New Jersey Housing and Mortgage Finance Agency

Police and Firefighter's
Retirement System Mortgage Program

Program Description
This program, which can be used for new mortgages or refinances, is administered through private lenders who have the necessary information to answer questions on the program. For a list of participating lenders, refer to the NJHMFA approved lender list at www.njhousing.gov/includes/lender.html.

Terms
Please call a participating lender for current rate. Rates are set twice a year in February and August. Rate is based on the 10 year Treasury bill plus 1%.

Eligible Borrower
Any currently employed police officer or fire fighter, as defined in the enabling legislation, who is a member of the Police and Firemen's Retirement System with at least 1 year creditable service. While there is no first-time homebuyer requirement, at least 25% of the funds will be for first-time homebuyers.

Eligible Properties
One- or 2-family residences and condominium units located in the State of New Jersey. Vacant land, provided a contract is executed, used to construct an eligible 1- or 2-family dwelling that will be habitable by the borrower as their primary residence within 120 days of closing.

Occupancy Requirement
Borrower must occupy the residence as their principal residence within 120 days of closing and remain in the residence for the life of the loan.

Maximum Mortgage
The maximum mortgage amount as determined by Fannie Mae (excluding jumbo loans).

Mortgage Insurance
Mortgage Insurance is required on all loans with downpayments of less than 20%.

Second mortgages will be permitted on purchase money mortgages as follows:

- Loans can be originated with an 80% LTV first mortgage and a combination of downpayment and second mortgage financing equal to 20% of the sales price. Second mortgages must not exceed 15% of the LTV.

Fees
Applicants will be required to pay a standard non-refundable application fee and a flat fee of not more than $1,500, $750 of which must be paid at the time of application. The balance of the flat fee is to be paid at closing. If the loan closes successfully, the administrator of the funds, NJHMFA, is to be paid $325 making the borrower's total costs $1,825 (this $1,825 does not include closing costs.) The fee at the time of application is not refundable unless the loan is denied by the lender for underwriting reasons.

Borrowers will pay a flat monthly charge of $30 per month as a servicing fee. After 3 years on the 37th month, the fee is reduced to $18 per month. The servicing fee will be added directly onto the mortgage payment.

Closing Costs
Borrowers are responsible for all closing costs in addition to the application fees.

NOTICE TO APPLICANTS
The State Treasurer has obtained and is relying on an opinion from tax counsel that there is an adequate basis, in accordance with prevailing guidelines, to conclude that it is reasonable for the Police and Firemen's Retirement System to take the position that mortgages issued under this program should not be treated as taxable distributions. If it is ultimately determined that these mortgages are taxable distributions, you could be required to pay tax on the mortgage proceeds as well as penalties. We suggest you consider consulting your own tax advisor before submitting your application.

NJ HMFA

1-800-NJ-HOUSE WWW.NJHOUSING.GOV