

PROPOSED SCHEDULE OF AMENDMENTS

January 2023 Changes to Participating Lender Guide (“Seller’s Guide”)

Chapter, Subchapter	Page	Proposed Change
Definitions	Definitions	Updated Annual Household Income definition to include “all borrowers, co-borrowers and mortgagors, <i>including non-borrowing spouses and domestic partners, all of which are required to occupy the dwelling within 60 days of the Closing Date.</i> ” Updated the definition for FTHB to include non-borrowing and domestic partners. Annual Household income review is required under the FTHB Program.
Definitions	Definitions	Eligible Property - Removed criteria (iii) and (iv) “2-4 family dwelling that has been used as a residence for the previous five years; or (iv) a 2-family dwelling located in a Target Area that will be used for residential purposes.
Definitions	Definitions	First-Time Homebuyer – Updated definition to include all borrowers and mortgagors.
Definitions	Definitions	Lender Bulletin – simplified definition.
Definitions	Definitions	Added PUD – Planned Unit Development
1: Participating Lender Relationship; A: Approval Process; B: Notification	Ch. 1, page 1	1-2:A, B – Changed contact from Consumer Lender Coordinator to Manager of Business Development – 1st of Global change.
1: Participating Lender Relationship; 1-3: Maintaining Lender Approval Status.	Ch. 1, page 3	1-3:A – Application and Mortgage Purchase Agreement – Removed “ <i>The annual participating fee premium will be refunded to the Participating Lender when the five first mortgage loan threshold is met.</i> ”
1: Participating Lender Relationship; 1-3: Maintaining Lender Approval Status	Ch. 1, page 3	1:3C2 - NJHMFA Quality Control Reviews: Added quality control measures for defect rate greater than 20% above average, assigning cost of added review to lenders.
1: Participating Lender Relationship; 1-3: Maintaining Lender Approval Status	Ch. 1, page 3	1:3D- Annual Participation Fee- A \$2,000 participation fee shall be submitted <i>annually (replacing “with the renewal application”).</i>
1: Participating Lender Relationship;	Ch. 1, page 9	1-4: Delegated Participating Lender Qualifications – Updated criteria to <u>require</u> Lenders to underwrite FTHB, HB, HFA Advantage, DPA prior to NHMFA review and closing; PFRS shall be closed by Lender prior to review.
1: Participating Lender Relationship; 1-4: Delegated Participating Lender	Ch. 1, page 9	1-4A – Delegated Underwriters – Added “To underwrite First-Time Homebuyer and Homeward Bound loans,

Qualifications		underwriters must possess FHA Direct Endorsement Authority”
1: Participating Lender Relationship; 1-5: Loan Origination Responsibilities, Process and Requirements; 1-5H: Funding	Ch. 1, Page 10, 11	1:5H2 - Document Delivery: Added HFA Advantage Loan Program to Caption. Delivery Instructions added and clarified “to follow applicable checklists for all loans.” Note that all checklists required full closed loan package. 1:5H3 – File Order – instructions to deliver electronic file as opposed to paper.
1: Participating Lender Relationship; 1:6: Participating Lender Compensation/Fees	Ch. 1, page 16	1:6B – Lender Origination Fee – HFA Advantage and PFRS Mortgage Programs added as First Mortgage Products; defined fee as “standard lender fee”.
3:1 First Mortgage Products; 3-1 NJHMFA-Specific Guidelines Applicable to All Products	Ch. 3, page 3	3:1F - Added language clarifying requirement for monthly reserves to be available as assets in borrower accounts prior to approval. Earnest money deposit funds do not count.
3:2- NJHMFA First-Time Homebuyer Program; 3:2B - Borrower Eligibility	Ch. 3, page 3	3:2B1 – First-Time Homebuyer – Updated Annual Household Income requirement to include any residing non-borrowing spouse to First Time Homebuyer requirement.
3:2- NJHMFA First-Time Homebuyer Program; 3:2B - Borrower Eligibility	Ch. 3, page 4	3:2B2 – Income Limit – Clarified Annual Household Income to include “non-borrowing spouses and domestic partners, all of which are required to occupy the dwelling within 60 days of the Closing Date”
3:2- NJHMFA First-Time Homebuyer Program; 3:2B - Borrower Eligibility	Ch. 3, page 4	3:2B2 – Income Limit – Added language to clarify “The following sources of income must be included “for determining borrower eligibility against the maximum allowable income, even if the income is not used for qualifying purposes” before listing included, but not limited to, income sources.
3:2- NJHMFA First-Time Homebuyer Program	Ch. 3, page 6	3:2C – Added section “Property Eligibility” The Property must meet the respective guidelines for the type of financing being obtained and according to the Property’s characteristics, as set forth in this Guide at Chapter 7. Further description follows.
3:3- NJHMFA Homeward Bound Program	Ch. 3, page 8	3:3B – Borrower Eligibility – Qualifying language for Income limits when using DPA. Added: “All occupying borrowers must be a first-time homebuyer when using DPA.”
3:3- NJHMFA Homeward Bound Program	Ch. 3, page 8	3:3C – Property Eligibility – Defined Single Family Dwelling to include condo, co-op, townhouse/PUD and manufactured or mobile home which is permanently affixed to real property owned by borrower. 2–4-unit dwelling is included where

