



**HMFA**

[Originating Lender]  
[Street Address]  
[City, State Zip Code]

[Date]

Re: The "First Mortgage Loan" is:

Borrower 1:

\_\_\_\_\_

Borrower 2:

\_\_\_\_\_

Property Address:

\_\_\_\_\_

First Mortgage Loan Amount:

No greater than \$\_\_\_\_\_

First Mortgage Loan Terms:

30 years fixed with interest rate of \_\_\_%

The "Second Mortgage Loan" is:

Borrower 1:

Same as for First Mortgage Loan

Borrower 2:

Same as for First Mortgage Loan

Property Address:

Same as for First Mortgage Loan

Second Mortgage Loan Amount:

No greater than [\$\_\_\_\_\_] or \_\_\_%  
of the principal amount of the First Mortgage Loan,  
whichever is less.

Second Mortgage Loan Terms:

5-year forgivable loan at 0%

Dear Sir or Madam:

This letter documents that the above Borrower 1 and Borrower 2 (collectively, the "Borrowers") are approved for the First Mortgage Loan referenced above from the New Jersey Housing and Mortgage Finance Agency ("NJHMFA" or the "Agency") a body corporate and politic of the State of New Jersey. The First Mortgage Loan will be insured by the Federal Housing Administration ("FHA").

Additionally, this letter documents that the above Borrowers are approved for the Second Mortgage Loan set forth above, which shall provide funds for the Borrowers' down payment and closing costs for the First Mortgage Loan. Accordingly, at or before closing for the above-noted real property acquisition, the NJHMFA has incurred a legally enforceable obligation to provide the funds for the Second Mortgage Loan contingent on the Agency's purchasing the First Mortgage Loan. Before executing any of the documents financing and/or securing the First Mortgage Loan and Second Mortgage Loan, the Borrowers must acknowledge the terms set forth in this document by countersigning at the space below. In addition to having this letter in your file, you must also satisfy the requirements in the last paragraph of this letter to maintain the FHA insurability of the First Mortgage Loan.

**Prior to applying for FHA insurance on the First Mortgage Loan, [Originating Lender] must execute an assignment to NJHMFA of all documents executing and securing the First Mortgage Loan and provide to NJHMFA at time of purchase. Subject to the terms set forth above, the Agency hereby agrees to purchase the Second Mortgage Loan under the NJHMFA's Smart Start Program.**

Sincerely,

\_\_\_\_\_  
Laura M. Shea  
Senior Director, Single Family Programs

Acknowledged:

\_\_\_\_\_  
Borrower 1

Date: \_\_\_\_\_

\_\_\_\_\_  
Borrower 2

Date: \_\_\_\_\_

## NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

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