

4/29/2010 NJHMFA Bulletin - Section 8 Program

Aurora Financial Group, NJHMFA's sub-servicer for Special Loans, has advised that there are lenders not in compliance with making Section 8 (Home Choice Voucher) mortgages to the Agency. The Section 8 Fact Sheet in Section 13. d.) states that the "Section 8 payments will be made directly from the PHA (Public Housing Authority) to the Agency's sub-servicer" and not to the borrower. The originating lender cannot agree to have the Section 8 payment sent to the borrower. This could constitute the Agency requiring the originating lender to repurchase the loan.

The Fact Sheet for the Section 8 program is attached.

Please also note that The Transfer of Servicing Notice (good-bye letters) must include our sub-servicer's address and not the Agency's address.