



LOAN PROGRAM OUTLINES & UNDERWRITING GUIDES

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CHFA LOAN PROGRAM OUTLINES & UNDERWRITING GUIDES

****LENDER MUST CHOOSE APPLICABLE PROGRAM TYPE AT RESERVATION****

- ✓ **HFA ADVANTAGE[®] (PMI)** - or - **HFA ADVANTAGE[®] UNINSURED** – Conventional Financing.
- ✓ **HFA PREFERRED[™] (PMI)** - or - **HFA PREFERRED[™] UNINSURED** – Conventional Financing.
- ✓ **HOME OF YOUR OWN PROGRAM** – Individual with disability or a household member.
- ✓ **HOMEOWNERSHIP PROGRAM** – Applicants in Public Housing.
- ✓ **MILITARY PROGRAMS** – Members of U.S. Military, Reserve or National Guard, U.S. military veterans and some widowed military spouses or civil union partners.
- ✓ **POLICE PROGRAM** – Limited to Police in Participating Towns or State Programs.
- ✓ **REGULAR HOMEBUYER PROGRAM** – Eligible applicants purchasing a home anywhere in Connecticut insured by FHA, VA, USDA [RD] or under one of the CHFA designated Special Programs.
- ✓ **TEACHERS PROGRAM** – Teachers in eligible Priority and Transitional School Districts or who teach in designated Subject Matter Shortage areas.

HFA ADVANTAGE® - (FHLMC)

HFA ADVANTAGE® : 1 Fam Residential & FHLMC Eligible Condo: Minimum Credit Score ≥ 620			
Program Type	HFA Advantage®		
Property Type	1 Unit and Condominiums		
Maximum LTV	97%		
Minimum Credit Score	≥ 620		
DU Approval Required	YES		
Manual Underwrite	Not Allowed		
Eligible for CHFA DAP (Maximum CLTV = 100%) <i>(Maximum CLTV with other Subordinate Financing = 105%)</i>	LTV	Maximum DAP Allowed	Borrower Contribution
	97%	3%	0%
Servicer	Idaho Housing and Finance Association (IHFA) <i>(HomeLoanServ for loss payee clauses & Servicing Transfer Notice)</i>		
<i>All applicable FHLMC, CHFA and Insurer Underwriting Guidelines apply.</i>			

HFA ADVANTAGE® <u>UNINSURED</u> : 1 Fam Residential & FHLMC Eligible Condo: Minimum Credit Score ≥ 620	
Program Type	HFA Advantage® Uninsured
Property Type	1 Unit and Condominiums
Maximum LTV	≤80%
Minimum Credit Score	≥ 620
DU Approval Required	YES
Manual Underwrite	Not Allowed
Servicer	Idaho Housing and Finance Association (IHFA) (HomeLoanServ for loss payee clauses & Servicing Transfer Notice)
All applicable FHLMC, CHFA and Insurer Underwriting Guidelines apply.	

HFA PREFERRED™ – (FNMA)

HFA PREFERRED™ : 1 Fam Residential & FNMA Eligible Condo: Minimum Credit Score 620			
Program Type	HFA Preferred™		
Property Type	1 Unit and Condominiums		
Maximum LTV	97%		
Minimum Credit Score	620		
DU Approval Required	YES		
Manual Underwrite – Not Allowed	Except for loans <u>without credit scores</u> that are eligible following FNMA underwriting guidelines.		
Eligible for CHFA DAP (Maximum CLTV = 100%) <i>(Maximum CLTV with other Subordinate Financing = 105%)</i>	LTV	Maximum DAP Allowed	Borrower Contribution
	97%	3%	0%
Servicer	Idaho Housing and Finance Association (IHFA) <i>(HomeLoanServ for loss payee clauses & Servicing Transfer Notice)</i>		
<i>All applicable FNMA, CHFA and Insurer Underwriting Guidelines apply.</i>			

HFA PREFERRED™ : 2 - 4 Fam Residential: Minimum Credit Score 620			
Program Type	HFA Preferred™		
Property Type	2 – 4 Units		
Maximum LTV	95%		
Minimum Credit Score	620		
DU Approval Required	YES		
Manual Underwrite – Not Allowed	Except for loans <u>without credit scores</u> that are eligible following FNMA underwriting guidelines.		
Eligible for CHFA DAP (Maximum CLTV = 97%) <i>(Maximum CLTV with other Subordinate Financing = 105%)</i>	LTV	Maximum DAP Allowed	Borrower Contribution
	95%	2%	3% (Funds must come from Borrowers own funds – Gift funds are not acceptable)
Servicer	Idaho Housing and Finance Association (IHFA) <i>(HomeLoanServ for loss payee clauses & Servicing Transfer Notice)</i>		
<i>All applicable FNMA, CHFA and Insurer Underwriting Guidelines apply.</i>			

HFA PREFERRED™ – (FNMA)

