

January 2020 Introduction

The New Jersey Housing and Mortgage Finance Agency's *Mortgage Program Policy and Procedures for Participating Lenders* is a handy reference which details the proper way to do business with NJHMFA.

Topics cover the requirements a lender must satisfy to become an NJHMFA-Approved Lender of residential mortgage loans and how to maintain that approved status. As a member of our exclusive group of loan professionals, you are asked to comply with specific program requirements in the following areas: Loan programs, loan file submission, underwriting, property stipulations, insurance guidelines, closing and funding procedures, purchasing procedures and, of course, the legal and regulatory requirements.

January 2020 Changes

Chapters	Pages	Changes to the Guide
Definitions	Definitions	Defined Homebuyer Program.
Chapter 1 - Participating Lender Relationship	Page 1-2	1-1:H - Removed: "...no Participating Lender may originate PFRS Mortgage Loans during their first year of qualification."
Chapter 1- Participating Lender Approval Process	Page 1-3	Added C – Requiring training for newly approved Participating Lenders; and D – Encourage existing Lenders to complete annual training.
Chapter 1 – Participating Lender Relationship	Page 1-16 Participating Lender Compensation Fees	1-6:B- Lender may charge a standard lender fee for The First-Time Homebuyer and Homeward Bound Programs that is reasonable and customary. Fees produced by the Lender for these programs may not exceed fees charged by the lender for other loans of similar investor/insurer type, i.e. FHA, VA, USDA. Under no circumstances shall the fee for the First-Time Homebuyer program exceed \$1,200.
Chapter 3 First Mortgage Products /PFRS	Page 3-15	Amended timeframe for reserving loans from 1 to 5 business days.
Chapter 3 First Mortgage Products /PFRS	Page 3-15	Add to B3f: "If an interest rate change is requested and permitted, there will be a \$250 fee charged on the existing mortgage loan <i>due at the time of the rate change</i> . The interest rate change will not change the loan's expiration date."
Chapter 3 First Mortgage Products /PFRS	Page 3-17	Add language at c.: "Submit complete Federal Tax Returns signed and dated with all pages and schedules for a minimum of 1 year, for income qualifying purposes. Agency requirement would defer to the AUS

		findings If those findings require more than 1 year.” Change 80.1% to 80.0%
Chapter 3 First Mortgage Products /PFRS	Page 3-18	2a. Secondary Financing: Added “NJHMFA DPA (including Smart Start and HomeSeeker) cannot be used with the PFRS Loan Program.”
Chapter 4 Homebuyer Assistance Programs	Page 4-2, B1; Page 4-5 B1	Language clarifying income limit qualifications to mirror fact sheet; to read “Income limit is based on household size, location of the property and first mortgage product. When using the First Time Home Buyer first mortgage program, for income qualification, please refer to the specific income limits for that program. In no event will the maximum allowable household income exceed 140% of the area median income.
Chapter 4 Homebuyer Assistance Programs	Page 4-2, B4	Defined asset limits.
Chapter 4 Homebuyer Assistance Programs	Page 4-5, B5	Listed HHF counties under HomeSeeker DPA Program / Property Eligibility.
Chapter 5 – Agency Underwriting Parameters	Page 5-14	2a. Secondary Financing: Added “NJHMFA DPA (including Smart Start and HomeSeeker) cannot be used with the PFRS Loan Program.”
Chapter 6 - Loan Reservation Policy and Loan Reservation Pipeline Management	Page 6-1:A2	Qualified language “application is null and void” with “except for purposes of carrying applicable fees, rates, and expiration terms forward to the new loan, where applicable.”
Chapter 6 - Loan Reservation Policy And Loan Reservation Pipeline Management	Page 6-2:A8	Clarified fee language to charge an origination fee “only as permitted in Guide and per Applicable Law.”
Chapter 6 - Loan Reservation Policy And Loan Reservation Pipeline Management	Page 6-6	Added “If the loan has been expired <i>or cancelled</i> ; and “but the loan may be subject to a price reduction.”
Chapter 6 – Policy on Program Change Request	Page 6-7	Added policy on program change request.
Chapter 9 – Closing the Loan	Page 9-7 – Power of Attorney	Power of Attorney - Updates to Requirements.
Chapter 9 – Closing the Loan	Page 9-8 Taxes	Taxes – Updates to Requirements.