

Bulletin #240
July 27, 2023

To: CHFA Lenders
From: CHFA Single Family Underwriting
Subject: Down Payment Assistance Program/s Update

CHFA Down Payment Assistance Program/s:

The Connecticut Housing Finance Authority (CHFA) made several Mortgage Loan Program enhancements as outlined in Bulletin #230 publication. A revision has been made to the following statement noted in Bulletin #230 as follows:

Bulletin #230 stated: *The Down Payment Assistance Program/s may not be utilized if the subject property appraised value exceeds the sales price by 10% or more.*

- **Revision effective immediately:** Transactions involving “**non-arm’s length and/or related parties**” are not eligible for the Time to Own (TTO) program when the subject property appraised value exceeds the sales price by 20% or more.

Use of CHFA’s Down Payment Assistance Program (DAP) will be permitted with these types of transactions.

In cases where the subject property appraises below the sales price, borrower/s are permitted to pay the difference from their own funds. CHFA down payment assistance will be based on the appraised value. Must meet all other first mortgage insurer/investor guidelines.

- **The Time to Own (TTO) Program documentation required to confirm three (3) year Connecticut residency is as follows:**

Three (3) most recent years of applicants Federal income tax returns or IRS tax return transcripts, W2s, 1099s or IRS income/wage transcripts.

When this documentation is not available, please contact SFAMInquiry@chfa.org for guidance.

All questions regarding this Bulletin should be directed to Lisa Hensley at lisa.hensley@chfa.org or Carolyn Christensen at carolyn.christensen@chfa.org