

### SCHEDULE OF CHANGES - EFFECTIVE JULY 1, 2025

1-1:b Participating Lender Relationship, Initial Qualifications	Ch. 1, page 1	Amended Net Worth Requirement for Participating Lender, now citing specific base amount required. Must “maintain or exceed net worth of \$1,000,000 as mandated by FHA.”
1-1:l Appraisal Independence Standards	Ch. 1, page 1	Added Freddie Mac as Investor which policies and procedures must satisfy.
1-2:c,d Participating Lender Approval Process	Ch.1, page 3	Added sections c and d; language outlining Participating Lender obligations to Agency and insurer/investors upon execution of Mortgage Purchase Agreement (“MPA”).
1-2:g Participating Lender Approval Process	Ch. 1, page 4	Added section g requiring all first mortgage Agency program loans to close in the name of the Lender. DPAs must close in the name of NJHMFA.
1-2:h Participating Lender Approval Process; Broker/TPO Business	Ch. 1, page 4	Added section h(i-v) addressing Lender obligations and responsibilities for compliance and liabilities for those who elect to work with a TPO Mortgage Broker.
1-3:a Maintaining Participating Lender Approval Status, Application and Mortgage Purchase Agreement	Ch. 1, page 5	Added language to and clarified sections a. “Application and Mortgage Purchase Agreement” and section; b. “Purchase and Sale of Mortgage Loans”; added c. and d. which outline compliance to terms and conditions. Changes and additions made to reflect language in the MPA and provide additional clarification on maintaining status as an approved Lender.
1-3:f(iii) Quality Control, NJHMFA Quality Control Reviews	Ch. 1, page 7	Amended language to include more specific requirements for Lenders to correct deficiencies and consequences for Lenders with above average defect rates. Circumstances where the Repurchase of the Mortgage Loan and/or penalties may be required were added.
1-3:g Annual Participation Fee	Ch. 1, page 8	Added “The fee is subject to change and will be listed in the Application.”
1-3:o Records Retention	Ch. 1, page 9	Added more specific record retention requirement language consistent with MPA. Also added “...or seven (7) years of the date the Agency purchases the loan, <i>whichever is longer.</i> ” to language subjecting retention term requirements to GSE/insurer guidelines.
1-5:d Loan Reservation	Ch. 1, page 11	Replaced portal description “ILRS” with “Lender Portal” here and throughout the Guide.  Added Agency requirement for Fannie Mae or MISMO

		<p>XML File Submission.</p> <p>Also Added “Effective as July 1, 2025 NJHMFA will require Fannie Mae DU or MISMO XML Files at the time of initial Underwriting submission for all loans. Loans not submitted with Fannie Mae DU or MISMO XML will not move forward in the process and will be moved to “Submission Incomplete.”</p>
1-5:h(ii) Funding; Document Delivery	Ch. 1, page 13	Removed reference to 100% Financing Loans, as program is closed; clarified language.
1-5:i(iii) Sale of Loans to NJHMFA	Ch. 1, page 17	<p>Added to definition of Seasoned Loan: “A Seasoned Loan is a closed loan that is being serviced by the originating Lender <i>and has had three or more payments made.</i>”</p> <p>Added section 1-5:i(iii)1 to provide additional specific instructions for delivery of Seasoned Loans.</p>
1-5:j(i)3 Trailing Documents	Ch. 1, page 18	Changed trailing document requirement from “original final” to “copy of final” title insurance policy and any required waivers, attorney’s opinion, and /or applicable endorsements.
2-1:l Participating Lender: Obligations and Duty to Perform Under the MPA and the Participating Lender’s Guide	Ch. 2, page 3	Added exemption language to section l pertaining to prohibiting sale or assignment of “high-cost home” loans or “high-cost mortgage” to the Agency: “CFPB loan exemption for HFAs applies to the ATR/QM test only and not to high-cost test.”
2-1:o	Ch. 2, page 4	Added section o regarding compliance with OFAC screening requirements.
2-2:b Participating Lender Integrity, Responsibility, and Non-Discrimination.	Ch. 2, page 5	Expounded on language to better reflect the NJ Law Against Discrimination.
2-2:g Participating Lender Integrity, Responsibility, and Non-Discrimination.	Ch. 2, page 6	Added section/requirement for Lender to make all business and financial records relevant to the enforcement of provisions under the MPA available for inspection, copying, and auditing upon request of State, Federal or other entities with regulatory or prosecutorial authority. Also reiterates record retention policy stating adherence to requirements of investor/guarantor or 7 years, <b><i>whichever is longer.</i></b>
3-1 NJHMFA-Specific Guidelines Applicable to All Products	Ch. 3, page 1	Added Note: “Regardless of seasoning status, NJHMFA will not approve or purchase loans previously denied by

