



Urban Rehabilitation Homeownership Program (UR Home) Frequently Asked Questions

Rev. 5/20/10

Q1. For private sector employees - there is no specification that self-employed borrowers are excluded from the private sector contribution. Is that indeed the case – self-employed borrowers are not eligible for private sector funds?

A1. Private sector employees include anyone that does not work for the State or a Municipality. Self-employed borrowers will be required to make contributions to employees based on their company size. (See CHFA UR Home Private Sector Employer Fact Sheet) If the borrower is a sole proprietor he will need to contribute \$250 towards the transaction, however, unless he is receiving 100% financing including closing costs that obligation should be met without hardship.

Q2. With regard to the 6 month time frame for the use of funds, will there be instances where the time frame would be extended (i.e., the contractor is partially complete on an item but cannot finish in time but we have begun the draw process, there were 3 items to be repaired where 2 of them we 100% complete as of the 6 month mark, but the 3rd was not started, items were never started etc)?

How hard and fast is the rule that funds not used in 6 months are returned to CHFA

If funds are returned, what is the process? Specifically, what are the rules used to determine how much goes back, who gets the funds (we need the specific address, contacts, phone numbers etc), who is responsible for cutting the check to CHFA?

If funds are returned, do we need new loan documents signed since we are not going to get a modification signed?

How often are funds returned - is it 1 day after the 6 months? If CHFA does create an exception process, how are we notified of the extension?

A2. CHFA requires every attempt be made to complete work within the 6 month time frame, however they recognize there may be exceptions – the goal is to encourage completion of the work in a timely manner. Extensions will be granted on a case-by-case basis. Monitoring progress and request for draws will be handled through the appraisal department. The appraisal department will be the liaison between the Bank and CHFA and they will notify CHFA of any extensions that may be required.

Q3. Who will review the home inspection report?

A3. The counseling agencies are responsible for reviewing the home inspection report with the borrowers and confirming the work is applicable. They are also responsible for reviewing work orders and estimates with the borrowers. These documents must be submitted with the completed loan package.

Please note work will not begin until after the loan has closed and the borrower is the owner of the property. Underwriters and processors will no longer be in the loop – Appraisals will be handling request for draws and ordering inspections.

999 West Street ~ Rocky Hill, CT ~ 06067
(860) 571-4230 English ~ (860) 571-4352 Español ~ www.chfa.org

Q4. Can I get Downpayment Assistance Loan if my income is higher than the limits listed under CHFA's income limits because I am purchasing in a targeted area?

A4. Under the UR Home Program, these loans are only offered in 6 communities, which are targeted areas. Generally, there are no income restrictions in targeted areas. However, Downpayment Assistance Program (DAP) loans cannot be utilized if a borrower's income is over the income limit stated in CHFA's income limits sheet for one of the eligible communities.

Q5. If I had a prior UR Home loan, can I sell that house and go through the UR Home program again to purchase another home?

A5. Yes, providing that you sell your first UR Home and use the proceeds, if any, towards the purchase of your new home under the UR Home Program. The home must be in one of the 6 eligible communities. You must have credit in good standing and meet the borrower eligibility requirements under the program.

This also includes prior homeowners. Prior homeowners are eligible to participate in the UR Home Program as the eligible properties are located in Targeted Areas. The borrower must sell their existing home and use the proceeds toward the purchase of the new home under the UR Home Program.