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#### ALTERNATIVE TO FHA FINANCING – 3% MINIMUM DOWN PAYMENT

Fannie Mae has introduced their 97% LTV option for first-time buyers. This will allow buyers with acceptable credit to purchase their first home with a low down payment. These loans will require private mortgage insurance which insures the lenders from any loss should the buyer not pay their mortgage payment. The mortgage insurance is based on the credit score and the down payment amount.

To qualify for this program at least one borrower must be a first-time buyer. You will be required to take the first-time home buyer class. This is an on line class with any of the private mortgage insurers.

You can go to: [www.homebuyers@mgic.com](http://www.homebuyers@mgic.com). Once you have taken the course you will be asked to take the short exam and a certificate will be given to you for your lender.

This is a fixed rate mortgage with no pre-paid penalty. It must be your owner occupied primary residence. The following documentation is required for this mortgage or any other mortgage you may request: 4 current pay stubs (30 days of pay), 2 current bank statements (all pages with name and account #) last 2 years current tax returns (1040's) with W2's and 1099's if applicable. If you are divorced you will need a copy of your divorce decree and stipulations. If you had a bankruptcy in the last 7 years you will need a copy of your discharge, copy of your petition and a letter from you explaining why you went bankrupt.

Another alternative to FHA financing is New Hampshire Housing Finance Authority Home Preferred. This program is a Fannie Mae program with exceptions for this non-profit lender. This program allows you to apply for a 3% low down payment mortgage. The differences between Fannie Mae and NHHFA program is NHHFA has no first-time home buyer requirement, mortgage insurance premium is lower than Fannie Mae. NHHFA will allow a 5% down payment for a multi-family property owner occupied, Fannie Mae not allowed. These are a few exceptions NHHFA as over the normal Fannie Mae program. NHHFA will allow refinances on any loan where Fannie Mae will only allow refinance on Fannie Mae to Fannie Mae loans.

New Hampshire Housing Finance Authority will require you to do the first-time homebuyer education, landlord education (if purchasing a multi-family) and the Mortgage Credit Certificate (\$2000 additional credit on your tax return) if applying for any of these additional benefits on their program. You can do the education classes by going to: [www.gonewhampshirehousing.com](http://www.gonewhampshirehousing.com)

This information has been provided by the Mortgage Bankers and Brokers Association of New Hampshire (MBBA-NH) in conjunction with the New Hampshire Union Leader. Any questions about the content should be directed to the MBBA-NH at 6 Garvin Road, Suite 106 Concord, NH 03301, email at [info@mbba-nh.org](mailto:info@mbba-nh.org), website [mbbanh.org](http://mbbanh.org). Article written by: Gladys A. White (NMLS#155592), CMP Sr. Loan Officer at Residential Mortgage Services, Inc., 1 Club Acre Lane, Bedford, NH. (NMLS#1760). Gladys is Past President of the Mortgage Banker and Broker Association.