

**Bulletin # 186**  
September 30, 2020

To: CHFA Lenders  
From: CHFA Single Family Underwriting  
Subject: **Teachers Mortgage Assistance Program Update**

CHFA has been notified by the State Commission on Education regarding the listing of Priority School Districts, Subject-Matter Shortage Areas, and eligible Alliance District subjects which are currently **effective July 1, 2020** for the Teachers Mortgage Assistance Program.

**Changes are noted below for: SUBJECT-MATTER SHORTAGE AREAS**

Bilingual Education, PreK-12	Science, 4-12
Mathematics, 4-12	Speech and Language Pathologist, PreK-12
Special Education*, PreK-12	Technology Education**, PreK-12
School Library and Media Specialist**, PreK-12	TESOL, PreK-12
School Psychologist, PreK-12	World Languages, 7-12

\* *Special Education shortage area designation comprises Partial sighted, Deaf/ Hard of Hearing, Blind and Comprehensive Special Education teaching endorsement codes.*

\*\* *Alliance Districts Only – The Alliance District program is a unique and targeted investment in Connecticut’s 33 lowest-performing districts. (see listing below or CHFA Outline & Underwriting Guide reference - CGS 10-262u)*

**Addition of: ALLIANCE SCHOOL DISTRICTS**

Ansonia	East Haven	Manchester	Norwalk	Vernon
Bloomfield	East Windsor	Meriden	Norwich	Waterbury
Bridgeport	Groton	Middletown	Putnam	West Haven
Bristol	Hamden	Naugatuck	Stamford	Winchester
Danbury	Hartford	New Britain	Thompson	Windham
Derby	Killingly	New Haven	Torrington	Windsor
East Hartford		New London		Windsor Locks

**Changes are noted below for: PRIORITY SCHOOL DISTRICTS**

Ansonia	Hartford	New Haven	Stamford
Bridgeport	Manchester	New London	Waterbury
Danbury	Meriden	Norwalk	Windham
East Hartford	New Britain	Norwich	

Please be sure to use the updated **Teachers Mortgage Program - Statement of Eligibility (Form 031-030)** effective July 1, 2020 through June 30, 2021 located at [www.chfa.org](http://www.chfa.org) under the Lender Forms section.

*All questions regarding this Bulletin should be directed to Valencia Taft-Jackson at (860) 571-4224 or [valencia.taft-jackson@chfa.org](mailto:valencia.taft-jackson@chfa.org) or Carolyn Christensen at (860)571-4270 or [Carolyn.Christensen@chfa.org](mailto:Carolyn.Christensen@chfa.org)*

## TEACHERS MORTGAGE ASSISTANCE

### PURPOSE AND OVERVIEW:

*The Teachers Mortgage Assistance Program offers home loans at below-market interest rates to Teachers who are certified in the State of Connecticut who teach:*

- *In the States-Identified Academic Subject Matter Shortage Areas or eligible Alliance District subjects,*
- *In a Priority School District,*
- *In a Technical High School that is located in a Priority School District,*

*To help recruit and retain (\*R&R) minority teachers in our communities, additional incentives are available for Teachers who:*

- *Graduated from a Public High School in an Educational Reform District,*
- *Graduated from a Historically Black College or University (HBCU) or,*
- *Graduated from a Hispanic-Serving Institution (HSI).*

PARAMETER	Eligibility Requirements
LENDER ORIGINATION FEE	CHFA Origination Fee will be 1.00% of the first mortgage loan amount for all loans.
CHFA ALLOWABLE FEES	<ul style="list-style-type: none"> <li>▪ Loan Processing Fee = \$395</li> <li>▪ Loan Underwriting Fee = \$395</li> </ul>
GOVERNMENT PROGRAM UPFRONT FEES	<ul style="list-style-type: none"> <li>▪ FHA - UFMIP – <i>Insurer or Investor guidelines will apply</i></li> <li>▪ USDA - Guarantee Fee</li> <li>▪ VA - Funding Fee</li> </ul>
CHFA INTEREST RATE	<p>The interest rate will be determined by the type of CHFA Loan Product selected.</p> <p>Applicants will receive a 0.125% rate discount off the CHFA Government (<i>i.e. FHA, VA, USDA –RD</i>) rate, or CHFA Non-Government (<i>i.e. PMI or Uninsured</i>) rate in effect at the time of application. (<a href="http://chfa.org">See chfa.org home page</a>)</p> <p><i>(Teachers applying under *R&amp;R will receive 0.250% rate discount; CHFA target area rate discount of 0.250% will apply when applicable and will not be combined with this programs rate reduction.)</i></p>
AMORTIZATION	30-Year Term, Fixed Rate Mortgage (FRM)
TARGET GEOGRAPHY	State of Connecticut