HFA PREFERRED™ UNINSURED : 1–4 Fam Residential & FNMA Eligible Condo: Minimum Credit Score 620	
Program Type	HFA Preferred™ Uninsured
Property Type	1 – 4 Unit and Condominiums
Maximum LTV	≤80%
Minimum Credit Score	620
DU Approval Required	YES
Manual Underwrite – Not Allowed	Except for loans <u>without credit scores</u> that are eligible following FNMA underwriting guidelines.
Servicer	Idaho Housing and Finance Association (IHFA) (HomeLoanServ for loss payee clauses & Servicing Transfer Notice)
<i>All applicable FNMA, CHFA and Insurer Underwriting Guidelines apply.</i>	

HFA PREFERRED™ UNINSURED : 1–4 Fam Residential & FNMA Eligible Condo: Minimum Credit Score ≤ 619	
Program Type	HFA Preferred™ Uninsured
Property Type	1 – 4 Unit and Condominiums
Maximum LTV	≤ 80%
Minimum Credit Score	≤ 619
DU Approval - or - Manual Underwrite	YES
Servicer	AmeriNat
<i>All applicable FNMA, CHFA and Insurer Underwriting Guidelines apply. Manual underwrite must be in compliance with CHFA, Insurer and Investor guidelines.</i>	

GOVERNMENT LOANS

FHA GOVERNMENT LOAN: 1 - 4 Fam Residential & Approved Condo: Minimum Credit Score \geq 620

Program Type Insurer	FHA Insured
Property Type	1 – 4 Unit and Condominiums
Maximum LTV	80.01% - 96.5%
Minimum Credit Score	620
DU Approval Required	YES
Manual Underwrite (if applicable)	YES
Eligible for CHFA DAP	Maximum 3.5% (Downpayment only)
Borrower Contribution Required	Not Applicable
Servicer	Service Released – Idaho Housing and Finance Association (IHFA) (HomeLoanServ for loss payee clauses & Servicing Transfer Notice) Service Retained - keep loan for servicing
All applicable CHFA and FHA Underwriting Guidelines apply - Manual underwrite must be in compliance with CHFA and FHA guidelines.	

FHA GOVERNMENT LOAN: 1 - 4 Fam Residential & Approved Condo: Minimum Credit Score \geq 600 - 619

Program Type Insurer	FHA Insured
Property Type	1 – 4 Unit and Condominiums
Maximum LTV	80.01% - 96.5%
Minimum Credit Score	600 - 619
DU Approval Required	YES
Manual Underwrite – Not Allowed	NO
Eligible for CHFA DAP	Maximum 3.5% (Downpayment only)
Borrower Contribution Required	Not Applicable
Servicer	Service Released – Idaho Housing and Finance Association (IHFA) (HomeLoanServ for loss payee clauses & Servicing Transfer Notice) Service Retained - keep loan for servicing
All applicable CHFA and FHA Underwriting Guidelines apply.	

FHA GOVERNMENT LOAN: 1 - 4 Fam Residential & Approved Condo: Minimum Credit Score \leq 618

Program Type Insurer	FHA Insured
Property Type	1 – 4 Unit and Condominiums
Maximum LTV	80.01% - 96.5%
Minimum Credit Score	\leq 618
DU Approval or	Not Required
Manual Underwrite	YES
Eligible for CHFA DAP	Maximum 3.5% (Downpayment only)
Borrower Contribution Required	Not Applicable
Servicer	Service Released – AmeriNat Service Retained - keep loan for servicing
All applicable CHFA and FHA Underwriting Guidelines apply - Manual underwrite must be in compliance with CHFA and FHA guidelines.	

GOVERNMENT LOANS

VA & USDA GOVERNMENT LOAN: **1 - 4 Fam Residential & Approved Condo: Minimum Credit Score ≥ 620**

Program Type Insurer	VA or USDA Guaranty
Property Type	1 – 4 Unit and Condominiums - VA 1 Unit and Condominiums Only - USDA
Maximum LTV	80.01% - 100% <i>(LTV may exceed 100% when adding Funding or Guaranty Fee)</i>
Minimum Credit Score	620
DU Approval Required or	YES
Manual Underwrite <i>(if applicable)</i>	YES
Eligible for CHFA DAP	NO
Borrower Contribution Required	Not Applicable
Servicer	Service Released – Idaho Housing and Finance Association (IHFA) <i>(HomeLoanServ for loss payee clauses & Servicing Transfer Notice)</i> Service Retained - keep loan for servicing
<i>All applicable CHFA and VA or USDA Underwriting Guidelines apply - Manual underwrite must be in compliance with CHFA, VA or USDA guidelines.</i>	

VA & USDA GOVERNMENT LOAN: **1 - 4 Fam Residential & Approved Condo: Minimum Credit Score ≥ 600-619**

