

**Bulletin # 77
December 31, 2014**

To: CHFA Lenders
From: CHFA Single Family Underwriting
Subject: Connecticut Housing Finance Authority (CHFA) Announces:

New Interest Rates for Government and Conventional Loan Financing;
Target Area Rate Discount for Loan Programs;
New Loan Servicer, and
LOS VA Funding Fee and USDA Guaranty Fee Activated

Interest Rate Announcements

Effective with loan reservations dated on or after **Friday, January 2, 2015**, CHFA will implement a new interest rate structure for loans that are guaranteed/insured by Government programs, i.e. FHA, VA and USDA, CHFA insured Pilot Program (CIPP) and loans with conventional financing, i.e. Private Mortgage Insurance (PMI), CHFA or uninsured.

The interest rate for conventional financing will be slightly higher than the interest rate for Government Insured/ Guaranteed transactions.

Point Options Change

The new interest rates will be published under the headings of Government Insured and Non-Government Insured for selection. CHFA will also eliminate the .750% point option in favor of offering 3 rate options only, 0.00% points .500% point or 1.00% point. The CHFA LOS will automatically populate the correct interest rate based on the loan program type, point option selected and mortgage loan insurer, if applicable.

Target Area Rate Discount

Effective with loan reservations dated on or after **Friday, January 2, 2015**, all CHFA loan programs originated in Targeted Area Census Tracts will receive the .250% interest rate discount for all programs, including loans originated in the HFA Preferred™ Loan Program.

New Loan Servicer

CHFA has selected Idaho Housing and Finance Association as the new loan servicer for all loans reserved on or after **Friday, January 2, 2015**. The following loans will be serviced by Idaho Housing and Finance Association:

- FHA, VA and USDA – Service Released Lenders only
- HFA Preferred – All Lenders
- Conventional loans that are uninsured – All Lenders

	Fees			
	HFA	FHA	Uninsured	CIPP
Tax Service Fee	\$59.00	\$0.00	\$59.00	0
Adverse Market Fee	0.25%	0.00%	0.00%	0

LOS VA Funding Fee and USDA Guaranty Fee Activated

As of June 16, 2014, CHFA expanded the VA and USDA loan products to allow for financing of the VA Funding Fee and the USDA Guarantee Fee. The LOS system has been upgraded to allow for the applicable fee to now be included in the first mortgage loan amount.

When completing the Loan Reservation, the applicable fee must be added to the first mortgage loan amount and a zero (0.00) must be entered in the “Funding Fee” field. The Funding Fee field cannot be blank – if nothing is entered the system will not allow the reservation to be submitted. (If the fee is being financed, the actual amount must not be entered – just zeros).

All questions regarding this Bulletin should be directed to Valencia Taft-Jackson at (860) 571-4224 or valencia.taft-jackson@chfa.org or Norbert J. Deslauriers at 860-571-4374 or norbert.deslauriers@chfa.org.