

**New Jersey
Home Saver Program
Program Guidelines
New Jersey Housing and Mortgage Finance Agency
Revised: May 21, 2015**

1. Program Overview	The New Jersey Housing and Mortgage Finance Agency (“NJHMFA” or the “Agency”) has created the New Jersey Home Saver Program (“HSP” or the “Program”). This Program will leverage HSP funds to facilitate a refinance, recast, or permanent modification of the first mortgage loan through a principal reduction and/or reinstatement payment to bring the household monthly payment to an affordable level.
2. Program Goals	The goal of the Program is to achieve long-term mortgage sustainability by leveraging HHF funds to facilitate a first mortgage loan modification, recast, and/or refinance, thus reducing the likelihood of mortgage delinquency and/or default.
3. Target Population or Areas	The Program aims to serve homeowners throughout New Jersey.
4. Program Allocation (excluding administrative expenses)	\$17,288,770
5. Borrower Eligibility Criteria	<p>Eligible homeowners must be at risk of foreclosure due to recent unemployment, loss of/reduction in income through no fault of their own or other demonstrated financial hardships. A pre-assistance loan-to-value (“LTV”) ratio of 115% or greater is considered a financial hardship indicative of imminent default. Homeowners will be required to provide a financial hardship affidavit with appropriate documentation on the cause of the hardship.</p> <p>Homeowner has a pre-assistance housing debt to income (“HDTI”) ratio greater than 38% of the gross household income and/or a pre-assistance LTV ratio greater than 115%. Homeowners with pre-assistance LTV ratios greater than 115% must have a pre-assistance HDTI of 28% or more.</p> <p>Homeowner has a post-assistance HDTI ratio no greater than 38% of the gross household income. On a case by case basis, NJHMFA reserves the right to review and approve homeowners whose investor program guidelines utilize post-assistance HDTI ratios greater than 38%. In no case will a homeowner’s post-assistance HDTI be reduced below 28%.</p> <p>Homeowner must own and occupy a one- to three-family residential property that is the homeowner’s primary residence.</p>

	<p>Homeowner agrees to provide all necessary documentation to satisfy the Program guidelines within the timeframes established by the Agency.</p>
<p>6. Property / Loan Eligibility Criteria</p>	<p>Eligible property is the homeowner’s primary residence located in New Jersey, and it must be a one- to three-family residential property. It must be attached or be a condominium unit. Manufactured homes are eligible if on a foundation permanently affixed to real property owned by the homeowner and secured by a real property first mortgage loan.</p> <p>At the time of application, the unpaid principal balance on existing mortgages on the home must not exceed \$429,619 for a one-unit dwelling or \$550,005 for a two-unit or three-unit dwelling.</p> <p>Homeowners must carry a first mortgage and if the homeowner’s first mortgage is an interest-only or negative amortization mortgage, the homeowner can qualify for assistance under the Program only if the refinance, recast and/or permanent modification places them in a fully amortizing mortgage loan product.</p> <p>Homeowner’s loan servicer must agree to participate in the Program.</p> <p>If the qualifying, first lien mortgage is delinquent, the loan servicer must utilize the Program monies to bring the first lien mortgage loan current before applying Program monies to the homeowner’s principal balance.</p> <p>The loan servicer will reduce the qualifying principal balance in conjunction with a loan recast or loan modification in the amount needed (up to the maximum per household assistance) to help the homeowner establish an appropriate level of affordability and mortgage debt. Such loan recasts or modifications must meet the Program guidelines.</p> <p>Loans in foreclosure may be eligible.</p>
<p>7. Program Exclusions</p>	<p>The homeowner cannot be involved in an active or open bankruptcy.</p> <p>The homeowner cannot own any other residential real property.</p> <p>Homeowner fails to satisfy lender underwriting guidelines.</p> <p>Homeowner has a post-assistance LTV ratio that is greater than 140% or less than 100%. The post-assistance LTV may only be less than 100% if it is necessary to get the homeowner to an affordable monthly payment. Under no circumstance can the post-assistance LTV be less than 80%.</p> <p>Homeowner has liquid assets (excluding retirement assets) equal to or greater than the amount of Program assistance.</p>

<p>8. Structure of Assistance</p>	<p>Program assistance will be provided to the homeowner in the form of a 0% interest rate, non-amortizing (no monthly payments), forgivable, subordinate 10-year loan. The loan will be non-recourse, secured by a mortgage that will be recorded and take a junior lien position on the home. After the fifth year of the closing date of the Program loan, the Program loan amount shall be forgiven at a rate of 20% per year, to be forgiven in full at the end of the tenth year.</p> <p>All or a portion of the unforgiven loan funds will be due and payable from net equity proceeds upon sale or transfer or refinance of the property (except for refinances for a lower rate and/or shorter term) or if the borrower ceases to occupy the property as their primary residence prior to the end of the tenth year. If the property is sold and does not generate sufficient proceeds to repay all or a portion of the loan, the portion of the loan remaining unpaid after the proceeds are applied will be forgiven.</p> <p>Any funds repaid to NJHMFA by recipients in accordance with established Program guidelines will be recaptured and shall be used to assist additional homeowners up to December 31, 2017. After this date, all remaining and repaid funds will be returned to the U.S. Treasury.</p>
<p>9. Per Household Assistance</p>	<p>The maximum assistance is \$50,000 per household.</p>
<p>10. Duration of Assistance</p>	<p>Assistance under HSP is intended to be a one-time payment to the servicer.</p>
<p>11. Estimated Number of Participating Households</p>	<p>345 households based on a maximum loan amount of \$50,000.</p>
<p>12. Program Inception/ Duration</p>	<p>The launch of the Program is expected to begin on or about June 1, 2015; the Program will last until December 31, 2017 or until all funds are exhausted.</p>
<p>13. Program Interactions With Other Programs</p>	<p>Eligible homeowners may benefit from other Agency Hardest Hit Fund programs provided the total benefit from all Hardest Hit Fund programs does not exceed \$98,000.</p>
<p>14. Program Interactions With HAMP</p>	<p>The Program may work in conjunction with the federal Home Affordable Modification Program (“HAMP”) modification and other federal Making Home Affordable programs and servicer foreclosure prevention initiatives to help eligible homeowners achieve desired income ratios and affordability. In any of these programs, Program assistance may not be used to cover the applicable costs of investor or servicer incentive compensation.</p>

15. Program Leverage With Other Financial Resources	The Program will require that the loan servicer waive all accrued and unpaid late charges and non-sufficient funds fees at the time the modification agreement is completed. The Program will require the loan servicer to waive any associated recast or modification fee.
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