

Bulletin # 211
March 4, 2022

To: CHFA Lenders
From: CHFA Homeownership Department
Subject: Mortgage Loan Program Enhancements

Connecticut Housing Finance Authority (CHFA) has made several Mortgage Loan Program enhancements. A summary of these recent updates is provided below for reference:

- Downpayment Assistance Program, (DAP) derogatory credit overlays have been eliminated. *Follow first mortgage guidelines.*
- CHFA approval is no longer required for weather related property repair escrow holdbacks. Health and safety items must be completed prior to CHFA Commitment. *Follow Agency/Insurer guidelines.*
- CHFA no longer has additional overlays to agency and insurer contingent liability guidelines, with or without DAP.
- Cash back to borrower at closing is limited to both verified and documented Earnest Money Deposit (EMD), and POC items.
- Up to a \$1,000 principal curtailment is permitted on DAP loans (only) to avoid adjustments at closing. CHFA approval is not required.
- The DAP 60 hour work week maximum for qualifying / repayment income has been eliminated.
- Receipt of child support, alimony and separate maintenance is considered in CHFA income limits when payments are consistently received. It is the borrower's responsibility to disclose this income to the lender, when applicable. Additional documentation may be required.

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