Income & Housing
- Assets
- Liabilities
- Details of Transaction
- Declarations
- Additional Data

**Full 1003**

- Link to Farmer Map Selling Guide

**Appraisal Information**  
Please Provide All Available Appraisal Information

Property Appraised Value

Appraiser Name

Appraiser Company

Appraiser's State License Number

Appraiser's Licensing State

Fieldwork Obtained

Supervisory Appraiser's License Number

**Community Lending Information**

Community Lending Product

Community Seconds

Community Seconds Repayment Structure

Metropolitan Statistical Area or County

**Loan Information**

**d. Community Lending Information**

Fill in the Community Lending Information section. Enter Community Seconds data. For the NHHFA Cash Assistance Mortgage, choose **“Payments deferred 5 or more years and fully forgiven”**.

Community Lending Information

Community Lending Product: HomeReady

Community Seconds: Yes

Community Seconds Repayment Structure: Payments deferred 5 or more years and fully forgiven

County:

While the full amount of Cash Assistance is forgiven on the fourth anniversary of the Cash Assistance Mortgage closing date, provided no Repayment Event, New Hampshire Housing has confirmed with Fannie Mae that the lender must choose “Payment deferred 5 or more years and fully forgiven” for the Community Seconds Repayment Structure in DU.

**Note:** The first mortgage does not have to be a Community Lending product.

Take the following steps:

- i. If you are using HomeReady for the first mortgage, select **Home Preferred** in the Community Lending Product field.
- ii. Select **Yes** in the Community Seconds field. Otherwise the system defaults to “No” for this field.
- iii. If you are using a Community Seconds mortgage, you must select the appropriate option from the **Community Seconds Repayment Structure** drop-down list.
- iv. You may select the County, but it is no longer used to determine the income limit. The census tract is used to determine the income limit. If DU is unable to determine the census tract, then you may enter the FIPS Code associated to the property, which would then be used to determine the income limit (see next step).

**e. FIPS Code**

DU will determine the income eligibility requirements based on the census tract in which the property is located. If DU is unable to determine the census tract, the lender may provide the Federal Information Processing Standard (FIPS) code which is a unique code assigned to all geographic areas by the U.S. Census Bureau.

Loan Information

FIPS Code: [Red Box]

Seller Provided Below Market Financing: [Dropdown]

First Year Buydown Rate: 0.000%

f. **Submit**

When you have finished entering all the necessary data, click Submit.

The image shows a screenshot of a mortgage application form. At the top left, the text "Mortgage" is visible. The form contains three main input fields: "Will Escrow be Waived?" with radio buttons for "Yes" and "No"; "APR Spread (%)" with a text input box; and "Covered under HOEPA" with a dropdown menu. At the bottom of the form, there is a dark blue navigation bar with five buttons: "Previous", "Next", "Save and Close", "Cancel", and "Submit". The "Submit" button is highlighted in orange.

# ARTICLE VII: FANNIE MAE AND NEW HAMPSHIRE HOUSING REQUIREMENTS FOR FUNDING CASH ASSISTANCE MORTGAGE

**Overview:** This Article covers:

1. Fannie Mae's requirements for New Hampshire Housing to provide Cash Assistance; and
2. New Hampshire Housing's requirements for funding the Cash Assistance Mortgage with Home *Preferred* programs.

## 7.01 FANNIE MAE REQUIREMENTS

1. **Fannie Mae Selling Guide:** Participating Lenders must comply with the Fannie Mae Selling Guide when requesting Cash Assistance funds.
2. **Other Requirements:** Loans remain subject to all New Hampshire Housing requirements, including the requirements in the Mortgage Loan Purchase Agreement (MLPA). Therefore, New Hampshire Housing retains the right to rescind the obligation to pay Cash Assistance for nonconformance and to reject purchasing a non-compliance loan. Such actions could result in unsaleable or uninsurable loans to Fannie Mae. Further, a Participating Lender who fails to follow all applicable requirements would be required to pay back the Cash Assistance to New Hampshire Housing.

## 7.02 REQUESTING CASH ASSISTANCE FUNDS

1. **Funding:** New Hampshire Housing's required method for Cash Assistance under the Home *Preferred* Plus program is:
  - a. **Actual funding by the housing finance authority at the closing.** Under this approach, New Hampshire Housing funds are wired to the closing agent at or before the closing.

New Hampshire Housing has decided to use this method because of consistency with other programs. Participating Lenders that fail to follow this approach do so at their own risk.

2. **The Standard Operating Policy: Actual Funding at or Before Closing:**
  - a. Participating Lenders shall request Cash Assistance funds from New Hampshire Housing before noon at least two (2) business days before the closing date. New Hampshire Housing wants the Cash Assistance funds sent to the settlement agent before the closing.
  - b. The Cash Assistance Wire Transfer Request, attached Exhibit 8, shall be used to comply with the Fannie Mae Selling Guide and this New Hampshire Housing policy. Once the Cash Assistance Wire Transfer Request has been processed by New Hampshire Housing, the Cash Assistance Wire Transfer Request will be signed by New Hampshire Housing and sent back to the Participating Lender. The signed Cash Assistance Wire Transfer Request specifically confirms that New Hampshire Housing is directly funding the Cash Assistance and that New Hampshire Housing has a legal obligation to fund the Cash Assistance before closing.
  - c. If a close date is postponed less than 10 days from receipt of the Cash Assistance funds, the Participating Lender may hold the funds and distribute

them as usual on the new closing date. If the new closing date is greater than 10 days from the receipt of the Cash Assistance funds, the funds must be returned to New Hampshire Housing and a new Wire Transfer Request must be completed for the new closing date. If the closing is cancelled after receiving the wired Cash Assistance funds, then the funds must be return to New Hampshire Housing immediately.

**3. The Exception: Legal Liability/Obligation to Fund:**

- a. Lenders shall follow the Actual Funding at or Before Closing approach for funding Cash Assistance under the Home *Preferred* Plus program. However, New Hampshire Housing recognizes that Participating Lenders can make good-faith errors. Therefore, New Hampshire Housing may allow exceptions, provided the Participating Lender: i) complies with this section; and ii) signs the Participating Lender Exception Request and Acknowledgement, Exhibit 9. This request states the Participating Lender is liable to repurchase a loan should Fannie Mae find the funding of the Cash Assistance failed to comply with the Fannie Mae Seller Guide.
- b. Should a Participating Lender fail to follow the standard funding approach (New Hampshire Housing funds Cash Assistance directly at closing), the Participating Lender shall immediately notify New Hampshire 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 New Hampshire Housing, then New Hampshire Housing will confirm that: 1) it directly funded the Cash Assistance with New Hampshire Housing funds; and 2) at or before the loan closing, it was legally liable/obligated to fund the Cash Assistance. See attached Exhibit 10 for a model of this letter.
- c. Should the Fannie Mae determine a loan funded under this alternative procedure does not meet Fannie Mae guidelines, the loan shall be deemed not an “Eligible Mortgage Loan” under the MLPA. This means either: i) New Hampshire Housing is not be obligated to buy that loan; or ii) if New Hampshire Housing has already purchased the loan, the Participating Lender shall immediately repurchase the loan under Article VI of the MLPA. Additionally, if New Hampshire Housing provided the Cash Assistance funds, the Participating Lender shall repay New Hampshire Housing for those funds.



