



## Home Flex FHA Limited 203k

PO

<b>Description:</b>	NHHFA/FHA's Limited 203(k) program permits homebuyers to finance up to an additional \$35,000 into their mortgage to improve or upgrade the purchase of their primary owner occupied residence.
<b>Term &amp; Rate:</b>	30 years Established daily can be Flex or Flex Plus
<b>Loan Purpose: Occupancy:</b>	Purchase and rehab of a primary residence Must be owner occupied Loans cannot be closed in a trust
<b>Eligible Borrowers:</b>	<ul style="list-style-type: none"> <li>• Current income limit as published by New Hampshire Housing</li> <li>• Multi family rental income can be used to qualify but not necessary for compliance</li> <li>• Non-occupant co-borrowers allowed per FHA check with New Hampshire Housing for guidance, their income should be used to qualify but not necessary for compliance.</li> <li>• <b>Borrower(s) must complete Purchase Rehab education that can be found on <a href="http://www.GoNewHampshireHousing.com">www.GoNewHampshireHousing.com</a></b></li> <li>• <b>WARNING:</b> When combining with an MCC borrower must meet income, purchase price limits and First Time Homebuyer requirements for the MCC program.</li> </ul>
<b>Eligible Properties:</b>	<ul style="list-style-type: none"> <li>• Single and Two unit owner occupied properties only</li> <li>• No acreage requirement on loan; <b>when combined with MCC max 5 acres</b></li> <li>• HUD owned properties are allowed</li> <li>• Condos, interior rehab only</li> <li>• <b>Manufactured housing is not eligible</b></li> <li>• Water test required for private well, test must include Ecoli, Total Coliform, Lead, Nitrate and Nitrite. Any other primary parameters tested must pass.</li> <li>• Well and Septic must be sited on the property and meet FHA distance requirements (FHA appraiser will look for this)</li> </ul>
<b>Income, Credit, Asset, Seller Contribution Ratio overview:</b>	<ul style="list-style-type: none"> <li>• Written VOE's and 1 month paystubs will be required for each borrower</li> <li>• Credit score minimum 620 for all borrowers</li> <li>• Collections follow FHA Scorecard or New Hampshire Housing for guidance</li> <li>• Gifts: must be from an acceptable source, gift letter, source of funds verified and evidence of receipt (complete paper trail required)</li> <li>• Seller contribution: max is 6% of sales price</li> <li>• Reserves: as per your automated findings</li> <li>• Ratio: Max DTI 50%, can be exceeded if they have a FICO of 680 or greater and are Approve/Eligible</li> <li>• Approve/Eligible findings</li> <li>• FHA Scorecard need to be run. Please note this can be run through DO</li> <li>• NO credit score – please contact New Hampshire Housing</li> </ul>
<b>Max Mortgage Amount:</b>	<ul style="list-style-type: none"> <li>• Maximum Base Mortgage Calculation Limited 203(k) program per HUD Handbook 4000.1</li> </ul>
<b>Appraisal :</b>	<ul style="list-style-type: none"> <li>• We will order the appraisal with complete rehab package</li> </ul>
<b>Max Repair Cost:</b>	\$35,000 (Total Rehab Costs per Max Base Mortgage Calculation worksheet) including contingency and fees
<b>Rehab Period:</b>	Rehab construction must begin with 30 days of closing and be completed per FHA guidelines within 180 days of closing
<b>Fees:</b>	A Supplemental Origination Fee of the greater of \$350 or 1.5% of Line B10 (Rehab Amount) on the Max Mortgage Worksheet (HUD-92700) plus title update fee and final inspection fee
<b>Rehab Required Documents:</b>	<ul style="list-style-type: none"> <li>• Complete purchase and sales agreement</li> <li>• Appraisal must reflect "as complete" value and give "as is" value (we will be ordering this)</li> <li>• Completed Homeowner/Contractor Agreement(s), contractor may not be a relative</li> <li>• All cost estimates must clearly state the nature and type of repair and the cost for completion</li> <li>• 203K Borrower Acknowledgment (HUD-92700A)</li> <li>• 203ks Maximum Mortgage Worksheet HUD-92700</li> </ul>