Program Type Insurer	VA or USDA Guaranty
Property Type	1 – 4 Unit and Condominiums - VA 1 Unit and Condominiums Only - USDA
Maximum LTV	80.01% - 100% <i>(LTV may exceed 100% when adding Funding or Guaranty Fee)</i>
Minimum Credit Score	600 - 619
DU Approval Required	YES
Manual Underwrite – Not Allowed	NO
Eligible for CHFA DAP	NO
Borrower Contribution Required	Not Applicable
Servicer	Service Released – Idaho Housing and Finance Association (IHFA) <i>(HomeLoanServ for loss payee clauses & Servicing Transfer Notice)</i> Service Retained - keep loan for servicing
<i>All applicable CHFA and FHA Underwriting Guidelines apply.</i>	

VA & USDA GOVERNMENT LOAN: **1 - 4 Fam Residential & Approved Condo: Minimum Credit Score ≤ 618**

Program Type Insurer	VA or USDA Guaranty
Property Type	1 – 4 Unit and Condominiums - VA 1 Unit and Condominiums Only - USDA
Maximum LTV	80.01% - 100% <i>(LTV may exceed 100% when adding Funding or Guaranty Fee)</i>
Minimum Credit Score	≤ 618
DU Approval or	Not Required
Manual Underwrite	YES
Eligible for CHFA DAP	NO
Borrower Contribution Required	Not Applicable
Servicer	Service Released – AmeriNat Service Retained - keep loan for servicing
<i>All applicable CHFA and VA or USDA Underwriting Guidelines apply - Manual underwrite must be in compliance with CHFA, VA or USDA guidelines.</i>	

Program Outlines & Underwriter Guides- Rev 4-2018







203(K) FHA REHABILITATION MORTGAGES

PURPOSE AND OVERVIEW:

The FHA 203(k) Standard and 203(k) Limited Rehabilitation Mortgage Programs offer mortgage financing for homebuyers interested in purchasing a home that needs repairs. Mortgages under these programs include the cost of purchasing the home, as well as the cost of repairs. The FHA 203(k) Rehabilitation Programs are available to FHA lenders that are approved by CHFA to originate 203(k) Program loans.

PARAMETER	Eligibility Requirements
LENDER ORIGATION FEE	<ul style="list-style-type: none"> 203(k) Standard Rehabilitation Program - Point fee 2.50% 203(k) Limited Rehabilitation Program - Point fee 1.50% Supplemental Origination Fee = The greater of \$350.00 or 1.50% of the cost of the improvements. <p><i>(see HUD Form 92700 for maximum)</i></p>
CHFA ALLOWABLE FEES	<ul style="list-style-type: none"> Loan Processing Fee = \$395 Loan Underwriting Fee = \$395
CHFA INTEREST RATE	<p>The 203(k) Rehabilitation Mortgage Program interest rates are the same as the CHFA Homebuyer Mortgage Program Loan rate published as "Government Insured Rate".</p> <p><i>(See chfa.org home page)</i></p> <p><i>(CHFA target area rate discount of .25% will apply when applicable)</i></p>
AMORTIZATION	30-Year Term, Fixed Rate Mortgage (FRM)
TARGET GEOGRAPHY	State of Connecticut
ELIGIBLE BORROWERS	<p>The borrower must be a first-time homebuyer with no property ownership in the past three (3) yrs.</p> <p><i>(waived in targeted areas – may not own property at time of loan closing)</i></p>
ELIGIBLE / INELIGIBLE PROPERTY TYPES	<p>Eligible</p> <ul style="list-style-type: none"> Existing 1-4 Family Residential Property FHA Eligible Condos and PUDs <i>(Includes 2-4 Unit Projects)</i> Existing dwelling conversions up to 4 units <p>Ineligible</p> <ul style="list-style-type: none"> Co-Ops, Mixed use properties, Manufactured Housing <p><i>(see Maximum LTV/CLTV for details)</i></p>

ELIGIBLE OCCUPANCY	<ul style="list-style-type: none"> ▪ Borrowers shall covenant to occupy the Eligible Dwelling as their principal residence within sixty (60) days of loan closing. ▪ Borrowers must use the loan to purchase and repair a home in which they will occupy as their principal residence within the FHA maximum rehabilitation time period of six (6) months. <p><i>(Owner occupied borrowers only; no investors)</i></p>
ELIGIBLE PURPOSE	<ul style="list-style-type: none"> ▪ Purchases only (refinances not allowed) ▪ 203(k) Standard Program – minimum repair cost of 5K for full structural alterations and repairs - requires a HUD Consultant. ▪ 203(k) Limited Program for interior repairs (no structural) – must not exceed \$35K for total rehabilitation costs. ▪ Loan may cover the costs of converting commercial property to residential. ▪ No part of the purchased property may be designed for commercial purposes.
AUS RECOMMENDATION	AUS Approve Eligible/Accept
MINIMUM CREDIT SCORE	CHFA has no requirement – <i>Insurer guidelines will apply.</i>
NON-TRADITIONAL CREDIT (MANUAL UNDERWRITE)	<i>Insurer guidelines will apply.</i>
QUALIFYING RATIOS	<ul style="list-style-type: none"> ▪ Monthly Housing Expense-to-Income ratios must be in compliance with Private Mortgage Insurance (PMI) guidelines up to a maximum of 45%. ▪ Maximum Total Debt-to-Income ratio = 45% <p><i>(unless a lower maximum DTI is required for property type per Insurer or HUD guidelines)</i></p> <ul style="list-style-type: none"> ▪ All loans with CHFA DAP must meet CHFA DAP ratio guidelines of 35% / 43%.
MAXIMUM LTV <i>(ALL PROPERTY TYPES)</i>	<ul style="list-style-type: none"> ▪ 96.50%
MAXIMUM CLTV	<ul style="list-style-type: none"> ▪ 110% - <i>If CLTV 110% max DAP Available =10K</i>
MINIMUM BORROWER CONTRIBUTION	<ul style="list-style-type: none"> ▪ 3.50%
SUBORDINATE FINANCING	<ul style="list-style-type: none"> ▪ CHFA Downpayment Assistance Program is available to qualified borrowers.