## **EXHIBITS TO LENDER NOTICE ON CASH ASSISTANCE**

Exhibit 1: Document Preparation Agreement

Exhibit 2: Cash Assistance Mortgage

Exhibit 3: Program Disclosure

Exhibit 4: TILA-RESPA: Small Entity Compliance Guide (August 11, 2017)

Exhibit 5: Model Loan Estimate

Exhibit 6: Model Closing Disclosure

Exhibit 7: FHA Handbook Sections

Exhibit 8: Cash Assistance Wire Transfer Request

Exhibit 9: Participating Lender Exception Request and Acknowledgement

Exhibit 10: New Hampshire Housing Letter on Legally Liable/Obligated

**EXHIBIT 1: DOCUMENT PREPARATION AGREEMENT**  
**NEW HAMPSHIRE HOUSING FINANCE AUTHORITY**  
**CASH ASSISTANCE MORTGAGE PROGRAM**

This “Agreement” is between New Hampshire Housing Finance Authority (New Hampshire Housing), 32 Constitution Drive, Bedford, NH 03110, and the “Document Preparer” named below (collectively “the Parties”).

**Document Preparer**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

**RECITALS**

1. New Hampshire Housing offers Home *Flex* Plus and Home *Preferred* Plus to eligible homebuyers who want “Cash Assistance” for down payment or closing costs. These programs included two separate mortgages.
  - a. **First Mortgage:** Which can either be a Home *Flex* Plus or Home *Preferred* Plus Mortgage, which will be a loan that meets New Hampshire Housing’s “Program Guidelines.” The Participating Lender closes the First Mortgage in its name and then sells that mortgage to New Hampshire Housing. This mortgage and the Participating Lender’s actions related to this mortgage are governed by the MLPA.
  - b. **Cash Assistance Mortgage:** The “Cash Assistance Mortgage” is the second mortgage, which is a loan being made by New Hampshire Housing to the borrowers for the Cash Assistance. The Cash Assistance Mortgage is not being made by the First Mortgage lender. The First Mortgage lender will act as New Hampshire Housing’s Document Preparer for the Cash Assistance Mortgage. The role of Document Preparer is governed by this Agreement.
2. To efficiently administer the Cash Assistance Mortgage program, New Hampshire Housing needs certain disclosures and legal documents (the Cash Assistance Mortgage Documents) to be prepared; signed; and, in some cases; recorded at the registry of deeds. The Document Preparer has agreed to fulfill these functions.
3. The Document Preparer is serving two legally distinct and separate roles with the First Mortgage:
  - a. As the lender for either the Home *Flex* Plus or Home *Preferred* Plus First Mortgage; and
  - b. As the Document Preparer for the Cash Assistance Mortgage.

This Agreement relates only to the Document Preparer role. A separate contract, the Mortgage Loan Purchase Agreement (MLPA), governs the role of the Participating Lender for the First Mortgage.

4. This Agreement serves the following basic purposes:

- a. To clearly enumerate that the Parties agree that, in connection with the Cash Assistance Mortgage, New Hampshire Housing is the lender, and the Document Preparer is simply providing New Hampshire Housing with fee-for-service administrative help; and
- b. To ensure that New Hampshire Housing, a public instrumentality of the State of New Hampshire, preserves all of the legal exemptions and other benefits that New Hampshire Housing is entitled to as a public instrumentality and specifically as a housing finance agency.

## AGREEMENT

For consideration, the Parties agree as follows.

1. **Lender:** For all purposes with the Cash Assistance Mortgage, New Hampshire Housing is and shall be considered the lender. Therefore, New Hampshire Housing will provide the Document Preparer with required Cash Assistance Mortgage Documents and with instructions for creating, executing, and, when appropriate, recording the Cash Assistance Mortgage Documents.
2. **Document Preparer:** For all purposes with the Cash Assistance Mortgage, the Document Preparer: i) is and shall be considered a fee-for-service document preparer; and ii) **is not and shall not be considered the lender.** The Document Preparer shall not make any credit decisions for the Cash Assistance Mortgage. If a borrower applies for and qualifies for either the Home *Flex* Plus or Home *Preferred* Plus Mortgage, the borrower automatically qualifies for the Cash Assistance Mortgage. In fulfilling this Agreement, the Document Preparer is not acting as New Hampshire Housing's agent; rather, the Document Preparer is acting as a fee-for-service contractor.
3. **Cash Assistance Mortgage Documents:** There will be two types of Cash Assistance Mortgage Documents.
  - a. **Documents required by the regulators such as the Consumer Finance Protection Bureau.** The Document Preparer shall use the model documents provided by New Hampshire Housing without altering them other than providing the specific information required to complete the documents, including borrowers and loan information. These documents include the "Loan Estimate" and the "Closing Disclosure."
  - b. **Documents required by New Hampshire Housing.** New Hampshire Housing shall provide the Document Preparer with the forms for those documents and instructions for processing those documents. The Document Preparer shall use the New Hampshire Housing provided forms without altering them other than providing the information required to complete the documents, including borrower information and loan information.
4. **Payment for Service:** New Hampshire Housing shall pay the Document Preparer \$100 for each Cash Assistance Mortgage. The fee shall be paid when New Hampshire Housing purchases the Home *Flex* Plus or Home *Preferred* Plus Mortgage.
5. **Program Guidelines:** The Document Preparer shall follow any written Program Guidelines from New Hampshire Housing that apply to the Cash Assistance Mortgage.

6. **Indemnification:** Provided the Document Preparer follows New Hampshire Housing’s instructions, New Hampshire Housing shall defend, indemnify, and hold harmless the Document Preparer against loss or threatened loss or expense by reason of the liability or potential liability of the Document Preparer asserted by third parties as a result of the services provided by the Document Preparer herein. This indemnification shall not apply to claims, complaints or demands caused by the gross negligence or willful misconduct of the Document Preparer. To exercise the rights described in this paragraph, Document Preparer shall notify New Hampshire Housing in writing of any and all claims, complaints or demands within 30 days of when the Document Preparer has received notice of such. In defending any claim or demand under this paragraph, Document Preparer agrees to use counsel reasonably acceptable to New Hampshire Housing. The settlement of any claim or demand must be approved in advance by New Hampshire Housing.
7. **Severability:** If any provision of this Agreement is, held to be unenforceable by any court or agency, all remaining provisions of this Agreement shall remain effective and shall be read to fulfill the Parties’ intentions of the Agreement.
8. **Choice of Law:** This agreement shall be interpreted under the laws of the State of New Hampshire.
9. **Entire Agreement.** This Agreement contains the entire agreement between the Parties concerning the Cash Assistance Mortgages.
10. **Termination:** This Agreement may be terminated by either party. The party wishing to terminate shall send the other party written notice of intent to terminate. Given that loans might already be in process, New Hampshire Housing shall then set the actual termination date and the process that the Parties will follow to ensure an orderly termination without any adverse impact on existing loans or loan reservations.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed as of the date written below.