<p><b>ELIGIBLE BORROWERS</b></p>	<p><b>First-time homebuyers with no property ownership in the past three (3) years.</b>  <i>(waived in targeted areas – may not own property at time of loan closing)</i></p> <p>Teacher holding a valid Connecticut certification and:</p> <ul style="list-style-type: none"> <li>▪ Is employed as a Teacher in a Priority School District; or</li> <li>▪ Is employed by the State of Connecticut in a Technical High School that is located in a Priority School District; or</li> <li>▪ Employed full or part-time as a Teacher in his/her respective endorsement area/s in one of the State Identified “Subject Matter Shortage Areas” or eligible “Alliance District” subjects; or</li> </ul> <p><i>To help recruit and retain (*R&amp;R) minority teachers in our communities, additional incentives are available for Teachers who:</i></p> <ul style="list-style-type: none"> <li>▪ Graduated from a Public High School in an Educational Reform District as defined in <a href="#">Section 10-262u</a> of the Connecticut General Statutes; or</li> <li>▪ <a href="#">Graduated from a Historically Black College or University (HBCU) or a Hispanic-Serving Institution (HSI)</a></li> </ul> <p><i>In the case of certified teachers who teach in a priority school district, or in a technical high school located in a priority school district, the dwelling must be located in the district in which the school is located. (This restriction is waived for teachers applying under the *R&amp;R eligibility criteria)</i></p> <p>Note: Statement of Eligibility Letter (<i>CHFA Form 031-030</i>) is required from the School District Superintendent.</p>																																	
<p><b>SUBJECT MATTER SHORTAGE AREAS</b>  <i>(JULY 2020- JUNE 30, 2021)</i></p>	<table border="0"> <tr> <td>- Bilingual Education, PreK-12</td> <td>- Science, 4-12</td> </tr> <tr> <td>- Mathematics, 4-12</td> <td>- Speech &amp; Language Pathologist, PreK-12</td> </tr> <tr> <td>- Special Education*, PreK-12</td> <td>- Technology Education**, PreK-12</td> </tr> <tr> <td>- School Library/Media Specialist**,PreK-12</td> <td>- TESOL, PreK–12</td> </tr> <tr> <td>- School Psychologist, PreK-12</td> <td>- World Languages, 7-12</td> </tr> </table> <hr/> <p><i>*Special Education shortage area designation comprises Partially Sighted, Deaf/Hard of Hearing, Blind, and Comprehensive Special Education teaching endorsement codes.</i></p> <p><i>**Alliance Districts only – The program is a unique and targeted investment in Connecticut’s 33 lowest-performing districts. (See list below - reference CT General Statute Section 10-262u)</i></p>	- Bilingual Education, PreK-12	- Science, 4-12	- Mathematics, 4-12	- Speech & Language Pathologist, PreK-12	- Special Education*, PreK-12	- Technology Education**, PreK-12	- School Library/Media Specialist**,PreK-12	- TESOL, PreK–12	- School Psychologist, PreK-12	- World Languages, 7-12																							
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<p><b>ELIGIBLE / INELIGIBLE PROPERTY TYPES</b></p>	<p><b><u>Eligible</u></b></p> <ul style="list-style-type: none"> <li>▪ Existing – Single Family</li> <li>▪ New Construction – Statewide Single Family / 2 unit eligible in Targeted Areas only (3-4 not eligible)</li> <li>▪ 2 – 4 units (existing &amp; occupied as residential for the past 5 years)</li> <li>▪ Condominiums (FHA, FNMA, FHLMC, VA or USDA-RD approved (Includes 2-4 unit projects – Not applicable to FHLMC)</li> <li>▪ Townhomes</li> <li>▪ PUD’s (FHA, FNMA, FHLMC, VA or USDA-RD approved)</li> </ul> <p><b><u>Ineligible</u></b> Co-ops , Mixed use properties, Manufactured Homes</p>
<p><b>ELIGIBLE OCCUPANCY</b></p>	<ul style="list-style-type: none"> <li>▪ Owner occupied only (investment / vacation home properties not allowed)</li> </ul>
<p><b>ELIGIBLE PURPOSE</b></p>	<ul style="list-style-type: none"> <li>▪ Purchases only – primary residence - refinance not allowed</li> </ul>
<p><b>AUS RECOMMENDATION</b></p>	<ul style="list-style-type: none"> <li>▪ AUS Approve Eligible/Accept</li> </ul>
<p><b>MINIMUM CREDIT SCORE</b></p>	<ul style="list-style-type: none"> <li>▪ CHFA has no requirement – <i>Insurer or Investor guidelines will apply.</i></li> </ul>
<p><b>NON-TRADITIONAL CREDIT (MANUAL UNDERWRITE)</b></p>	<p><i>Insurer or Investor guidelines will apply.</i></p>
<p><b>QUALIFYING RATIOS</b></p>	<ul style="list-style-type: none"> <li>▪ Monthly Housing Expense-to-Income ratio must be in compliance with the insurer, (i.e. FHA, VA, USDA-RD, PMI or investor, i.e. FNMA / FHLMC) guidelines up to a maximum of 45%.</li> <li>▪ Maximum Total Monthly Debt-to-Income ratio: <ul style="list-style-type: none"> <li>○ <i>Teachers with student loans in repayment are eligible for total debt ratio up to 50% with AUS approval.</i></li> </ul> </li> </ul> <p><b><i>Total Debt Ratio above will apply to applicants applying for CHFA DAP with AUS Approval.</i></b></p>

