NJHMFA Renegotiation and Extension (R&E) Process and Form

Rules of Engagement:

NJHMFA will permit a maximum of one Renegotiation and Extension (R&E) per loan and R&E is only available for products that NJHMFA makes eligible for this process.

1. R&E must be requested by the borrower, and may not be solicited by the Lender.
2. R&E may only be requested when loan is less than 40 days prior to loan closing, and must be requested at least 5 business days prior to closing.
3. R&E must be redisclosed by Lender in a timely manner and in accordance with all relevant mortgage compliance regulations and requirements.
4. If the loan is expired at the time of receipt of the R&E request, NJHMFA will extend at cost in 30 day increments and apply the R&E. Requests on cancelled loans will be denied.
5. R&E request must be completed by the Lender using this form, and submitted to sflenders@njhmfa.gov. Any request with information deemed incomplete or incorrect by NJHMFA will not be approved, and once the request has been denied the lender may submit a new request, subject to new market terms. Once an R&E request is received by sflenders@njhmfa.gov, no revised or corrected R&E request may be submitted for the loan until the pending request has been fully completed.
6. Any loan(s) cancelled and re-reserved for the (any of the) same borrower(s) and the same property will be treated as one loan, subject to all R&E rules and terms, unless the preceding loan(s) were expired for a full 60 days prior to re-reservation.

Renegotiation and Extension Terms:

1. R&E will be applied at the current market interest rate for the applicable product, plus 0.125%. For example, if the loan locked at 6% and market is 5.5%, the R&E will bring the rate to 5.625%.
2. R&E application will result in a decrease of 0.25 to the Lender's loan price. For example, if the loan price had been 102.375, the new loan price will be 102.125.
3. R&E application will result in an extension of the lock expiration date by 3 business days, to allow time for proper redisclosures to be completed.
4. Any applied adjustments to the rate sheet price remain applicable to the loan, including any extensions applied prior to the R&E or after the R&E.
5. Eligible products are limited to these specific programs: Homeward Bound, HFA Advantage, and the First Time Home Buyer programs. All other programs are ineligible for the R&E process.
6. R&E fees must not be passed on to the borrower.
7. Participating Lenders that wish to restrict R&E submissions to certain authorized users may submit the approved roster of signers to sflenders@njhmfa.gov.

REQUEST FORM:

Lender Name: _____	**NJHMFA USE ONLY**
NJHMFA Loan #: _____	Decision: _____
Borrower Last Name: _____	Applied Rate: _____
Original Rate: _____	New Loan Price: _____
Requested Rate: _____	New Expiration Date: _____