**DOCUMENT PREPARER**

**NEW HAMPSHIRE HOUSING  
FINANCE AUTHORITY**

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**Name of Preparer**

---

**Signature**

---

**Ignatius MacLellan**  
Managing Director, Homeownership

**Name of Authorized Signer**

**Title**

---

**Date of Execution**

---

**Date of Execution**

**EXHIBIT 2: CASH ASSISTANCE MORTGAGE  
NEW HAMPSHIRE HOUSING FINANCE AUTHORITY  
CASH ASSISTANCE MORTGAGE PROGRAM**

**Parties**

This document (the Cash Assistance Mortgage) is between the following “Parties”:

- The “**Borrower**” \_\_\_\_\_ (jointly, severally and individually, the “Borrower” or “Mortgagor”) with an address of \_\_\_\_\_, NH \_\_\_\_\_; and
- New Hampshire Housing Finance Authority (*New Hampshire Housing*), 32 Constitution Drive, Bedford, NH 03110 (the “Lender” or “Mortgagee”).

**Premises**

This document relates to the “Premises” located at \_\_\_\_\_ (address), (city/town), \_\_\_\_\_ (county), NH \_\_\_\_\_ (zip code) and described in attached Exhibit A. The Premises are subject to a “First Mortgage” of near or even date.

**Section One: Mortgage/Lien**

The Borrower, for consideration paid, grants to New Hampshire Housing with mortgage covenants, to secure the re-payment of the Cash Assistance, the Premises upon the terms and conditions herein.

This Mortgage and Promise to Pay is subordinate to the First Mortgage.

This Mortgage and Promise to Pay is upon the **STATUTORY CONDITIONS** for any breach of which the Mortgagee shall have the **STATUTORY POWER OF SALE**.

Mortgagee is **not obligated** to:

- a. Subordinate this Cash Assistance Mortgage to any future mortgages or liens even if the Borrower seeks to refinance with New Hampshire Housing;
- b. Approve an assumption of this Cash Assistance Mortgage; or
- c. Release the Borrower’s repayment obligation as part of any loss mitigation or bankruptcy.

Release of Homestead: The Borrower, and any other party signing below, releases all rights of homestead and other interests in the Premises.

**Section Two: Promise to Repay the Cash Assistance**

For value received, the Borrower promises to pay to New Hampshire Housing, its successors and assigns, (the Repayment Obligation) the amount of \$ \_\_\_\_\_ (the Cash Assistance) received by the Borrower from New Hampshire Housing. The Cash Assistance was used by the Borrower in the purchase of the Premises.

The following provisions apply to the Borrower’s Repayment Obligation for the Cash Assistance.

- a. **Interest rate:** 0%. No interest shall accrue or be payable on the Repayment Obligation.
- b. **Periodic Payments:** None. No periodic payments are required.
- c. **Payments:** The Borrower is obligated to pay the Repayment Obligation upon the happening of any one or more of the “Payment Events” (defined below):
  - i. The Borrower fully prepays or refinances the First Mortgage;
  - ii. The Borrower sells, transfers, conveys or otherwise disposes of the Premises; or

- iii. The Borrower files for bankruptcy or makes a general assignment for the benefit of Borrower's creditors.

**Section Three: Forgiveness and Mortgage Discharge**

Provided no Payment Event has occurred, Borrower's Repayment Obligation for the Cash Assistance shall terminate fully, finally and automatically on the fourth anniversary of the signing date of this Cash Assistance Mortgage. Specifically, this Cash Assistance Mortgage shall be automatically released and discharged on \_\_\_\_\_ without the need for a separately recorded discharge.

**Section Four: Miscellaneous Provisions**

**Termination:** In addition to the automatic termination stated in Section Three, this document will also automatically terminate, releasing the Borrower and the Premises if: a) the first mortgage is foreclosed or if the Premises is transferred pursuant to a deed-in-lieu of foreclosure; or b) the First Mortgage is assigned to the Federal Housing Administration (FHA), Rural Development (RD), Veterans Affairs (VA) or Fannie Mae.

**Costs and Attorney's Fees:** The Borrower shall pay New Hampshire Housing for all of its costs, including attorney's fees, incurred by New Hampshire Housing in enforcing the Borrower's obligations under this document.

**Release:** The Borrower hereby releases and agrees to hold harmless the lender on the First Mortgage, New Hampshire Housing and any assigns of the First Mortgage or this document, from any and all claims, lawsuits, enforcements, setoffs, defenses and other such actions (collectively "Claims") for any and all Claims related to the higher interest rate. If any court or tribunal rules against New Hampshire Housing or the lender in any Claim related to the Cash Assistance, the Borrower's sole remedy shall be forgiveness of the Cash Assistance Mortgage.

**IN WITNESS WHEREOF, the Borrower has executed this Mortgage on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.**

\_\_\_\_\_  
Borrower/Mortgagor

\_\_\_\_\_  
Borrower/Mortgagor

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

STATE OF NEW HAMPSHIRE  
COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, personally appeared the above signed, known to me or satisfactorily proven to be the person whose names are subscribed to the foregoing instrument and acknowledged that they executed the same for the purposes therein contained.

Before me,

\_\_\_\_\_  
Justice of the Peace / Notary Public  
My commission expires \_\_\_\_\_

**EXHIBIT 3: PROGRAM DISCLOSURE**  
**NEW HAMPSHIRE HOUSING FINANCE AUTHORITY**  
**CASH ASSISTANCE MORTGAGE PROGRAM**

**Parties**

This "Program Disclosure" relates to the following "Parties:"

"**Borrower**": \_\_\_\_\_ with an address of \_\_\_\_\_, NH

"**Participating Lender**": \_\_\_\_\_ with an address of \_\_\_\_\_, NH, and New Hampshire Housing Finance Authority (*New Hampshire Housing*), 32 Constitution Drive, Bedford, NH 03110.

**Property; Mortgage and Cash Assistance**

The Borrower intends to:

- Purchase the "Property" located at \_\_\_\_\_ (address), \_\_\_\_\_ (city/town), NH
- Borrow money from the Participating Lender to purchase the Property, using a New Hampshire Housing's:  
 **Home Flex Plus Mortgage;** or  **Home Preferred Plus Mortgage.**
- Accept "Cash Assistance" from New Hampshire Housing to assist in the Property purchase; and
- Provide New Hampshire Housing with a "Cash Assistance Mortgage" to secure the repayment of the Cash Assistance.