		borrower resides in one unit. Added: "Mixed use properties, land only, properties with underground oil tanks and condotels are not eligible."
3:5 PFRS Mortgage Loan Program	Ch. 3, page 11	Program Overview: Added "At this time, refinance eligibility has been suspended."
3:5 PFRS Mortgage Loan Program; 3:5B - Program Requirements	Ch. 3, page 15	3:5B6 – Occupancy Requirement: Changed "Borrower" to "Any member receiving a PFRS Mortgage Loan".
3:5 PFRS Mortgage Loan Program; 3:5C – Loan Processing and Underwriting	Ch. 3, page 17	3:5C1e – Specific LTV ratios determining private mortgage insurance coverage was deleted and replaced with "Coverage is required to meet the levels provided in the AUS findings."
3:7: HFA Advantage Loan Program; 3:7B – Borrower Eligibility	Ch. 3, page 20	3:7B2 - Added "for 2–4-unit properties, buyers must also complete Landlord Homebuyer Education, as required by Freddie Mac."
3:7: HFA Advantage Loan Program; 3:7B – Borrower Eligibility	Ch. 3, page 20	3:7B4 - The primary borrower must occupy the mortgaged premises as their primary residence. Added: "Non-occupant co-borrowers are permitted. Occupancy must meet the underlying insurer and investor requirements if more restrictive."
3:7: HFA Advantage Loan Program; 3:7C – Property Eligibility	Ch. 3, page 20	3:7C1 – Added manufactured home, PUD and 2–4-unit property to criteria - Added 3:7Ca – Co-ops are ineligible; Added 3:7C1c – "For 2–4-unit properties, buyers must complete Landlord Homebuyer Education, as required by Freddie Mac."
3:7: HFA Advantage Loan Program; 3:7F – Underwriting Eligibility	Ch. 3, page 21	Added 3:7F6 - Non-borrower household Income should not be included when calculating qualifying income or the income maximum used for eligibility.
4 Homebuyer Assistance Programs;	Ch. 4, page 2	4B: Borrower Eligibility – Deleted "Non-Occupying co-borrowers are not permitted".
4 Homebuyer Assistance Programs; 4-1: Smart Start Program; 4-1B Borrower Eligibility	Ch. 4, page 2	4-1B1 – Income Limits- Specific income limit criteria deleted and replaced with language that refers to the applicable first mortgage program guidelines in Chapter 3.
4 Homebuyer Assistance Programs; 4-1: Smart Start Program; 4-1B Borrower Eligibility	Ch. 4, page 2	4-1B4 – Asset Limits – Deleted "Borrowers with sufficient liquid assets to close a mortgage loan at less than 80% LTV are ineligible" and inserted "Borrowers with liquid assets in excess of 25% of the Sales Price are not eligible for DPA." Added "529 tuition savings plans are not considered liquid assets."

