October 6, 2026

Lender Bulletin 2026: 12

Seller Guide Update Notice

Updates to Policies and Procedures for Participating Lenders

Effective Programs: All Programs
Effective Date: October 19, 2026

Attention Lenders:

This bulletin provides details of upcoming changes to the NJHMFA Mortgage Program Policies and Procedures for Participating Lenders ("Seller's Guide"). The updated Seller's Guide is available to review on the Agency's website. The updates to the Seller's Guide will take effect for new reservations on October 19, 2026, and will apply to all loans reserved with NJHMFA on or after this date, unless noted otherwise below.

Loans reserved prior to October 19, 2026 will be reviewed in accordance with the version of the Seller's Guide dated 7/1/2025. This retired version will remain available on the Agency's website for use with pipeline loans reserved prior to October 19, 2026. The following highlights key changes that impact Participating Lenders. For the full list of changes, see the Introduction Section of the Guide.

- **Tradeline Requirements:** Updated tradeline requirements for multi-borrower loans when one or more occupying borrowers do not meet the minimum tradeline requirements. This allows more flexibility for households that can meet the tradeline requirements when combined with other occupying borrowers on the loan.

- **Mortgage Fraud Prevention Reports:** Lenders will be required to provide a third-party fraud prevention report in the underwriting submission so the Participating Lender and the NJHMFA can work together to identify any issues that may impact salability of the loan as early as possible.

- **Short Sales, Foreclosure, and Deed in Lieu of Foreclosure:** Guidelines have been updated to group short sales with foreclosure and deed in lieu of foreclosure. Borrowers with a prior history of short sale, foreclosure, or deed in lieu of foreclosure are not eligible for any First Time Home Buyer and DPA programs.

- **Compliance Income on Homeward Bound and HFA Programs:** The section regarding compliance income has been revised for the Homeward Bound and HFA Advantage programs for certain scenarios where the compliance income must include additional income beyond the qualifying income, as well as the treatment of self-employed losses.

- **Re-Established Credit**: The guidelines for re-established credit post- bankruptcy have been updated to make allowances for minor delinquencies after a bankruptcy.

- **Reserves:** NJHMFA will now allow cash back at closing to be used to meet the Agency's one (1) month reserve requirement, if equal to or greater than three (3) months PITI, provided that the loan meets the limitations on cash back requirement located in Chapter 9 of the selling guide.

- **Added Occupancy Flexibility on First Time Home Buyer Program:** Updated occupancy requirements to allow for a non-borrowing spouse not occupying the property within 60 days on a First Time Home Buyer Program. This may also improve eligibility opportunities for borrowers who are separated or estranged, but not fully divorced from a spouse.

Questions? Need Help?

If you have questions about one of our loan products or need help with a loan in the Lender Portal system, please e-mail your requests to SFLenders@njhmfa.gov.

Access Forms, Checklists, Policies, Previous Lender Bulletins, and More at the Lender Resources Page: www.njhousing.gov/lenders/lenderportal

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