**Disclosures**

The Borrower understands and accepts:

- The interest rate on either the Home *Flex Plus* or Home *Preferred Plus* Mortgage will be higher than an interest rate the Borrower might have been able to obtain on a mortgage without Cash Assistance; This higher rate means the Borrower will pay more per month and could pay more overall when compared to a mortgage without Cash Assistance.
- The Borrower will: a) promise to repay the Cash Assistance; and b) provide New Hampshire Housing with the Cash Assistance Mortgage.
- New Hampshire Housing will forgive the Borrower's obligation to repay the Cash Assistance four years after date of the Cash Assistance Mortgage unless during that four-year period, the Borrower: a) fully prepays or refinances either the Home *Flex Plus* or Home *Preferred Plus* Mortgage; b) sells, transfers or otherwise disposes of the Property; or c) files for bankruptcy, in which cases the Cash Assistance will have to be repaid to New Hampshire Housing.
- The Cash Assistance Mortgage may require the Borrower to fully repay the Cash Assistance, which might then be considered a "balloon payment," requiring the Borrower to pay back all of the Cash Assistance.
- The Borrower's obligations under the either Home *Flex Plus* or Home *Preferred Plus* Mortgage are not altered by the Cash Assistance Mortgage.
- New Hampshire Housing is not obligated to: a) Subordinate this Cash Assistance Mortgage to any future mortgages or liens even if the Borrower seeks to refinance with New Hampshire Housing; b) Approve an assumption of this Cash Assistance Mortgage; or c) Release the Borrower's repayment obligation as part of any loss mitigation or bankruptcy.
- New Hampshire Housing is the sole lender on the Cash Assistance Mortgage. For the Cash Assistance Mortgage, the Participating Lender on the either the Home *Flex Plus* or Home *Preferred Plus* Mortgage is simply preparing documents for New Hampshire Housing but is not the lender on the Cash Assistance Mortgage.

**Release and Liability Limit**

The Borrower hereby releases and agrees to hold harmless the Participating Lender, New Hampshire Housing and any of their assigns from any and all claims, complaints, lawsuits, enforcements, setoffs, defenses and other such actions (collectively "Claims") related to the higher interest rate. If any court, tribunal or regulatory agency finds against New Hampshire Housing or the Participating Lender on any Claims related to the Cash Assistance Mortgage, the Borrower's sole remedy shall be forgiveness of the Cash Assistance Mortgage. Additionally, the Borrower releases the Participating Lender from any Claims related to the Cash Assistance Mortgage, which is a loan solely from New Hampshire Housing to the Borrower. The Borrower has executed this disclosure on \_\_\_\_\_ (date).

\_\_\_\_\_  
Borrower/Mortgagor  
\_\_\_\_\_  
Name

\_\_\_\_\_  
Borrower/Mortgagor  
\_\_\_\_\_  
Name

**EXHIBIT 4: TILA-RESPA: SMALL ENTITY COMPLIANCE GUIDE  
(AUGUST 11, 2017)  
NEW HAMPSHIRE HOUSING FINANCE AUTHORITY  
CASH ASSISTANCE MORTGAGE PROGRAM**



**This guide reflects the 2017 TILA-RESPA Rule and the 2018 TILA-RESPA Rule.**

The 2017 TILA-RESPA rule includes an optional compliance period. During this period, early compliance with the 2017 rule is allowed, but not required.

May 2018

# TILA-RESPA Integrated Disclosure rule

Small entity compliance guide





## EXHIBIT 4 (Continued)

When disclosing the name of the consumer on the **Loan Estimate** for a trust, the creditor may opt to disclose the name and mailing address of the trust only, although nothing prohibits the creditor from additionally disclosing the names of the trustee or of other consumers applying for the credit. Further, on both the **Loan Estimate** and the **Closing Disclosure**, a creditor may include a signature line and insert the trustee's name below, along with a designation that the trustee is serving in its capacity as a trustee. (Comment 37(a)(5)-1) See the **TILA-RESPA Guide to Forms** for more information about disclosing the consumer's name and use of signature lines.

### 4.5 What is the partial exemption for certain housing assistance loans for low- and moderate-income consumers? (§ 1026.3(h))

Transactions that satisfy six criteria that are associated with *certain* housing assistance loans for low- and moderate-income consumers are eligible for an exemption from Regulation Z requirements pertaining to the **Loan Estimate, Closing Disclosure, and Special Information Booklet**.

☐ Regarding situations where changed circumstances effect the applicability of the partial exemption, review § 1026.17(e), which addresses the effect of subsequent events that cause a disclosure to become inaccurate.

These transactions are also eligible for an exemption from certain Regulation X disclosure requirements, as applicable. (§ 1026.3(h) and Comment 3(h)-3)

To qualify for the partial exemption, the transaction must meet **all** of the following criteria:

- The transaction is **secured by a subordinate-lien**.
- The transaction is for the **purpose of** down payment, closing costs, or other similar home buyer assistance, such as principal or interest subsidies; property rehabilitation assistance; energy efficiency assistance; or foreclosure avoidance or prevention.
- The credit contract provides that it does **not** require the **payment of interest**.
- The credit contract provides that **repayment** of the amount of credit extended is forgiven either incrementally or in whole, at a certain date **and** subject only to specified ownership and occupancy conditions, such as a requirement that the property be the consumer's principal dwelling for five years; deferred for a minimum of 20 years after

## EXHIBIT 4 (Continued)

**consummation** of the transaction; deferred until sale of the property; **or** deferred until the property securing the transaction is no longer the consumer's principal dwelling.

- The **total of costs** payable by the consumer in connection with the transaction include only recording fees, transfer taxes; a bona fide and reasonable application fee; and a bona fide and reasonable fee for housing counseling services. The application fee and housing counseling services fee must be less than one percent of the loan amount.
  - Recording fees and transfer taxes are as defined terms for purposes of Regulation Z. (Comments 3(h)-4 and -5)
- The creditor provides either the Truth-in-Lending disclosures or the **Loan Estimate** and **Closing Disclosure**. Regardless of which disclosures the creditor chooses to provide, the creditor must comply with all Regulation Z requirements pertaining to those disclosures.

The requirements that the loan is not conditioned on the payment of interest and that repayment of the loan amount is forgiven or deferred must be reflected in the loan contract. The other requirements for the partial exemption do not need to be reflected in the loan contract. However, Regulation Z requires that the creditor retain evidence of compliance with those provisions. Further, unless the itemization of the amount financed provided to the consumer sufficiently details that the costs payable by the consumer are limited to the allowable costs (and limited amounts of those costs, if applicable), the creditor is required to keep some other written document that establishes its compliance. (Comment 3(h)-2).

**EXHIBIT 5: MODEL LOAN ESTIMATE**  
**NEW HAMPSHIRE HOUSING FINANCE AUTHORITY**  
**CASH ASSISTANCE MORTGAGE PROGRAM**

New Hampshire Housing Finance Authority

32 Constitution Drive - Bedford, NH 03110

Save this Loan Estimate to compare with your Closing Disclosure.