		another investor. Exceptions may be considered on a case-by case basis.”
3-1h NJHMFA-Specific Guidelines Applicable to All Products	Ch. 3, page 3	Added Section h Manual Underwrite to consolidate existing policy in a more organized fashion in the Guide.
3-1i NJHMFA-Specific Guidelines Applicable to All Products	Ch. 3, page 3	Added Section i Underground Oil Tanks to consolidate existing policy in a more organized fashion in the Guide.
3-2a NJHMFA First-Time Homebuyer Program; Program Overview	Ch. 3, page 4	Added Monthly DTI and credit score specifications. Also added <b>“In addition to the limits in this section, any loan with a representative credit score below 660 may not exceed 45% DTI.”</b>
3-2b NJHMFA First-Time Homebuyer Program; Borrower Eligibility	Ch. 3, page 4	Added clause: “Borrowers must be individuals; Corporate or other entities are not allowed to utilize the First Time Homebuyer program. Trusts are not permitted.”
3-2i NJHMFA First-Time Homebuyer Program; Borrower Eligibility	Ch. 3, page 5	Added “Qualified Veterans and buyers of homes located within Urban Target Areas do not need to be First-Time Home Buyers in order to meet eligibility requirements for the first mortgage or DPA product, but must not own another primary residence at closing...Any retained property must be evidenced to the satisfaction of NJHMFA that it is not a primary residence and will not be used as a primary residence post-closing.”
3-3a: NJHMFA Homeward Bound Program	Ch. 3, page 10	Added: “Borrowers must have a minimum representative credit score of 620. In addition to any of the limits in this section, any loan with a representative credit score below 660 may not exceed 45% DTI.” Also added specific GSE/Insurer maximum DTI ratios.
3-3b: NJHMFA Homeward Bound Program; Borrower Eligibility	Ch. 3, page 11	Language added: “Verification of housing expenses will be required for evidence of rent, mortgage, and other related expenses (e.g., copy of lease or tax bill).  Borrowers must be individuals; Corporate or other entities are not allowed to utilize the Homeward Bound program. Trusts are not permitted.”
3-3c: NJHMFA Homeward Bound Program; Property Eligibility	Ch. 3, page 11	Removed language pertaining to properties with underground tanks from list of <b>ineligible</b> properties.
3-3d(ii): NJHMFA Homeward Bound Program; Property Eligibility	Ch. 3, page 12	Removed #6. “Condo Warranty (FMFA0016)” from list of NJHMFA-specific documents NOT to be executed at closing for Homeward Bound Mortgage Loans.

