

HB 1405-FN - AS INTRODUCED

2026 SESSION

26-2936

07/08

HOUSE BILL ***1405-FN***

AN ACT relative to the housing finance authority's affordable housing guarantee program.

SPONSORS: Rep. Muns, Rock. 29; Rep. Booras, Hills. 8; Rep. de Vries, Rock. 29; Rep. Hegner, Hills. 41; Rep. Howland, Straf. 20; Rep. Lane, Merr. 16; Rep. Maggiore, Rock. 23; Rep. D. Paige, Carr. 1; Rep. Read, Rock. 10; Rep. Stavis, Graf. 13; Sen. Altschiller, Dist 24; Sen. Perkins Kwoka, Dist 21

COMMITTEE: Housing

ANALYSIS

This bill:

I. Establishes an affordable housing guarantee program within the housing finance authority to promote affordable housing for low- and moderate-income persons.

II. Requires the housing finance authority to offer loan guarantees to lenders who have current approval to provide financing through the housing finance authority to reduce the risk of their loans.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears ~~[in brackets and struckthrough.]~~
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty-Six

AN ACT relative to the housing finance authority's affordable housing guarantee program.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 New Subdivision; Affordable Housing Guaranteed Loan Program. Amend RSA 204-C by
2 inserting after section 92 the following new subdivision:

3 Affordable Housing Guaranteed Loan Program

4 204-C:93 Definitions. In this subdivision:

5 I. "Affordable housing" means:

6 (a) Housing whose combined rental and utility costs, or combined mortgage loan debt
7 services, property taxes, and required insurance, do not exceed 30 percent of the gross income of
8 persons of low or moderate income.

9 (b) Manufactured housing parks, as defined in RSA 205-A:1, provided that the park
10 meets the following conditions:

11 (1) The majority of residents, as evidenced by a survey conducted within 3 years of
12 loan origination, attest to being of low or moderate income; and

13 (2) Lot rents and fees are determined to be affordable to residents of low and
14 moderate income according to criteria established by the authority.

15 (c) Homes for persons with disabilities, mobile homes, prefabricated homes, or any
16 buildings, land, improvements, equipment, facilities, or other real or personal property deemed by
17 the authority to be necessary, convenient, ancillary, or desirable.

18 II. "Authority" means the housing finance authority established under RSA 204-C:2.

19 III. "Person of low income" means any individual or family whose gross income is greater
20 than 50 percent, but less than or equal to 60 percent, of the state median income, which may be
21 adjusted based on the number of persons living in a given household.

22 IV. "Person of moderate income" means any individual or family whose gross income is
23 greater than 60 percent, but less than or equal to 80 percent, of the state median income, which may
24 be adjusted based on the number of persons living in a given household.

25 V. "Person of very low income" means any individual or family whose gross income is less
26 than or equal to 50 percent of the state median income, which may be adjusted based on the number
27 of persons living in a given household.

28 204-C:94 Rulemaking. The authority shall adopt rules, pursuant to its own procedures, relative
29 to:

30 I. The conduct of its business;

31 II. The selection and maintenance of eligible lenders;

1 III. The schedule of fees and guarantee premiums to be charged for the issuance of
2 certificates of guarantee or other services;

3 IV. The types of activities eligible for financing with loans guaranteed pursuant to this
4 subdivision; and

5 V. Any matter necessary to carry out the powers and duties of the authority under this
6 subdivision.

7 204-C:95 Administration; Eligibility; Demonstration.

8 I. The authority shall make a good faith effort to approve applications from nonprofit and
9 for-profit lending organizations which provide, or are planning to provide, loans for the creation or
10 preservation of affordable housing, consistent with the criteria established in this subdivision and
11 rules adopted by the authority. When entering into contracts for guaranteed loans pursuant to this
12 subdivision, the authority shall require that applicants demonstrate that they satisfy the
13 requirements of this section.

14 II. Each applicant shall:

15 (a) Register with the secretary of state as a private, nonprofit or for-profit entity, or be a
16 municipal housing authority.

17 (b) Demonstrate a need for a proposed loan to develop or preserve affordable housing.

18 (c) Demonstrate that the borrower has agreed to provide affordable housing to persons of
19 very low, low, or moderate income, as defined in this subdivision.

20 (d) Demonstrate that the borrower is fiscally sound, as shown in a financial statement.

21 (e) Possess all necessary licenses and approvals to offer commercial loans in this state.

22 (f) Establish procedures to monitor borrowers to ensure ongoing compliance with this
23 subdivision and rules of the authority for the term of the guaranteed loan.

24 III. Loan guarantee recipients shall demonstrate to the authority the disposition of any
25 money provided under the affordable housing guaranteed loan program, as defined by rules
26 established by the authority.

27 204-C:96 Guarantee. Upon application from a lender, in such form as the authority may
28 require, the authority may issue, or commit itself to issue to the lender or its assigns, a certificate of
29 guarantee equal to 80 percent of the principal due on the loan. In no instance shall any loan
30 principal guaranteed under this section exceed \$30,000,000 per lender per fiscal year. The aggregate
31 amount of loans guaranteed under this section shall not exceed \$300,000,000 at any time.

32 204-C:97 Guarantee Certificate Conclusive. A certificate of guarantee issued by the authority,
33 in the hands of the original lender to whom the certificate was issued, shall be conclusive evidence of
34 its validity for the purposes of this subdivision, except in instances of fraud.

35 204-C:98 Guarantee; Credit of State Pledged. The full faith and credit of this state is pledged to
36 support and redeem certificates of guarantee issued by the authority. In furtherance of that pledge,
37 the state treasurer shall advance to the authority, from available moneys in the treasury, such

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1 amounts as may be requested from time to time by the authority to enable it to perform all
2 guaranteed obligations punctually and in accordance with their terms. The authority shall request
3 such advances from time to time as required for such purpose. The treasurer shall report any such
4 advances to the joint fiscal committee at its next meeting.

5 2 Effective Date. This act shall take effect 60 days after its passage.

**HB 1405-FN- FISCAL NOTE
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AN ACT relative to the housing finance authority's affordable housing guarantee program.

FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	\$0	\$0	\$0	\$0
<i>Revenue Fund(s)</i>	None			
Expenditures*	\$0	\$20,000	\$15,000	\$15,000
<i>Funding Source(s)</i>	General Fund			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

***Expenditure = Cost of bill**

***Appropriation = Authorized funding to cover cost of bill**

METHODOLOGY:

This bill creates an affordable housing guarantee program through the New Hampshire Housing Finance Authority (NHHFA) for low and moderate income citizens. It would let NHHFA back up to 80% of a loan from a bank or lender. Each lender could get up to \$30 million in loan guarantees per fiscal year, with a total statewide limit of \$300 million at any time. The program sets rules for who can qualify, based on income and housing costs, and provides a state guarantee to provide money if needed to keep the program running.

The NHHFA states the program is expected to cost the \$20,000 in its first year and \$15,000 annually thereafter, primarily for staffing and administrative expenses. These costs would initially be covered by General Funds, but NHHFA anticipates offsetting them over time by charging lenders a modest monthly fee.

The Treasury Department states that the bill would have no immediate impact unless someone defaults on a loan, in which the state would be required to pay the loans guarantee, therefore any future impact is indeterminable. However, the potential liability of the state would be up to \$300 million. This structure may complicate the calculation of the state's debt limit under RSA 6-C.

AGENCIES CONTACTED:

New Hampshire Housing Finance Authority and Treasury Department