**Loan Estimate**

DATE ISSUED 6/14/2018  
 APPLICANTS Connie Cash

PROPERTY 36 White Tea Road  
 Derry, NH 03038

SALE PRICE \$150,000

LOAN TERM 4 years  
 PURPOSE Purchase  
 PRODUCT Fixed Rate  
 LOAN TYPE  Conventional  FHA  VA  Other - Cash  
 LOAN ID # 20189 (provided by NHHFA)  
 RATE LOCK  NO  YES, until  
*Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on 6/28/2018 at 5:00 PM EDT*

Loan Terms		Can this amount increase after closing?
Loan Amount	\$4,500	NO
Interest Rate	0%	NO
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$0	NO
Does the loan have these features?		
Prepayment Penalty		NO
Balloon Payment		NO

Projected Payments		
Payment Calculation		Year 1
Mortgage Insurance	+	0
Estimated Escrow <i>Amount can increase over time</i>	+	0
<b>Estimated Total Monthly Payment</b>		<b>\$0.00</b>
<b>Estimated Taxes, Insurance &amp; Assessments</b> <i>Amount can increase over time</i>	\$0 Monthly	<b>This estimate includes</b> <input type="checkbox"/> Property Taxes <input type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <i>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</i>
		<b>In escrow?</b>

Costs at Closing		
Estimated Closing Costs	\$0	Includes \$0 in Loan Costs + \$0 in Other Costs - \$0 in Lender Credits. See page 2 for details.
Estimated Cash to Close	-\$4,500	Includes Closing Costs. See Calculating Cash to Close on page 2 for details.

Visit [www.consumerfinance.gov/mortgage-estimate](http://www.consumerfinance.gov/mortgage-estimate) for general information and tools.

LOAN ESTIMATE - GTRIDLEJ\_S 0118  
 06/14/2018 08:29 AM PST

Page 1 of 3 - LOAN ID # 20189  
 GTRIDLEJ (POD)

EXHIBIT 5 (Continued)

Closing Cost Details

Loan Costs		Other Costs	
<b>A. Origination Charges</b>	\$0	<b>E. Taxes and Other Government Fees</b>	\$0
% of Loan Amount (Points)		Recording Fees and Other Taxes	
		Transfer Taxes	
		<b>F. Prepays</b>	\$0
		Homeowner's Insurance Premium ( months)	
		Mortgage Insurance Premium ( months)	
		Prepaid Interest ( per day for days @ )	
		Property Taxes ( months)	
		<b>G. Initial Escrow Payment at Closing</b>	\$0
		Homeowner's Insurance	per month for mo.
<b>B. Services You Cannot Shop For</b>	\$0	Mortgage Insurance	per month for mo.
		Property Taxes	per month for mo.
		<b>H. Other</b>	\$0
		<b>I. TOTAL OTHER COSTS (E + F + G + H)</b>	\$0
<b>C. Services You Can Shop For</b>	\$0	<b>J. TOTAL CLOSING COSTS</b>	\$0
		D + I	\$0
		Lender Credits	
<b>D. TOTAL LOAN COSTS (A + B + C)</b>	\$0	<b>Calculating Cash to Close</b>	
		Total Closing Costs (J)	\$0
		Closing Costs Financed (Paid from your Loan Amount)	\$0
		Down Payment/Funds from Borrower	\$145,500
		Deposit	\$0
		Funds for Borrower	\$0
		Seller Credits	\$0
		Adjustments and Other Credits	-\$150,000
		<b>Estimated Cash to Close</b>	-\$4,500

EXHIBIT 5 (Continued)

**Additional Information About This Loan**

LENDER New Hampshire Housing Finance Authority  
 NMLS/ \_\_\_ LICENSE ID 15390-Exempt  
 LOAN OFFICER  
 NMLS/ \_\_\_ LICENSE ID  
 EMAIL  
 PHONE

MORTGAGE BROKER  
 NMLS/ \_\_\_ LICENSE ID  
 LOAN OFFICER  
 NMLS/ \_\_\_ LICENSE ID  
 EMAIL  
 PHONE

Comparisons	Use these measures to compare this loan with other loans.	
In 5 Years	\$0	Total you will have paid in principal, interest, mortgage insurance, and loan costs.
	\$0	Principal you will have paid off.
Annual Percentage Rate (APR)	0%	Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	0%	The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

**Other Considerations**

**Assumption** If you sell or transfer this property to another person, we  
 will allow, under certain conditions, this person to assume this loan on the original terms.  
 will not allow assumption of this loan on the original terms.

**Late Payment** If your payment is more than \_\_\_ days late, we will charge a late fee of

**Refinance** Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.

**Servicing** We intend  
 to service your loan. If so, you will make your payments to us.  
 to transfer servicing of your loan.

**Confirm Receipt**

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

\_\_\_\_\_  
 Applicant Signature Date

EXHIBIT 5 (Continued)

**Addendum to the Loan Estimate**

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LOAN ID # 20189

LOAN TYPE      Other - Cash Assistance Mortgage

SAMPLE

LOAN ESTIMATE - GTRIDLEJ\_5 0118  
06/14/2018 08:29 AM PST

LOAN ID # 20189  
GTRIDLEJ (POD)

**EXHIBIT 6: MODEL CLOSING DISCLOSURE**  
**NEW HAMPSHIRE HOUSING FINANCE AUTHORITY**  
**CASH ASSISTANCE MORTGAGE PROGRAM**

**Closing Disclosure**

*This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.*

Closing Information		Transaction Information		Loan Information	
Date Issued	6/14/2018	Borrower	Connie Cash	Loan Term	4 years
Closing Date	6/15/2018			Purpose	Purchase
Disbursement Date	6/15/2018			Product	Fixed Rate
Settlement Agent		Seller		Loan Type	<input type="checkbox"/> Conventional <input type="checkbox"/> FHA
File #					<input type="checkbox"/> VA <input checked="" type="checkbox"/> Other - Cash
Property	36 White Tea Road Derry, NH 03038	Lender	New Hampshire Housing Finance Authority	Loan ID #	20189 (provided by NHHFA)
Sale Price	\$150,000			MIC #	

Loan Terms	Can this amount increase after closing?	
<b>Loan Amount</b>	\$4,500	NO
<b>Interest Rate</b>	0%	NO
<b>Monthly Principal &amp; Interest</b> <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$0	NO
<b>Does the loan have these features?</b>		
<b>Prepayment Penalty</b>		NO
<b>Balloon Payment</b>		NO

Projected Payments		Year 1	
<b>Payment Calculation</b>			
Principal & Interest			\$0.00
Mortgage Insurance	+		0
Estimated Escrow <i>Amount can increase over time</i>	+		0
<b>Estimated Total Monthly Payment</b>			\$0.00
<b>Estimated Taxes, Insurance &amp; Assessments</b> <i>Amount can increase over time See page 4 for details</i>	\$0.00 Monthly	<b>This estimate includes</b> <input type="checkbox"/> Property Taxes <input type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <i>See Escrow Account on page 4 for details. You must pay for other property costs separately.</i>	<b>In escrow?</b>

Costs at Closing		
<b>Closing Costs</b>	\$0.00	Includes \$0 in Loan Costs + \$0.00 in Other Costs - \$0 in Lender Credits. <i>See page 2 for details.</i>
<b>Cash to Close</b>	-\$4,500.00	Includes Closing Costs. <i>See Calculating Cash to Close on page 3 for details.</i>