3-5: Police and Firemen's Retirement System (PFRS) Mortgage Loan Program	Ch. 3, page 12	Added to Program Overview: "Borrowers must have a minimum representative credit score of 620. PFRS maximum DTI ratios: 36/45."
3-6: NJHMFA 100% Financing Program	Ch. 3, page 17	Removed Chapter. Program no longer available.
3-6a: NJHMFA HFA Advantage Loan Program; Program overview	Ch. 3, page 17	Added: "Borrowers must have a minimum representative credit score of 620. In addition to any of the limits in this section, any loan with a representative credit score below 660 may not exceed 45% DTI. HFA Advantage maximum DTI Ratio: No Front/50%".
3-6b(i): NJHMFA HFA Advantage Loan Program; Borrower Eligibility	Ch. 3, page 18	Added: "Trusts are not permitted."
3-6b(iii): NJHMFA HFA Advantage Loan Program; Borrower Eligibility	Ch. 3, page 18	Added: "Verification of housing expenses will be required for evidence of rent, mortgage and other related expenses (e.g., copy of lease or tax bill)."
4-1a: Smart Start Program; Program Overview	Ch. 4, page 1	Added: "Qualified Veterans and buyers of homes located within Urban Target Areas do not need to be First-Time Home Buyers in order to meet eligibility requirements for the first mortgage or DPA product, but must not own another primary residence at closing. All other product-specific eligibility requirements must be met."
4-1b(ii): Smart Start Program; Borrower Eligibility; Credit Score	Ch. 4, page 2	Added: "Any loan with a representative credit score below 660 may not exceed 45% DTI."
4-1b(iv)2: Smart Start Program; Borrower Eligibility; Asset Limits	Ch. 4, page 3	Added (iv)2: "The Agency will use the highest balances on account statements. Excess withdrawals to get below the maximum is not acceptable. Paying down debt to avoid failing the asset test is not acceptable."
4-1b(xii)1(d): Smart Start Program; Borrower Eligibility; DPA Usage	Ch 4, page 4	Added to DPA Usage: "Buyer's realtor fees/commission, not to exceed the lesser of 1.5% of the sales price or the amount specified on the contract/Buyer Agency Agreement. The Borrower may pay real estate commissions in excess of the amount allowed to be paid by the DPA, however, properly sourced funds would need to be used. Any use of DPA to pay buyer's realtor fees or commission must be done in accordance with any applicable GSE requirements."
4-1b(xii)2(e): Smart Start Program; Borrower Eligibility; DPA Usage	Ch 4, page 4	Removed: "Real Estate Commissions. NJHMFA will continue to evaluate the ongoing industry changes to buyer real estate commissions."
4-2a: Smart Start Plus First-Generation Program; Program	Ch. 4, page 5	Removed language: "If the property is located in an Urban Target Area, the First Time Homebuyer for the

Overview		occupying borrowers for the Smart Start and First Generation DPA's are applicable."
4-2b (ii): Smart Start Plus First-Generation Program; Borrower Eligibility; Credit Score	Ch. 4, page 7	Added: "Any loan with a representative credit score below 660 may not exceed 45% DTI."
4-2b(vii): Smart Start Plus First-Generation Program; Borrower Eligibility; Non-arm's length transactions	Ch. 4, page 8	Added: "Transactions between family members are prohibited."
4-2d(i)4: Smart Start Plus First-Generation Program; Borrower Eligibility; DPA Usage	Ch. 4, page 9	Added to DPA Usage: "Buyer's realtor fees/commission, not to exceed the lesser of 1.5% of the sales price or the amount specified on the contract/Buyer Agency Agreement. The Borrower may pay real estate commissions in excess of the amount allowed to be paid by the DPA, however, properly sourced funds would need to be used. Any use of DPA to pay buyer's realtor fees or commission must be done in accordance with any applicable GSE requirements."
5: Agency Underwriting Parameters	Ch. 5, page 1	Added: "Participating Lender must notify the Agency of any loan level exception waiver or indemnification received from a GSE/Insurer."
5-1 d.(iv)	Ch. 5, page 2	Clarified language pertaining to GSE/Insurer guidelines to include any Agency guidelines/overlays.
5-2b: Credit Underwriting Guidelines; b(i-iv) Monthly DTI	Ch. 5, page 5	Added specific DTI limits for first mortgage programs per GSE/Insurer Guidelines. Also added "With the exception of PFRS- In addition to any of the limits above, any loan with a representative credit score below 660 may not exceed 45% DTI."
5-2e(vi): Credit Underwriting Guidelines; New Employer	Ch. 5, page 7	Added: "Return to work is required prior to Agency loan approval. One paycheck cycle must be provided for loan approval."
5-2j: Credit Underwriting Guidelines; Seller Credit or Concession	Ch. 5, page 8	Added j.: Seller Credit or Concession: "Refer to GSE/Insurer guidelines. For gifts of equity check GSE/Insurer guidelines"
5-2:k.(iv) Credit Underwriting Guidelines; Credit Overlays	Ch. 5, page 9	Removed language requiring Borrower verification of payment arrangements with creditor.
5-2:k.(xiv) Credit Underwriting Guidelines; Credit Overlays; Tradelines	Ch. 5, page 10	Added: "The twelve (12) months of established history must already be reported on the credit report prior to submitting the loan to the Agency for approval. The accounts included cannot have been closed more than twelve (12) months ( <i>amended from 6 months</i> ) prior to loan application. Exceptions to permit use of closed tradeline or installment debt paid in full over twelve (12) months old may be permitted by NJHMFA, depending on