INCOME REQUIREMENTS	<p>An applicant’s annual, before tax household income must not exceed the CHFA Income Limits for “Applicable Town”. Borrower’s income limit is based on household size.</p> <p><i>(See “Full List” at chfa.org “Income & Sales Price Limits”)</i></p> <p><i>Example only:</i></p> <table><tr><th colspan="7">Connecticut Housing Finance Authority (CHFA) - Income Limits</th><th></th></tr><tr><td colspan="8">"Statewide" Income Limits \$87,800 (1 or 2 persons) - \$100,970 (3 or more) = Programs Home of Your Own / Homeownership / Section 8 / Reverse Annuity Mtg (RAM)</td></tr><tr><td colspan="8">"Town" Income Limits = All other Programs except where not applicable (i.e. Targeted Areas for loans without CHFA DAP)</td></tr><tr><th colspan="2">"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</th><th colspan="2">"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</th><th colspan="2">"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</th></tr><tr><td colspan="2">Fairfield County</td><td>1 or 2</td><td>3 or more</td><td colspan="2">Litchfield County, cont.</td><td>1 or 2</td><td>3 or more</td><td colspan="2">New Haven County, cont.</td><td>1 or 2</td><td>3 or more</td></tr><tr><td colspan="2">Bethel</td><td>128,160</td><td>149,520</td><td colspan="2">Colebrook</td><td>89,300</td><td>102,695</td><td colspan="2">Prospect</td><td>87,800</td><td>100,970</td></tr><tr><td colspan="2">Bridgeport *All Areas</td><td>107,160</td><td>125,020</td><td colspan="2">Cornwall</td><td>89,300</td><td>102,695</td><td colspan="2">Seymour</td><td>93,500</td><td>107,525</td></tr></table> <p>Income Limit can be waived in Federally Targeted Areas unless applicant also borrows under the CHFA Downpayment Assistance Program (DAP).</p>	Connecticut Housing Finance Authority (CHFA) - Income Limits								"Statewide" Income Limits \$87,800 (1 or 2 persons) - \$100,970 (3 or more) = Programs Home of Your Own / Homeownership / Section 8 / Reverse Annuity Mtg (RAM)								"Town" Income Limits = All other Programs except where not applicable (i.e. Targeted Areas for loans without CHFA DAP)								"Town" Income Limits		HOUSEHOLD SIZE		"Town" Income Limits		HOUSEHOLD SIZE		"Town" Income Limits		HOUSEHOLD SIZE		Fairfield County		1 or 2	3 or more	Litchfield County, cont.		1 or 2	3 or more	New Haven County, cont.		1 or 2	3 or more	Bethel		128,160	149,520	Colebrook		89,300	102,695	Prospect		87,800	100,970	Bridgeport *All Areas		107,160	125,020	Cornwall		89,300	102,695	Seymour		93,500	107,525
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SALES PRICE LIMIT	<p>These programs utilize the Sales Price Limits as the limit for the total acquisition costs (purchase price plus total rehabilitation costs) and as a final value guide for program eligibility. Purchase price of home must not exceed the CHFA Sales Price Limits established for the specific city or town where property is located.</p> <p><i>(See “Full List” at chfa.org “Income & Sales Price Limits”)</i></p> <p><i>Example only:</i></p> <table><tr><th colspan="7">Connecticut Housing Finance Authority (CHFA) - Sales Price Limits</th><th></th></tr><tr><th colspan="2">Fairfield County</th><th>Existing</th><th>New</th><th colspan="2">Litchfield County, cont.</th><th>Existing</th><th>New</th><th colspan="2">New Haven County, cont.</th><th>Existing</th><th>New</th></tr><tr><td colspan="2">Bethel</td><td>567,105</td><td>567,105</td><td colspan="2">Colebrook</td><td>337,225</td><td>337,225</td><td colspan="2">Prospect</td><td>288,430</td><td>288,430</td></tr><tr><td colspan="2">Bridgeport *All Areas</td><td>693,130</td><td>693,130</td><td colspan="2">Cornwall</td><td>337,225</td><td>337,225</td><td colspan="2">Seymour</td><td>288,430</td><td>288,430</td></tr></table> <p>Appraised value cannot exceed 105% of the purchase price limit.</p>	Connecticut Housing Finance Authority (CHFA) - Sales Price Limits								Fairfield County		Existing	New	Litchfield County, cont.		Existing	New	New Haven County, cont.		Existing	New	Bethel		567,105	567,105	Colebrook		337,225	337,225	Prospect		288,430	288,430	Bridgeport *All Areas		693,130	693,130	Cornwall		337,225	337,225	Seymour		288,430	288,430																												
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RESERVES	<ul style="list-style-type: none">Contingency reserve = Minimum of 10% and Maximum 20% held by Lender. Collect the amount of reserves in compliance with FHA guidelines.Unused reserve funds applied to principal balance.																																																																								
REHABILITATION DOCUMENTATION	<ul style="list-style-type: none">All work must be completed by a state-licensed general contractor with appropriate insurance.Contracts must be in writing, signed, and include any subsequent changes and modifications.Contracts must specifically describe rehabilitation items and materials required including schedules for completion and payment terms.																																																																								
INTERESTED PARTY CONTRIBUTIONS	<p><i>Insurer guidelines will apply.</i></p>																																																																								
HOMEBUYER EDUCATION	<ul style="list-style-type: none">3- Hr. Counseling Certificate required for at least one borrower/co-borrower. <i>(An optional 8-Hr. in-depth counseling is also accepted.)</i>Landlord Certificate also required if purchasing 2-4 family unit.On-Line Homebuyer counseling is available through eHome America in partnership with CHFA. <i>(See Homebuyer and Lender Online Registration Instructions)</i>																																																																								