<p><b>MAXIMUM LTV</b></p>	<ul style="list-style-type: none"> <li>▪ ≤80.0% Uninsured</li> <li>▪ 96.5% FHA (3.50% Down)</li> <li>▪ 97.0% CHFA Conventional, HFA Preferred™ / HFA Advantage® (3% Down)</li> <li>▪ 95.0% CHFA Conventional, HFA Preferred™ (2-4 unit = 2%)</li> <li>▪ 100 % USDA (LTV may increase to include guarantee fee) <i>DAP not allowed</i></li> <li>▪ 100% VA (LTV may increase to include the funding fee) <i>DAP not allowed</i></li> </ul> <p style="text-align: center;"><i>Insurer guidelines will apply</i></p>																																																																								
<p><b>MAXIMUM CLTV</b></p>	<ul style="list-style-type: none"> <li>▪ CLTV = 100% (CHFA DAP)</li> <li>▪ CLTV = 105% (<i>other Subordinate Financing- Follow Investor Guidelines</i>)</li> </ul>																																																																								
<p><b>MINIMUM BORROWER CONTRIBUTION</b></p>	<ul style="list-style-type: none"> <li>▪ 3% - 3.50% of total purchase price depending on insurer.</li> </ul> <p style="text-align: center;"><i>(VA and USDA may not require any down payment)</i></p>																																																																								
<p><b>SUBORDINATE FINANCING</b></p>	<ul style="list-style-type: none"> <li>▪ CHFA Downpayment Assistance Program is available to qualified borrowers <b>regardless of assets.</b></li> </ul>																																																																								
<p><b>INCOME REQUIREMENTS</b></p>	<p>An applicant’s annual, before tax income must not exceed the CHFA <b><i>Income Limits for “Applicable Town”</i></b>. Borrower’s income limit is based on household size.</p> <p style="text-align: center;"><i>(See “Full List” at <a href="http://chfa.org">chfa.org</a> “Income &amp; Sales Price Limits” )</i></p> <p><i>Example only:</i></p> <table border="1" data-bbox="435 1171 1502 1339"> <thead> <tr> <th colspan="9">Connecticut Housing Finance Authority (CHFA) - Income Limits</th> </tr> <tr> <th colspan="3">Statewide Income Limits</th> <th colspan="3">\$89,700 1 or 2 persons</th> <th colspan="3">\$103,155 3 or more</th> </tr> <tr> <th colspan="3">Household Size</th> <th colspan="3">Household Size</th> <th colspan="3">Household Size</th> </tr> <tr> <th colspan="3">Fairfield County</th> <th colspan="3">Litchfield County</th> <th colspan="3">New Haven County</th> </tr> <tr> <th></th> <th>1 or 2</th> <th>3 or more</th> <th></th> <th>1 or 2</th> <th>3 or more</th> <th></th> <th>1 or 2</th> <th>3 or more</th> </tr> </thead> <tbody> <tr> <td>Bethel</td> <td>134,880</td> <td>157,360</td> <td>Colebrook</td> <td>89,700</td> <td>103,155</td> <td>Prospect</td> <td>89,700</td> <td>103,155</td> </tr> <tr> <td>Bridgeport *All Areas</td> <td>107,640</td> <td>125,580</td> <td>Cornwall</td> <td>89,700</td> <td>103,155</td> <td>Seymour</td> <td>93,500</td> <td>107,525</td> </tr> <tr> <td>Brookfield</td> <td>134,880</td> <td>157,360</td> <td>Goshen</td> <td>89,700</td> <td>103,155</td> <td>Southbury</td> <td>89,700</td> <td>103,155</td> </tr> </tbody> </table> <p style="text-align: center;">Income Limit can be waived in Federally Targeted Areas unless applicant is also applying for the CHFA Downpayment Assistance Program (DAP).</p>	Connecticut Housing Finance Authority (CHFA) - Income Limits									Statewide Income Limits			\$89,700 1 or 2 persons			\$103,155 3 or more			Household Size			Household Size			Household Size			Fairfield County			Litchfield County			New Haven County				1 or 2	3 or more		1 or 2	3 or more		1 or 2	3 or more	Bethel	134,880	157,360	Colebrook	89,700	103,155	Prospect	89,700	103,155	Bridgeport *All Areas	107,640	125,580	Cornwall	89,700	103,155	Seymour	93,500	107,525	Brookfield	134,880	157,360	Goshen	89,700	103,155	Southbury	89,700	103,155