		length of account timeline and overall usage.” Also added “verification of rental form can only be used when the landlord is a management company. If form is not available or landlord is someone other than a management company, a copy of a lease and twelve (12) months of cancelled checks or bank statements must be provided.” Included list not to be included in the 2 minimum tradelines.
5-2:k.(xvi) Credit Underwriting Guidelines; Credit Overlays; New Employment	Ch. 5, page 10	Added section “New Employment”. New employment must start prior to loan approval. Evidence of one (1) paycheck cycle is required for approval.
5-3a: Credit Report; Credit Score Requirement	Ch. 5, page 11	Added: “Any loan with a representative credit score below 660 may not exceed 45% DTI.”
5-5 Program Specific Underwriting Requirements	Ch. 5, page 12	Added: Qualified Veterans and buyers of homes located within Urban Target Areas do not need to be first-time home buyers in order to meet eligibility requirements for the first mortgage or DPA product, but must not own another primary residence at closing. All other product-specific eligibility requirements must be met, including all additional First Generation requirements for borrowers using the First Generation Smart Start DPA.”
5-5 Program Specific Underwriting Requirements	Ch. 5, page 13	Clarified “all adults” to say “co-mortgagors, non-borrowing spouse and legal Domestic Partners.” Included statement “Tax returns may be used for income documentation for non-borrower spouse.”
5-5d(i)3 Program Specific Underwriting Requirements; PFRS	Ch. 5, page 14	Clarified language to require the Participating Lender to provide evidence that the Borrower has had one year of creditable service (amended from requiring action from Borrower). Added “and be actively contributing to the pension plan.” Removed “by the date of loan closing.”  Added to Note: “MBOS statement provided must indicate twelve (12) months of creditable service by the date of the document.”
6: Loan Reservation Policy and Loan Reservation Pipeline Management	Ch. 6, page 1	Replaced ILRS with Lender Portal throughout chapter (and Guide).
7-2j-Property Guidelines; Underground Oil Tanks	Ch. 7, page 2	Added “Underground Oil Tanks: This requirement does not pertain to above ground oil tanks or oil tanks located in the basement of the subject property.  The Agency will not purchase a loan from a Lender if an