ELIGIBLE MORTGAGE INSURERS	<ul style="list-style-type: none"> Loan must be insured through FHA. 	
MORTGAGE INSURANCE COVERAGE	<ul style="list-style-type: none"> Not applicable 	
UFMIP	<i>See FHA guidelines by case # assignment date.</i>	
FEDERAL RECAPTURE TAX	<p>Subject to Federal Recapture Tax unless:</p> <ul style="list-style-type: none"> Home sold more than nine (9) years after purchase. No profit (capital gain) on sale. Household income is below Recapture Tax Limit at time of sale. <p><i>(See eligibility for CHFA reimbursement – Form 049-0313 if recapture tax payment is required)</i></p>	
ELIGIBLE LENDERS	<p><u>Norcom Mortgage</u> Phone: (860) 606-0525 colleen.fazzino@norcom-usa.com</p>	<p><u>Savings Institute Bank & Trust</u> Phone: (860) 423-0142 melissaphillips@banksi.com</p>
SERVICER	<ul style="list-style-type: none"> CHFA approved Service Retained Lenders 	

203(k) FHA Rehabilitation Mortgages - Rev 3-2018

CHFA INSURED PILOT

PURPOSE AND OVERVIEW:







The Connecticut Housing Finance Authority Insured Pilot Program (CIPP) for first-time home buyers offers credit worthy applicants with credit scores less than or equal to 620 an opportunity for mortgage loan financing currently not available due to minimum credit score overlays set by Lenders or PMI companies and are not eligible for delivery to Idaho Housing and Finance Association for purchase and pooling.

CIPP loans approved for financing will be insured and purchased by CHFA. Service Retained Lenders will retain servicing of CIPP loans, (same process as Government loans i.e. FHA, VA and USDA); Service Released Lenders will deliver loans to AmeriNat for servicing.

Note: Loans with credit scores less than 620 are not eligible for processing under the CHFA HFA Preferred or HFA Advantage Loan Programs.

PREMIUM FACTOR COMPARISON			
FHA UFMIP (Included in 1 st mtg. loan amount)	1.750%	CHFA UFMIP	3.00% (Included in 1 st mtg. loan amount)
FHA MONTHLY	.85%	CHFA MONTHLY	.65%
FHA EXAMPLE INTEREST RATE @ 3.125%		CHFA INSURED EXAMPLE INTEREST RATE @ 3.125%	
Base Loan Amount	\$ 160,000.00	Base Loan Amount	\$ 160,000.00
Loan Amount with UFMIP	\$ 162,800.00	Loan Amount with UFMIP	\$ 164,800.00
Principal & Interest	\$ 697.40	Principal & Interest	\$ 705.96
Monthly MI	\$ 113.33	Monthly MI	\$ 86.67
Total Monthly Payment	\$ 810.73	Total Monthly Payment	\$ 792.63
MI PREMIUM PAID FOR LIFE OF LOAN		MI TERMINATED AT 20% EQUITY IN PROPERTY	
AUTOMATED UNDERWRITING REQUIRED <i>(Loans must be entered in DU or LP as FHA Insured; Loans that receive acceptable Findings with credit scores ≤620 may be submitted to CHFA as CHFA Insured.)</i>		<ul style="list-style-type: none"> All loans must receive a DU Approve/Eligible or LP Accept Eligible rating. <u>If acceptable rating is received, Lenders must change insurer code in LOS from FHA to CHFA.</u> 	
MAXIMUM LTV (ALL PROPERTY TYPES)		<ul style="list-style-type: none"> 95% 	
ELIGIBLE / INELIGIBLE PROPERTY TYPES		Eligible <ul style="list-style-type: none"> Existing – Single Family New Construction – Statewide Single Family / 2 unit eligible in Targeted Areas only (3-4 not eligible) 2 – 4 units (existing & occupied as residential for the past 5 years) Condominiums (FNMA & FHA approved – Includes 2-4 unit projects) Townhomes PUD's (FNMA & FHA Approved) 	

