

The NJHMFA can not purchase FHA loans where the property is an affordable housing unit as defined under The New Jersey State's Uniform Housing Affordability Controls N.J.A.C. 5:80-26.1 et seq. due to the restrictions set forth in the FHA Mortgagee Letter 94-2 (see attached). The NJHMFA requested a waiver from HUD on this rule and the request was denied. FHA has also advised if a lender has obtained a Mortgage Insurance Certificate (MIC) on a New Jersey affordable housing unit the MIC is not valid due to the deed restrictions not terminating upon foreclosure. This would result in loss claims not being paid. Please review this with your staff members and distribute the attached FHA Mortgagee Letter 94-2.

We encourage our lenders to contact our FHA liaison, Dave McCarraher, with comments and requests for more consideration to a waiver for the rules cited in FHA Mortgagee Letter 94-2.

Dave McCarraher's contact information is:

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