		oil tank is in the ground. If the oil tank was removed, the Agency requires evidence of removal from a licensed, certified contractor and an NFA (No Further Action) letter when applicable.”
7-3a: Appraisal Reports and Requirements: General Requirements	Ch. 7, page 2	Added: “NJHMFA reviews appraisals for quality, scoring and reasonableness and may condition questionable values or other appraisal inconsistencies.”
7-4b(v): Property Types and Classifications; Multiple Unit Dwellings	Ch. 7, page 6	Added: Register the property with the DCA on the DCA Service Portal at <a href="http://njdcaportal.dynamics365portals.us">njdcaportal.dynamics365portals.us</a> .
7-4c: Property Types and Classifications; Condominiums/Planned Unit Developments	Ch. 7, page 7	Clarified language to reiterate adherence to the respective underlying GSE/Insurer guidelines for the particular program as applicable and any NJHMFA overlays.
7-6b(i): Property Certifications, Inspections, Testing and Reports-Requirements; Flood Certification/Determination	Ch. 7, page 13	Changed the contact information that should be listed as insured on the Life-of-Loan (LOL) flood certificates.
8-4b: General Property Insurance Coverage; General	Ch. 8, page 8	Changed the contact information that should be listed as insured on all property insurance policies.
8-8a: Mortgagee Clause for Property and Flood Insurance; Mortgagee Clause	Ch. 8, page 17	Clarified clause to name NJHMFA as the lender, followed by “ISAOA/ATIMA” to be shown as the mortgagee.
9-10: Homeowner’s Insurance Policy	Ch. 9, page 8	Updated the mortgagee clause with amended contact information.
10-3b(i): Servicing Procedures and Documents; Insurance and Insurance Policies; Homeowners Insurance	Ch. 10, page 2	Updated the mortgagee clause on all insurance policies.
10-6c(i) Conditions to Purchase	Ch. 10, page 5	Added: The Lender shall be required to Repurchase any Mortgage Loan that is selected for review and deemed not salable or insurable and/or deficiencies cannot be cured. Added list for which Loans may be selected for review. Also added language stating Lender may be subject to indemnifying the Agency for any losses on the loan, possible financial penalties and termination of MPA.
10-7b(xiii)1: Mortgage Loan	Ch. 10, page 10	Added section (xiii) to list of requirements “As of the

Benchmarks; As of the Purchase Date		Purchase Date” to mirror MPA language, requiring Loan to adhere to all applicable laws, regulations, rules, orders and guidance of State, Federal and/or any other jurisdiction that regulates the issuance of Mortgage Loans in the State. 1. Added to Applicable requirements as described above and under TILA-RESPA Integrated Disclosures (“TRID”) and “Know Before You Owe” (“KBYO”).
10-8a(v): Repurchase Process	Ch. 10, page 13	Added (v) “If an appeal or dispute is required, however, GSE/Insurer does not accept a repurchase appeal or dispute and does not rescind the repurchase demand, a repurchase demand will be forwarded to the Lender requiring Repurchase of the loan within five (5) business days of the demand receipt.”
12-1a: Participating Lender Non-Compliance: Breach, Remedies and Repurchase: Participating Lender Non-Compliance that May Lead to Fees;	Ch. 12, page 1	Added (i) and (ii) Instructions on “Purchase Submissions” as set forth on applicable document checklist; and requirements for “Trailing Document Submissions”.
12-1: Participating Lender Non-Compliance: Breach, Remedies and Repurchase: Participating Lender Non-Compliance that May Lead to Fees	Ch. 12, page 2	Added c. defines “Early Payment Default (“EPD”)”; and d. Outlines “EPD Default Requirements and fees”. Adds: “Note: Police and Fire loans are subject to the \$2,000 EPD fee only and repurchase as applicable.”
12-1d,e: Participating Lender Non-Compliance: Breach, Remedies and Repurchase: Participating Lender Non-Compliance that May Lead to Fees	Ch. 12, page 2	Added d(ii) Additional Early Delinquency Requirements Pre- and Post-Purchase; and e. Early Payoff applicability; and e.(i) Early Payoff fee in accordance with “The full premium amount of 2.75 points of the purchased UPB.”  Added Notes: <b><i>Note: An early payoff fee may not be passed on to the borrower and must be incurred by the Lender.</i></b> <b><i>Note: An EPO fee is not applicable to Police and Fire loans.</i></b>
12-2m: Participating Lender Non-Compliance that May Lead to Repurchase; Indemnification	Ch. 12, page 5	Added: “Any indemnification may cause repurchase of a loan and reimbursement of the DPA.”