4 Homebuyer Assistance Programs; 4-1: Smart Start Program; 4-1B Borrower Eligibility	Ch. 4, page 2	Added #5 to 4-1B – Gifts of Equity: Smart Start does not permit gifts of equity exceeding 3%.
4 Homebuyer Assistance Programs; 4-1: Smart Start Program; 4-1B Borrower Eligibility	Ch. 4, page 2	4-1B6 – Property Eligibility - Added “...in accordance with investor/insurer guidelines”. Deleted specific lender registration requirement for respective county.
4 Homebuyer Assistance Programs; 4-1: Smart Start Program; 4-1B Borrower Eligibility	Ch. 4, page 3	4-1B7 – Housing Counseling – added HUD approved “intermediary” as acceptable HUD approved entity to provide counseling, in addition to HUD approved housing counseling agencies.
5: Agency Underwriting Parameters; 5-2: Credit Underwriting Guidelines; 5-2F – Credit Overlays	Ch. 5, page 6	5-2F3 – Collection Accounts – Clarified language pertaining to payoff of collection accounts, specifically, what and how Lender is to verify account payoff at different stages prior to and at the time of loan closing. Also added “If AUS findings require collection or charge-off accounts to be paid, the more restrictive requirement will prevail.”
5: Agency Underwriting Parameters 5-3: Credit Report	Ch. 5, page 9	5-3:1 – Credit Score Requirements. Added “For PFRS loans, it is acceptable to refer to Fannie Mae methodology of determining credit score.”
5: Agency Underwriting Parameters; 5:5: Program Specific Underwriting Requirements;	Ch 5, page 11	5:5E1d – PFRS – Ensure that all Mortgage Loans with LTV ratios in excess of 80.0% (adjusted from 80.01%) have the appropriate private MI. Deleted specific percentages to defer to levels provided in the AUS findings.
7-2: General Property Standards	Ch. 7, page 1	7-2C Private Roads - Clarified language and included “must meet the respective insurer/guarantor guidelines.”
7-4: Property Types and Classifications	Ch. 7, page 5	7-4B Multiple Unit Dwellings - Stipulated that certain requirements apply specifically to First-Time Homebuyer Program.
7-5: Property Certifications, Inspections, Testing and Reports – General Overview	Ch. 7, page 10	7-5E2 – Assigned Lender responsibility for any escrow holdback and added statement that Agency will not purchase any loan with an active escrow for repairs. Also added: “All properties must be habitable and occupied by the home buyer within 60 calendar days of loan closing.”
9: General Information	Ch. 9, page 2	9:2 Limitations on Cash Back – Clarified requirements for cash back at closing to a limit of <i>a maximum</i> of \$3,000 to be used only to reimburse Borrower for eligible expenses. Added: “Eligible closing cost

		reimbursement is limited to appraisal, survey, pest inspection, housing counseling certification and credit report.” Clarified funds as “actual funds tendered by the Borrower(s)”
9: General Information; 9:8 Non-Liable Co-Occupants	Ch. 9, page 5	9:8 1-4 Removed requirement for Lender to provide processor’s certification in the Underwriting File with the name and SS# of the non-liable co-occupant.
9: General Information; 9:8 Non-Liable Co-Occupants	Ch. 9, page 5	9:8 4a-c - <i>Removed</i> redundant language pertaining to disclosure requirements for non-liable co-occupants.
9: General Information; 9-9 Power of Attorney/Authorizations	Ch. 9, page 7	9:9-2 - <i>Removed</i> b – “If attorney in fact only executes the Closing Disclosure and not the deed, Power of Attorney/Authorization document must be included in final submission package but does not require approval prior to closing.”
10: Selling the Loan to NJHMFA	Ch. 10, page 1	10-2C: Submitting the Purchase Package – Included DPA and PFRS to delivery instructions.
10: Selling the Loan to NJHMFA; 10-3: Servicing Procedures and Documents	Ch. 10, page 3	10-3B5- FHA Connection-HUD Holder/Service Transfer – Added “Failure to timely notify FHA of the sale of an applicable Mortgage Loan and the accompanying transfer of the FHA Case Number to the Agency may result in the required repurchase of the mortgage loan by the originating Participating Lender.
Summary of Addresses, Clauses, and Contacts	Page 1	Renamed Underwriting/Purchase Submission Packages as “Original Collateral”. Updated addresses.