**EXHIBIT 6 (Continued)**

**Closing Cost Details**

Loan Costs	Borrower-Paid		Seller-Paid		Paid by Others
	At Closing	Before Closing	At Closing	Before Closing	
<b>A. Origination Charges</b>					
01 % of Loan Amount (Points)					
02					
03					
04					
05					
06					
07					
08					
<b>B. Services Borrower Did Not Shop For</b>					
01					
02					
03					
04					
05					
06					
07					
08					
09					
10					
<b>C. Services Borrower Did Shop For</b>					
01					
02					
03					
04					
05					
06					
07					
08					
<b>D. TOTAL LOAN COSTS (Borrower-Paid)</b>					
Loan Costs Subtotals (A + B + C)					
<b>Other Costs</b>					
<b>E. Taxes and Other Government Fees</b>					
01 Recording Fees	Deed:	Mortgage:			
02					
<b>F. Prepays</b>					
01 Homeowner's Insurance Premium ( mo.)					
02 Mortgage Insurance Premium ( mo.)					
03 Prepaid Interest ( per day from to )			\$0		
04 Property Taxes ( mo.)					
05					
<b>G. Initial Escrow Payment at Closing</b>					
01 Homeowner's Insurance	per month for	mo.			
02 Mortgage Insurance	per month for	mo.			
03 Property Taxes	per month for	mo.			
04					
05					
06					
07					
08 Aggregate Adjustment			\$0.00		
<b>H. Other</b>					
01					
02					
03					
04					
05					
06					
07					
08					
<b>I. TOTAL OTHER COSTS (Borrower-Paid)</b>					
Other Costs Subtotals (E + F + G + H)					
<b>J. TOTAL CLOSING COSTS (Borrower-Paid)</b>					
Closing Costs Subtotals (D + I)					
Lender Credits					



## EXHIBIT 6 (Continued)

Calculating Cash to Close	Use this table to see what has changed from your Loan Estimate.		
	Loan Estimate	Final	Did this change?
Total Closing Costs (J)	\$0	\$0	NO
Closing Costs Paid Before Closing	\$0	\$0	NO
Closing Costs Financed (Paid from your Loan Amount)	\$0	\$0	NO
Down Payment/Funds from Borrower	\$145,500.00	\$145,500.00	NO
Deposit	\$0	\$0	NO
Funds for Borrower	\$0	\$0	NO
Seller Credits	\$0	\$0	NO
Adjustments and Other Credits	-\$150,000.00	-\$150,000.00	NO
<b>Cash to Close</b>	<b>-\$4,500.00</b>	<b>-\$4,500.00</b>	

Summaries of Transactions		Use this table to see a summary of your transaction.	
<b>BORROWER'S TRANSACTION</b>		<b>SELLER'S TRANSACTION</b>	
<b>K. Due from Borrower at Closing</b>	<b>\$150,000.00</b>	<b>M. Due to Seller at Closing</b>	<b>\$150,000.00</b>
01 Sale Price of Property	\$150,000.00	01 Sale Price of Property	\$150,000.00
02 Sale Price of Any Personal Property Included in Sale		02 Sale Price of Any Personal Property Included in Sale	
03 Closing Costs Paid at Closing (J)		03	
04		04	
<b>Adjustments</b>		05	
05		06	
06		07	
07		08	
<b>Adjustments for Items Paid by Seller in Advance</b>		<b>Adjustments for Items Paid by Seller in Advance</b>	
08 City/Town Taxes to		09 City/Town Taxes to	
09 County Taxes to		10 County Taxes to	
10 Assessments to		11 Assessments to	
11		12	
12		13	
13		14	
14		15	
15		16	
<b>L. Paid Already by or on Behalf of Borrower at Closing</b>	<b>\$154,500.00</b>	<b>N. Due from Seller at Closing</b>	
01 Deposit		01 Excess Deposit	
02 Loan Amount	\$4,500.00	02 Closing Costs Paid at Closing (J)	
03 Existing Loan(s) Assumed or Taken Subject to		03 Existing Loan(s) Assumed or Taken Subject to	
04		04 Payoff of First Mortgage Loan	
05 Seller Credit		05 Payoff of Second Mortgage Loan	
<b>Other Credits</b>		06	
06 First Mortgage	\$150,000.00	07	
07		08 Seller Credit	
<b>Adjustments</b>		09	
08		10	
09		11	
10		12	
11		13	
<b>Adjustments for Items Unpaid by Seller</b>		<b>Adjustments for Items Unpaid by Seller</b>	
12 City/Town Taxes to		14 City/Town Taxes to	
13 County Taxes to		15 County Taxes to	
14 Assessments to		16 Assessments to	
15		17	
16		18	
17		19	
<b>CALCULATION</b>		<b>CALCULATION</b>	
Total Due from Borrower at Closing (K)	\$150,000.00	Total Due to Seller at Closing (M)	\$150,000.00
Total Paid Already by or on Behalf of Borrower at Closing (L)	-\$154,500.00	Total Due from Seller at Closing (N)	\$0.00
<b>Cash to Close</b> <input type="checkbox"/> From <input checked="" type="checkbox"/> To Borrower	<b>\$4,500.00</b>	<b>Cash</b> <input type="checkbox"/> From <input checked="" type="checkbox"/> To Seller	<b>\$150,000.00</b>

## EXHIBIT 6 (Continued)

### Additional Information About This Loan

#### Loan Disclosures

##### Assumption

If you sell or transfer this property to another person, your lender

- will allow, under certain conditions, this person to assume this loan on the original terms.
- will not allow assumption of this loan on the original terms.

##### Demand Feature

Your loan

- has a demand feature, which permits your lender to require early repayment of the loan. You should review your note for details.
- does not have a demand feature.

##### Late Payment

If your payment is more than \_\_\_\_\_ days late, your lender will charge a late fee of \_\_\_\_\_

##### Negative Amortization (Increase in Loan Amount)

Under your loan terms, you

- are scheduled to make monthly payments that do not pay all of the interest due that month. As a result, your loan amount will increase (negatively amortize), and your loan amount will likely become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
- may have monthly payments that do not pay all of the interest due that month. If you do, your loan amount will increase (negatively amortize), and, as a result, your loan amount may become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
- do not have a negative amortization feature.

##### Partial Payments

Your lender

- may accept payments that are less than the full amount due (partial payments) and apply them to your loan.
- may hold them in a separate account until you pay the rest of the payment, and then apply the full payment to your loan.
- does not accept any partial payments.

If this loan is sold, your new lender may have a different policy.

##### Security Interest

You are granting a security interest in  
36 White Tea Road, Derry, NH 03038

You may lose this property if you do not make your payments or satisfy other obligations for this loan.

##### Escrow Account

For now, your loan

- will have an escrow account (also called an "impound" or "trust" account) to pay the property costs listed below. Without an escrow account, you would pay them directly, possibly in one or two large payments a year. Your lender may be liable for penalties and interest for failing to make a payment.