	<ul style="list-style-type: none"> <li>• Completed contractor approval worksheet (s)</li> <li>• General Liability Insurance Binder</li> <li>• W-9's</li> <li>• All cost estimates must clearly state the nature and type of repair and the cost for completion: <ul style="list-style-type: none"> <li>◦ Each line item must break out cost for labor and materials;</li> <li>◦ Be as specific as possible in describing brand, size, amount etc.</li> </ul> </li> <li>• No more than 2 payments may be made per contractor for each specialized item of work performed</li> <li>• Letter from contractor(s) requesting 50% disbursement at closing</li> <li>• Rehab Homebuyer Education acknowledgement page signed by all borrowers. Education can be found here: <a href="https://education.gonewhampshirehousing.com/">https://education.gonewhampshirehousing.com/</a></li> </ul>
<b>Upon Completion:</b>	<p>Once all work is complete, New Hampshire Housing will be following up and requesting these items:</p> <ul style="list-style-type: none"> <li>• Mortgagor's Letter of Completion</li> <li>• Final invoices from all contractors and subcontractors</li> <li>• Final title update</li> <li>• Executed final Owners Loan Disbursement Affidavit</li> <li>• Executed final Contractors Loan Disbursement Affidavit</li> <li>• Compliance Inspection Report (FHA's final evidencing 100% complete)</li> </ul>
<b>Repairs:</b>	
<b>Allowable Repairs:</b>	<ul style="list-style-type: none"> <li>• eliminating health and safety hazards that would violate HUD's MPR;</li> <li>• repairing or replacing wells and/or septic systems; (well needs 100% cushion)</li> <li>• connecting to public water and sewage systems;</li> <li>• repairing/replacing plumbing, heating, AC and electrical systems;</li> <li>• making changes for improved functions and modernization;</li> <li>• eliminating obsolescence;</li> <li>• repairing or installing new roofing, provided the structural integrity of the structure will not be impacted by the work being performed; siding; gutters; and downspouts;</li> <li>• making energy conservation improvements;</li> <li>• creating accessibility for persons with disabilities;</li> <li>• installing or repairing fences, walkways, and driveways;</li> <li>• installing a new refrigerator, cooktop, oven, dishwasher, built-in microwave oven and washer/dryer;</li> <li>• repairing or removing an in-ground swimming pool;</li> <li>• installing smoke detectors;</li> <li>• installing, replacing or repairing exterior decks, patios, and porches; and</li> <li>• covering lead-based paint stabilization costs (above and beyond what is paid for by HUD when it sells REO properties) if the Structure was built before 1978, in accordance with the Single Family mortgage insurance lead-based paint rule and EPA's Renovation, Repair, and Painting Rule.</li> <li>• Mold Remediation is allowed with a total contingency of <b>20%</b></li> </ul> <p><b><i>All repairs need to be completed within 180 days of closing. Extensions for weather are not permitted.</i></b></p> <p><b><i>* Any repairs not listed are ineligible</i></b></p>
<b>Ineligible Repairs:</b>	<p>The Limited 203(k) mortgage proceeds may not be used to finance major rehabilitation or major remodeling. FHA considers a repair to be "major" when any of the following are applicable:</p> <ul style="list-style-type: none"> <li>• the repair or improvements are expected to require more than six months to complete</li> <li>• the rehabilitation activities require more than two payments per specialized contractor;</li> <li>• the required repairs arising from the appraisal: <ul style="list-style-type: none"> <li>• necessitate a Consultant to develop a specification of repairs/Work Write-Up; or</li> <li>• require plans or architectural exhibits; or</li> <li>• the repair prevents the Borrower from occupying the Property for more than 15 Days during the rehabilitation period.</li> </ul> </li> </ul>

	<p>Additionally, the Limited 203(k) mortgage proceeds may not be used to finance the following specific repairs:</p> <ul style="list-style-type: none"> <li>• converting a one-family Structure to a two-, three- or four-family Structure;</li> <li>• decreasing an existing multi-unit Structure to a one- to four-family Structure; reconstructing a Structure that has been or will be demolished;</li> <li>• repairing, reconstructing or elevating an existing foundation;</li> <li>• purchasing an existing Structure on another site and moving it onto a new foundation;</li> <li>• making structural alterations such as the repair of structural damage and new construction, including room additions;</li> <li>• landscaping and site improvements;</li> <li>• constructing a windstorm shelter;</li> <li>• making additions or alterations to support commercial use or to equip or refurbish space for commercial use; and/or making recreational or luxury improvements, such as: <ul style="list-style-type: none"> <li>• new swimming pools;</li> <li>• an exterior hot tub, spa, whirlpool bath, or sauna;</li> <li>• barbecue pits, outdoor fireplaces or hearths;</li> <li>• bath houses;</li> <li>• tennis courts;</li> <li>• satellite dishes;</li> <li>• tree surgery (except when eliminating an endangerment to existing improvements);</li> </ul> </li> </ul>
<b>Homeowners Ins:</b>	<p>Max deductible is the higher of \$1,000 or 1% of face amount of policy, when allowed by the insurer we will take into consideration value of out buildings.  CONDO – must have a master policy. If no walls in coverage and/or deductible is \$5,000 or more an HO6 will be required. We will escrow for the HO6 if requested by borrower.</p>