	<p><u>Ineligible</u></p> <ul style="list-style-type: none"> ▪ Co-ops , Mixed use properties, Manufactured Homes
MINIMUM BORROWER CONTRIBUTION	<ul style="list-style-type: none"> ▪ 5% Downpayment is required from an acceptable source of funds.
ALLOWABLE SOURCE OF FUNDS	<ul style="list-style-type: none"> ▪ Borrower own funds. ▪ Gift Funds from an eligible donor listed below: ▪ The borrower's relative. ▪ An employer or labor union providing the funds do not require repayment and there is no lien on the property.
SUBORDINATE FINANCING	<ul style="list-style-type: none"> ▪ Not allowed
CHFA ELIGIBLE PROGRAM TYPES	<ul style="list-style-type: none"> ▪ Homebuyer Program ▪ Homeownership Mortgage Program ▪ Home of your Own Mortgage Program ▪ Programs for Military, Police & Teachers
UNDERWRITING GUIDELINES	<ul style="list-style-type: none"> ▪ Subject to all CHFA underwriting guidelines for 1st mortgage loan financing
INTEREST RATE	<p>The interest rate will be determined by the type of CHFA Loan Product and Point Option selected. Either the CHFA Government (i.e. FHA, VA, USDA [RD]) rate; or CHFA Non-Government (i.e. PMI or Uninsured) rate will apply. (See chfa.org home page)</p> <p><i>(CHFA target area rate discount of .25% will apply when applicable)</i></p>
TARGET GEOGRAPHY	<ul style="list-style-type: none"> ▪ State of Connecticut
ELIGIBLE OCCUPANCY	<ul style="list-style-type: none"> ▪ Owner occupied only
QUALIFYING RATIOS	<ul style="list-style-type: none"> ▪ 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%. ▪ Maximum Total Monthly Debt-to-Income ratio = 45% ▪ All Loans with CHFA DAP must meet DAP ratio guidelines of 35% / 43%.
MAXIMUM LTV/CLTV	<ul style="list-style-type: none"> ▪ 95% / 95%