Escrow		
Escrowed Property Costs over Year 1		Estimated total amount over year 1 for your escrowed property costs:
Non-Escrowed Property Costs over Year 1		Estimated total amount over year 1 for your non-escrowed property costs:  You may have other property costs.
Initial Escrow Payment		A cushion for the escrow account you pay at closing. See Section G on page 2.
Monthly Escrow Payment		The amount included in your total monthly payment.
<input checked="" type="checkbox"/> will not have an escrow account because <input type="checkbox"/> you declined it <input type="checkbox"/> your lender does not offer one. You must directly pay your property costs, such as taxes and homeowner's insurance. Contact your lender to ask if your loan can have an escrow account.		
No Escrow		
Estimated Property Costs over Year 1		Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.
Escrow Waiver Fee		

##### In the future,

Your property costs may change and, as a result, your escrow payment may change. You may be able to cancel your escrow account, but if you do, you must pay your property costs directly. If you fail to pay your property taxes, your state or local government may (1) impose fines and penalties or (2) place a tax lien on this property. If you fail to pay any of your property costs, your lender may (1) add the amounts to your loan balance, (2) add an escrow account to your loan, or (3) require you to pay for property insurance that the lender buys on your behalf, which likely would cost more and provide fewer benefits than what you could buy on your own.

## EXHIBIT 6 (Continued)

Loan Calculations	
<b>Total of Payments.</b> Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	\$4,500.00
<b>Finance Charge.</b> The dollar amount the loan will cost you.	
<b>Amount Financed.</b> The loan amount available after paying your upfront finance charge.	\$4,500.00
<b>Annual Percentage Rate (APR).</b> Your costs over the loan term expressed as a rate. This is not your interest rate.	0%
<b>Total Interest Percentage (TIP).</b> The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	0%

Other Disclosures
<p><b>Contract Details</b> See your note and security instrument for information about</p> <ul style="list-style-type: none"> <li>• what happens if you fail to make your payments,</li> <li>• what is a default on the loan,</li> <li>• situations in which your lender can require early repayment of loan, and</li> <li>• the rules for making payments before they are due.</li> </ul>
<p><b>Liability after Foreclosure</b> If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan,</p> <p><input type="checkbox"/> state law may protect you from liability for the unpaid balance. If you refinance or take on any additional debt on this property, you may lose this protection and have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information.</p> <p><input type="checkbox"/> state law does not protect you from liability for the unpaid balance.</p>
<p><b>Refinance</b> Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.</p>
<p><b>Tax Deductions</b> If you borrow more than this property is worth, the interest on the loan amount above this property's fair market value is not deductible from your federal income taxes. You should consult a tax advisor for more information.</p>

?

**Questions?** If you have questions about the loan terms or costs on this form, use the contact information below. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at [www.consumerfinance.gov/mortgage-closing](http://www.consumerfinance.gov/mortgage-closing)

Contact Information					
	Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (S)	Settlement Agent
<b>Name</b>					
<b>Address</b>					
<b>NMLS ID</b>					
<b>NH License ID</b>					
<b>Contact</b>					
<b>Contact NMLS ID</b>					
<b>Contact NH License ID</b>					
<b>Email</b>					
<b>Phone</b>					

**Confirm Receipt**

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature \_\_\_\_\_ Date \_\_\_\_\_

## EXHIBIT 6 (Continued)

### Addendum to Closing Disclosure

*This form is a continued statement of final loan terms and closing costs.*

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**Loan Type**      Other - Cash Assistance Mortgage

SAMPLE

CLOSING DISCLOSURE - GTRIDCDWS\_S 0617  
06/14/2018 08:29 AM PST

LOAN ID # 20189  
GTRIDCDWSS (POD)

# EXHIBIT 7: FHA HANDBOOK SECTIONS NEW HAMPSHIRE HOUSING FINANCE AUTHORITY CASH ASSISTANCE MORTGAGE PROGRAM



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

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**Special Attention of:**

All FHA Approved Mortgagees  
All Direct Endorsement Underwriters  
All FHA Roster Appraisers  
All FHA Roster Inspectors  
All FHA Approved 203(k) Consultants  
All HUD Approved Housing Counselors  
All HUD Approved Nonprofit Organizations  
All Governmental Entity Participants  
All Real Estate Brokers  
All Closing Agents

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**Transmittal:** Handbook 4000.1

**Issued:** December 30, 2016

**Effective Date:** Multiple; See Below

**1. This Transmits:**

The incorporation of previously published updates to Handbook 4000.1, FHA Single Family Housing Policy Handbook.

**2. Explanation of Materials Transmitted:**

This revision to the FHA Single Family Housing Policy Handbook, or Handbook 4000.1 (Handbook), is being published to update existing sections.

## EXHIBIT 7 (Continued)

### II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT

#### A. Title II Insured Housing Programs Forward Mortgages

##### 4. Underwriting the Borrower Using the TOTAL Mortgage Scorecard (TOTAL)

---

## DELETED SECTION

### ii. Source Requirements for the Borrower's Minimum Required Investment (TOTAL)

#### (A) Definition

Minimum Required Investment (MRI) refers to the Borrower's contribution in cash or its equivalent required by Section 203(b)(9) of the National Housing Act, which represents at least 3.5 percent of the Adjusted Value of the Property.

#### (B) Standard

The Mortgagee may only permit the Borrower's MRI to be provided by a source permissible under Section 203(b)(9)(C) of the National Housing Act, which means the funds for the Borrower's MRI must not come from:

- (1) the seller of the Property;

## EXHIBIT 7 (Continued)

### II. ORIENTATION THROUGH POST-CLOSING/ENDORSEMENT

#### A. Title II Insured Housing Programs Forward Mortgages

##### 4. Underwriting the Borrower Using the TOTAL Mortgage Scorecard (TOTAL)

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- (2) any other person or Entity who financially benefits from the transaction (directly or indirectly); or
- (3) anyone who is or will be reimbursed, directly or indirectly, by any party included in (1) or (2) above.

While additional funds to close may be provided by one of these sources if permitted under the relevant source of funds requirements above, none of the Borrower's MRI may come from these sources. The Mortgagee must document permissible sources for the full MRI in accordance with special requirements noted above.

Additionally, in accordance with Prohibited Sources of Minimum Cash Investment Under the National Housing Act -Interpretive Rule, HUD does not interpret Section 203(b)(9)(C) of the National Housing Act to prohibit Governmental Entities, when acting in their governmental capacity, from providing the Borrower's MRI where the Governmental Entity is originating the insured Mortgage through one of its homeownership programs.

#### (C) Required Documentation

Where the Borrower's MRI is provided by someone other than the Borrower, the Mortgagee must also obtain documentation to support the permissible nature of the source of those funds.

To establish that the Governmental Entity provided the Borrower's MRI in a manner consistent with HUD's Interpretive Rule, the Mortgagee must document that the Governmental Entity incurred prior to or at closing an enforceable legal liability or obligation to fund the Borrower's MRI. It is not sufficient to document that the Governmental Entity has agreed to reimburse the Mortgagee for the use of funds legally belonging to the Mortgagee to fund the Borrower's MRI.

