



SINGLE FAMILY MORTGAGE PROGRAM OVERVIEW

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• WHO ARE WE?

SINGLE FAMILY MORTGAGE PROGRAM OVERVIEW



ABOUT US:

The New Jersey Housing and Mortgage Finance Agency (NJHMFA) provides funding for affordable home ownership and housing opportunities for New Jersey residents. NJHMFA is the State's housing finance agency. We respond to the needs of residents by implementing creative programs and establishing alliances that: fund affordable home mortgages for first- time home buyers. NJHMFA's programs are offered through our network of approved lenders.



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• OUR MISSION

SINGLE FAMILY MORTGAGE PROGRAM OVERVIEW



MISSION:

The New Jersey Housing and Mortgage Finance Agency (NJHMFA) advances the quality of life for residents of and communities throughout New Jersey by investing in, financing, and facilitating access to affordable rental housing and homeownership opportunities for low and moderate-income families, older adults, and individuals with specialized housing needs.



Today's Overview



We are going to cover NJHMFA's Down Payment Assistance Program that provides up to \$15,000 in down payment and closing cost assistance for new home purchases.



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First Mortgage Programs

- The First Time Homebuyer (FTHB), Homeward Bound and HFA Advantage Programs are the foundational mortgage programs that can be combined with the [NJHMFA Down Payment Assistance \(DPA\) Program](#).
- The NJHMFA homebuyer mortgage programs are 30-year, fixed-rate government and conventional insured loans. The interest rates are determined by NJHMFA.
- NJHMFA's first mortgage programs provide a competitively-priced loan for eligible homebuyers purchasing their first home in New Jersey.
- Eligible Borrowers must qualify and meet all requirements for an NJHMFA first mortgage loan originated through our network of Participating Lenders.



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Government Mortgage Programs

- Borrower(s) must be a first-time homebuyer, defined as someone who has not had an ownership interest in their primary residence during the previous three years.
- Borrower(s) must have a FICO score of 620 or greater and meet debt-to-income requirements.
- Borrower(s) may not possess enough liquid assets to close a mortgage loan at 80% LTV or less.
- Buyers of homes located within Urban Target Areas or Qualified Veterans do not need to be first-time home buyers, but must not own another primary residence at closing.



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Eligible Properties – Government Mortgage Programs

- The property must be located in the state of New Jersey.
- Must be a single-family home, condominium, townhome, manufactured or mobile home, and new construction.
- A two-to four-family dwelling unit (which has been in existence for five or more years) of which one unit is to be occupied by the Borrower as his/her principal residence.
- Properties located in an Urban Target Area (UTA) are eligible for higher income limits. To determine if the proposed property is within a UTA, visit the Site Evaluator and follow the tutorial.
 - <https://nj.gov/dca/hmfa/consumers/uta/>



Single Family Mortgage Program Overview

Conventional Mortgage Program

- The HFA Advantage offers reduced Mortgage Insurance premiums, no loan level price adjustments, and is able to be combined with the NJHMFA DPA program. Origination or discount points cannot be charged.
- Borrower(s) must have a minimum representative credit score of 620 or greater and have a DTI of 50% or less
- Borrower(s) household income must not exceed 80% Area Median Income (AMI) as determined by Freddie Mac. This is not the same as the Income Limits on other NJHMFA programs.
 - See: <https://sf.freddie.mac.com/working-with-us/affordable-lending/home-possible-eligibility-map>
- Borrowers are not required to be first-time homebuyers to use the HFA Advantage program, **but please note, borrowers seeking to use the HMFA DPA program must also meet all requirements of the DPA program, which includes a first-time homebuyer requirement.**



Single Family Mortgage Program Overview



Eligible Properties- Conventional Mortgage Program

- The property must be located in the state of New Jersey.
- Property must be a new or existing single-unit home, condominium or PUD.
- Multi-unit properties, co-ops, and manufactured homes are not eligible.

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Down Payment Assistance Program

- NJHMFA (DPA) Program provides qualified homebuyers with up to \$15,000 towards down payment and/or closing costs, based upon the county of the purchase property.
- NJHMFA is pleased to announce that the Smart Start Down Payment Assistance Program will increase to \$15,000 for properties in the following counties: Bergen, Essex, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, and Union.
- The DPA is a forgivable loan with no payments and no interest rate. The DPA is a subprogram to be coupled with a NJHMFA 1st Mortgage.
- DPA must be coupled with an FHA, VA, or USDA First Mortgage or the HFA Advantage Convention Mortgage thru an NJHMFA Participating Lender.
- If the homebuyer resides in the property as their primary residence for 5 years after purchase without selling, refinancing or defaulting, the DPA is completely forgiven.



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Down Payment Assistance Program

- This Program is available for New Construction and must be used for the borrower's Primary Residence in the State of New Jersey.
- In the event the Borrower conveys, refinances or ceases to occupy the premises during the five-year term, all loan funds will be due and payable.
- Borrower(s) must be a first-time homebuyer who has not owned a primary residence in the last 3 years. Unless the borrower is a qualified veteran or purchasing in an Urban Target Area this applies to the FTHB.



HUD APPROVED CREDIT COUNSELING

HUD APPROVED CREDIT COUNSELING COURSE

- All borrowers are required to complete a HUD Approved Credit Counseling Course. The course can be online or in person.
- The course must be completed before the lender sends the loan file to the Agency for review. A certificate of completion is required for each borrower.
- Here is a link for NJ HUD Approved Credit Counseling Agencies
<https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?&webListAction=search&searchstate=NJ>



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Looking for other down payment assistance programs?

- Visit Down Payment Resource Group:
<https://downpaymentresource.com/>
- To Learn about other possible down payment assistance programs.