INCOME REQUIREMENTS	<p>An applicant’s annual, before tax household income must not exceed the CHFA <i>Income Limits for “Applicable Town”</i>. Borrower’s income limit is based on household size.</p> <p><i>(See “Full List” at chfa.org “Income & Sales Price Limits”)</i></p> <p><i>Example only:</i></p> <table><tr><th colspan="10">Connecticut Housing Finance Authority (CHFA) - Income Limits</th><th></th></tr><tr><td colspan="11">"Statewide" Income Limits \$87,800 (1 or 2 persons) - \$100,970 (3 or more) = Programs Home of Your Own / Homeownership / Section 8 / Reverse Annuity Mgt (RAM)</td></tr><tr><td colspan="11">"Town" Income Limits = All other Programs except where not applicable (i.e. Targeted Areas for loans without CHFA DAP)</td></tr><tr><th colspan="3">"Town" Income Limits</th><th colspan="3">HOUSEHOLD SIZE</th><th colspan="3">"Town" Income Limits</th><th colspan="3">HOUSEHOLD SIZE</th><th colspan="3">"Town" Income Limits</th><th colspan="3">HOUSEHOLD SIZE</th></tr><tr><td colspan="3">Fairfield County</td><td colspan="3">1 or 2 3 or more</td><td colspan="3">Litchfield County, cont.</td><td colspan="3">1 or 2 3 or more</td><td colspan="3">New Haven County, cont.</td><td colspan="3">1 or 2 3 or more</td></tr><tr><td colspan="3">Bethel</td><td colspan="3">128,160 149,520</td><td colspan="3">Colebrook</td><td colspan="3">89,300 102,695</td><td colspan="3">Prospect</td><td colspan="3">87,800 100,970</td></tr><tr><td colspan="3">Bridgeport *All Areas</td><td colspan="3">107,160 125,020</td><td colspan="3">Cornwall</td><td colspan="3">89,300 102,695</td><td colspan="3">Seymour</td><td colspan="3">93,500 107,525</td></tr></table> <p>Income Limit can be waived in Federally Targeted Areas unless applicant also borrows under the CHFA Downpayment Assistance Program (DAP).</p>	Connecticut Housing Finance Authority (CHFA) - Income Limits											"Statewide" Income Limits \$87,800 (1 or 2 persons) - \$100,970 (3 or more) = Programs Home of Your Own / Homeownership / Section 8 / Reverse Annuity Mgt (RAM)											"Town" Income Limits = All other Programs except where not applicable (i.e. Targeted Areas for loans without CHFA DAP)											"Town" Income Limits			HOUSEHOLD SIZE			"Town" Income Limits			HOUSEHOLD SIZE			"Town" Income Limits			HOUSEHOLD SIZE			Fairfield County			1 or 2 3 or more			Litchfield County, cont.			1 or 2 3 or more			New Haven County, cont.			1 or 2 3 or more			Bethel			128,160 149,520			Colebrook			89,300 102,695			Prospect			87,800 100,970			Bridgeport *All Areas			107,160 125,020			Cornwall			89,300 102,695			Seymour			93,500 107,525		
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SALES PRICE LIMIT	<p>Purchase price of home must not exceed the CHFA <i>Sales Price Limits</i> established for the specific city or town where property is located.</p> <p><i>(See “Full List” at chfa.org “Income & Sales Price Limits”)</i></p> <p><i>Example only:</i></p> <table><tr><th colspan="10">Connecticut Housing Finance Authority (CHFA) - Sales Price Limits</th><th></th></tr><tr><td colspan="3">Fairfield County</td><td colspan="2">Existing New</td><td colspan="3">Litchfield County, cont.</td><td colspan="2">Existing New</td><td colspan="3">New Haven County, cont.</td><td colspan="2">Existing New</td></tr><tr><td colspan="3">Bethel</td><td colspan="2">567,105 567,105</td><td colspan="3">Colebrook</td><td colspan="2">337,225 337,225</td><td colspan="3">Prospect</td><td colspan="2">288,430 288,430</td></tr><tr><td colspan="3">Bridgeport *All Areas</td><td colspan="2">693,130 693,130</td><td colspan="3">Cornwall</td><td colspan="2">337,225 337,225</td><td colspan="3">Seymour</td><td colspan="2">288,430 288,430</td></tr></table> <p>Appraised value cannot exceed 105% of the purchase price limit.</p>	Connecticut Housing Finance Authority (CHFA) - Sales Price Limits											Fairfield County			Existing New		Litchfield County, cont.			Existing New		New Haven County, cont.			Existing New		Bethel			567,105 567,105		Colebrook			337,225 337,225		Prospect			288,430 288,430		Bridgeport *All Areas			693,130 693,130		Cornwall			337,225 337,225		Seymour			288,430 288,430																																																		
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ELIGIBLE MORTGAGE INSURERS	<ul style="list-style-type: none">CIPP Loans approved for financing will be insured and purchased by CHFA.																																																																																																									
FEDERAL RECAPTURE TAX	<p>Subject to Federal Recapture Tax unless:</p> <ul style="list-style-type: none">Home sold more than nine (9) years after purchase.No profit (capital gain) on sale.Household income is below Recapture Tax Limit at time of sale. <p><i>(See eligibility for CHFA reimbursement – Form 049-0313 if recapture tax payment is required)</i></p>																																																																																																									
SERVICER	<ul style="list-style-type: none">AmeriNat - Service Released Lenders.Service Retained Lenders - Retain servicing.																																																																																																									

DOWNPAYMENT ASSISTANCE PROGRAM

PURPOSE AND OVERVIEW:

The foremost obstacle to homeownership is a potential homebuyer's inability to cover the downpayment requirements of a home purchase. CHFA DAP loans are available to eligible applicants that are applying for a CHFA first mortgage loan to purchase their first home. Eligible borrowers must demonstrate an ability to repay both the CHFA first and DAP second mortgage loans in order to qualify for assistance under this program.

PARAMETER	Eligibility Requirements
Loan Amount	<p>The DAP loan amount is based on the borrowers financial needs. Applicants must require a minimum of \$3,000 to be eligible for DAP funding.</p> <p>Program Maximum Down Payment:</p> <ul style="list-style-type: none"> ▪ FHA Loan = 3.50% ▪ CHFA Conventional; HFA Preferred™ or HFA Advantage® = 3.00% ▪ CHFA Conventional: HFA Preferred (2-4 unit) = 2.00%
MINIMUM BORROWER CONTRIBUTION	<p>Applicants are required to use all liquid assets above \$10,000 towards down payment, excluding retirement accounts. In all instances, applicants must meet all CHFA DAP eligibility and underwriting criteria for DAP approval.</p> <p><u>Additional Program Eligibility Requirements:</u></p> <p><u>Police and Teachers Programs</u></p> <ul style="list-style-type: none"> ▪ Have no asset limit requirements. <p><u>HFA Preferred™ or HFA Advantage® Programs:</u></p> <ul style="list-style-type: none"> ▪ Borrowers purchasing 1 unit and condominiums with a 97% LTV are eligible to apply for 3% DAP. <p><u>HFA Preferred™</u></p> <ul style="list-style-type: none"> ▪ Borrowers purchasing 2-4 unit properties that make the minimum contribution of 3% from their own funds will be eligible to apply for CHFA DAP for the remaining 2% of the down payment to meet the maximum LTV requirement of 97%; <p><i>(Mortgage insurer guidelines will also apply)</i></p>
DAP INTEREST RATE	<p>The Downpayment Assistance Program Interest rate is the same as the first mortgage loan interest rate based on CHFA loan product and point option selected. DAP interest rate is capped at 6%.</p>