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<p><b>SALES PRICE LIMIT</b></p>	<p>Purchase price of home must not exceed the CHFA <b><i>Sales Price Limits</i></b> established for the specific city or town where property is located.</p> <p style="text-align: center;"><i>(See “Full List” at <a href="http://chfa.org">chfa.org</a> “Sale Price &amp; Income Limits”)</i></p> <p><i>Example only:</i></p> <table border="1" data-bbox="435 1743 1453 1879"> <thead> <tr> <th colspan="7">Connecticut Housing Finance Authority (CHFA) - Sales Price Limits</th> </tr> <tr> <th colspan="2"></th> <th colspan="2">Existing</th> <th colspan="2">New</th> <th></th> </tr> <tr> <th colspan="2">Fairfield County</th> <th colspan="2">Litchfield County</th> <th colspan="2">New Haven County</th> <th></th> </tr> <tr> <th></th> <th>Existing</th> <th>New</th> <th>Existing</th> <th>New</th> <th>Existing</th> <th>New</th> </tr> </thead> <tbody> <tr> <td>Bethel</td> <td>574,020</td> <td>574,020</td> <td>Colebrook</td> <td>341,340</td> <td>341,340</td> <td>Prospect</td> <td>291,950</td> </tr> <tr> <td>Bridgeport *All Areas</td> <td>701,585</td> <td>701,585</td> <td>Cornwall</td> <td>341,340</td> <td>341,340</td> <td>Seymour</td> <td>291,950</td> </tr> </tbody> </table> <p style="text-align: center;">Appraised value cannot exceed 105% of the purchase price limit.</p>	Connecticut Housing Finance Authority (CHFA) - Sales Price Limits									Existing		New			Fairfield County		Litchfield County		New Haven County				Existing	New	Existing	New	Existing	New	Bethel	574,020	574,020	Colebrook	341,340	341,340	Prospect	291,950	Bridgeport *All Areas	701,585	701,585	Cornwall	341,340	341,340	Seymour	291,950																												
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<b>RESERVES</b>	<ul style="list-style-type: none"> <li>▪ Reserve requirements must be in compliance with insurer (i.e. FHA, VA, USDA-RD, PMI) or investor (i.e. FNMA / FHLMC) guidelines.</li> </ul>
<b>INTERESTED PARTY CONTRIBUTIONS</b>	<p><i>Insurer or Investor guidelines will apply.</i></p>
<b>HOMEBUYER EDUCATION</b>	<ul style="list-style-type: none"> <li>▪ 3- Hr. Counseling Certificate required for at least one borrower/co-borrower. <i>(An optional 8-Hr. in-depth counseling is also accepted.)</i></li> <li>▪ Landlord Certificate also required if purchasing 2-4 family unit.</li> <li>▪ On-Line Homebuyer counseling is available through eHome America in partnership with CHFA. <i>(See Homebuyer and Lender Online Registration Instructions)</i></li> </ul>
<b>ELIGIBLE MORTGAGE INSURERS</b>	<ul style="list-style-type: none"> <li>▪ Government loans must be insured through FHA, VA, USDA-RD.</li> <li>▪ Conventional loans must be originated under HFA Preferred™ (PMI), HFA Advantage® (PMI), <b>or</b> CALP Loan Programs.</li> </ul>
<b>MORTGAGE INSURANCE COVERAGE</b>	<p><i>Insurer or Investor guidelines will apply.</i></p>
<b>FEDERAL RECAPTURE TAX</b>	<p>Subject to Federal Recapture Tax unless:</p> <ul style="list-style-type: none"> <li>▪ Home sold more than nine (9) years after purchase.</li> <li>▪ There is no profit (capital gain) on sale.</li> <li>▪ Household income is below Recapture Tax Limit at time of sale.</li> </ul> <p><i>(See eligibility for CHFA reimbursement – Form 049-0313 if recapture tax payment is required.)</i></p>
<b>SERVICER</b>	<ul style="list-style-type: none"> <li>▪ <b>Idaho Housing Finance Association</b>; Service Released Lenders <i>(HomeLoanServ for loss payee clauses &amp; Servicing Transfer Notice)</i></li> <li>▪ <b>AmeriNat</b> - (FICO score <math>\leq</math> 618); Service Released Lenders</li> <li>▪ <b>Service Retained Lenders</b> - (FICO score <math>\leq</math> 618) retain servicing.</li> </ul>

Teachers Assistance – Rev 9-29-2020r