The Mortgagee must obtain:

- a canceled check, evidence of wire transfer or other draw request showing that prior to or at the time of closing the Governmental Entity had authorized a draw of the funds provided towards the Borrower's MRI from the Governmental Entity's account; or
- a letter from the Governmental Entity, signed by an authorized official, establishing that the funds provided towards the Borrower's MRI were funds legally belonging to the Governmental Entity, when acting in their governmental capacity, at or before closing.

Where a letter from the Governmental Entity is submitted, the precise language of the letter may vary, but must demonstrate that the funds provided for the Borrower's MRI legally belonged to the Governmental Entity at or before closing, by stating, for example:

## EXHIBIT 7 (Continued)

### II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT

#### A. Title II Insured Housing Programs Forward Mortgages

##### 4. Underwriting the Borrower Using the TOTAL Mortgage Scorecard (TOTAL)

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- the Governmental Entity has, at or before closing, incurred a legally enforceable liability as a result of its agreement to provide the funds towards the Borrower's MRI;
- the Governmental Entity has, at or before closing, incurred a legally enforceable obligation to provide the funds towards the Borrower's MRI; or
- the Governmental Entity has, at or before closing, authorized a draw on its account to provide the funds towards the Borrower's MRI.

While the Mortgagee is not required to document the actual transfer of funds in satisfaction of the obligation or liability, the failure of the Governmental Entity to satisfy the obligation or liability may result in a determination that the funds were provided by a prohibited source.

## DELETED SECTION



**EXHIBIT 8: CASH ASSISTANCE WIRE TRANSFER REQUEST  
NEW HAMPSHIRE HOUSING FINANCE AUTHORITY  
CASH ASSISTANCE MORTGAGE PROGRAM**

Email to [CashAssistance@nhhfa.org](mailto:CashAssistance@nhhfa.org)

**Transfer requests must be emailed to New Hampshire Housing by 12pm two (2) business days before closing. Cash Assistance must comply with the requirements in the Cash Assistance Mortgage Program Policy of February 19, 2019.**

Home *Flex* Plus Mortgage; or  Home *Preferred* Plus Mortgage.

Date: \_\_\_\_\_ Reservation #: \_\_\_\_\_

Lender: \_\_\_\_\_ Contact: \_\_\_\_\_

Phone #: \_\_\_\_\_ Email: \_\_\_\_\_

Borrower: \_\_\_\_\_ Co-Borrower: \_\_\_\_\_

Cash Assist Amount: \$ \_\_\_\_\_ Base Loan Amount: \$ \_\_\_\_\_

Closing Date: \$ \_\_\_\_\_ Gross Loan Amount: \$ \_\_\_\_\_

**Provide the bank/financial institution information for the Settlement Agent below:**

*Please note that New Hampshire Housing will automatically send an ACH payment unless it is not accepted by the Settlement Agent.*

Settlement Agent: \_\_\_\_\_

Financial Institution: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

ABA #: \_\_\_\_\_

Please note that the ABA number can vary depending on the type of payment.

Account #: \_\_\_\_\_

Email address (for notification of payment): \_\_\_\_\_

New Hampshire Housing acknowledges its obligation to fund the Cash Assistance.

Payment Approved: \_\_\_\_\_ Date: \_\_\_\_\_

Print/Type Name: \_\_\_\_\_

**LOAN PURCHASE SUBJECT TO  
NEW HAMPSHIRE HOUSING MORTGAGE LOAN PURCHASE AGREEMENT WITH LENDER**

**EXHIBIT 9: PARTICIPATING LENDER EXCEPTION REQUEST AND  
ACKNOWLEDGEMENT  
NEW HAMPSHIRE HOUSING FINANCE AUTHORITY  
CASH ASSISTANCE MORTGAGE PROGRAM**

To: New Hampshire Housing

Re: \_\_\_\_\_ Borrower(s)  
\_\_\_\_\_ Property Address  
\_\_\_\_\_ Closing Date  
\$ \_\_\_\_\_ Loan Amount  
\$ \_\_\_\_\_ Cash Assistance The

undersigned lender acknowledges:

1. It failed to follow the preferred procedures stated in the New Hampshire Housing program guidelines, see the New Hampshire Housing Cash Assistance Mortgage Program Policy, dated February 19, 2019;
2. Specifically, the lender failed to provide New Hampshire Housing with notice before the closing and lender failed to request that the funding for the Cash Assistance be available at the closing;
3. The lender is requesting New Hampshire Housing to process this loan under the alternative Cash Assistance process;
4. New Hampshire Housing has agreed to allow the alternative process subject to this acknowledgment;
5. The lender understands it shall follow New Hampshire Housing's preferred processing of FHA loans with Cash Assistance and Fannie Mae loans with Cash Assistance, which requires a wire request before closing; and
6. Should FHA or Fannie Mae determine the alternative process for funding of the Cash Assistance for this loan did not comply with either FHA requirements, including FHA Handbook 4000.1 pages 225-227 (12/30/2016), or Fannie Mae requirements, then: a) New Hampshire Housing is not obligated to buy the loan; and b) if New Hampshire Housing has already purchased the loan, the lender shall immediately repurchase the loan under Article VI of the MLPA; additionally, the lender fully releases New Hampshire Housing from any liability whatsoever for this loan, and the lender shall defend and indemnify (including attorney fees and costs) should any other party take action against New Hampshire Housing due to the lender's failure to use the preferred process.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Name of Lender

\_\_\_\_\_  
Date

**EXHIBIT 10: NEW HAMPSHIRE HOUSING LETTER ON LEGALLY  
LIABLE/OBLIGATED  
NEW HAMPSHIRE HOUSING FINANCE AUTHORITY CASH  
ASSISTANCE MORTGAGE PROGRAM**

(New Hampshire Housing Letterhead)

Date: \_\_\_\_\_

To: \_\_\_\_\_ Lender

Re: \_\_\_\_\_ Borrower(s)  
\_\_\_\_\_ Property Address  
\_\_\_\_\_ Closing Date  
\$ \_\_\_\_\_ Loan Amount  
\$ \_\_\_\_\_ Cash Assistance

This letter relates to the above-referenced loan and confirms New Hampshire Housing’s legal liability/obligation to fund the cash-assistance/downpayment assistance at or before closing using New Hampshire Housing funds. The intent of this transaction is to comply with both FHA Handbook 4000.1, pages 225-227 (12/30/2016) and the Fannie Mae Selling Guide.

New Hampshire Housing confirms:

1. Any funds provided by New Hampshire Housing that were applied towards the Borrower’s required “Minimum Cash Investment” were funds legally belonging to New Hampshire Housing at or before closing;
2. At or before closing of this loan, New Hampshire Housing incurred a legally enforceable liability or obligation as a result of its agreement to provide the funds towards the Borrower’s required Minimum Cash Investment;
3. The legally enforceable liability/obligation is memorialized in the “Mortgage Loan Purchase Agreement” between New Hampshire Housing and the lender and in other Program Guidelines published by New Hampshire Housing and binding on the lender; and
4. The person signing this letter is authorized to sign for New Hampshire Housing.

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Michael Chadbourne  
Director, Homeownership Lending