<p>DAP ALLOWABLE FEES</p>	<ul style="list-style-type: none"> ▪ Application Fee - \$200 ▪ Actual costs for Recording Fees (retained by lender) ▪ Maximum Settlement Agent Fees - \$150 <p>Title Insurance is not required on a DAP loan however; lenders may collect up to a maximum of \$150 for settlement agent expenses associated with closing the second mortgage.</p> <p><i>If lender charges the \$200 application fee and actual recording fees exceed \$100, the maximum settlement fee must be decreased to ensure the total allowable fees do not exceed \$450.00</i></p>
<p>AMORTIZATION</p>	<p>30-Year Term, Fixed Rate Mortgage (FRM)</p>
<p>LOAN ELIGIBILITY</p>	<ul style="list-style-type: none"> ▪ Qualified borrower(s) may keep up to \$10,000 of their own assets. All other liquid assets owned must be used for the down payment, with the exception of the \$10,000. The \$10,000 may include \$1,000 of equity in real property which may be retained. The applicant(s) will only be permitted to retain their own liquid assets and will not be permitted to use DAP funds to increase their assets. ▪ CHFA will require Lenders to collect the three (3) most recent month's statements for all applicant(s) asset accounts. CHFA will review deposit and withdrawal activity over the ninety (90) day period to determine any amount of funds in excess of \$10,000 required to be applied towards the cost of acquisition of the subject property. ▪ In the case of a 2-4 family home, applicant(s) may exceed the \$10,000 limit (if necessary) in order to retain the amount necessary to maintain the PITI reserves required by the insurer and/or investor in order to include rental income in underwriting ratios. <p><i>This requirement does not apply to borrowers under the Police or Teachers Programs. Note: Retirement accounts are excluded from the asset test.</i></p>
<p>ELIGIBLE BORROWERS</p>	<ul style="list-style-type: none"> ▪ To be eligible for a DAP loan, borrowers must apply and qualify for a CHFA first mortgage. ▪ The borrower must be a first-time homebuyer with no property ownership in the past (3) yrs. <p><i>(waived in targeted areas – may not own property at time of loan closing)</i></p>
<p>BORROWER ELIGIBILITY CERTIFICATE</p>	<p>The Participating Lender will provide and the borrower shall complete and execute a DAP Borrower's Certificate (CHFA form DAP95-05)</p>

ELIGIBLE / INELIGIBLE PROPERTY TYPES	<p><u>Eligible</u></p> <ul style="list-style-type: none"> Existing – Single Family New Construction – Statewide Single Family / 2 unit eligible in Targeted Areas only (3-4 not eligible) 2 – 4 units (existing & occupied as residential for the past 5 years) Condominiums (FNMA & FHA approved – Includes 2-4 unit projects) Townhomes PUD's (FNMA & FHA approved) <p><u>Ineligible</u></p> <ul style="list-style-type: none"> Co-ops , Mixed use properties, Manufactured Homes
PROPERTY REPAIRS	<p>All repairs required by the property appraisal or negotiated between the seller and buyer must be completed prior to closing. In some instances an escrow holdback for the repair work may be allowed, if applicable (any request for escrows to repair items related to “health and safety” will not be allowed).</p> <p>Request for escrow holdbacks must be submitted in writing from the Lender for CHFA approval, (memos in the file or emails to the Director of Single Family Programs are acceptable).</p> <p>If the escrow holdback request is approved:</p> <ul style="list-style-type: none"> It must meet the requirements of the insurer and/or investor, i.e. FHA, VA, USDA, PMI, FNMA or FHLMC (depending on the product the loan is originated under); The escrow must be for a minimum of 1.5 times the cost to cure; The cost of repairs must be paid by the seller; The borrower may not pay out of pocket for any expenses or costs related to repairs on the subject property to facilitate the loan closing; The escrow may be held by the Lender or the borrower’s attorney; Documentation of completion of repairs must be submitted to the CHFA designated loan servicer and to CHFA for retention.
ELIGIBLE PURPOSE	<ul style="list-style-type: none"> Second Mortgage loan in conjunction with first mortgage purchase of primary-owner occupied residence. Funds for down payment only.
AUS RECOMMENDATION	<p>Must follow the CHFA First Mortgage Program guidelines.</p>
HOMEBUYER EDUCATION	<ul style="list-style-type: none"> 3- Hr. Counseling Certificate required for at least one borrower/co-borrower. (An optional 8-Hr. in-depth counseling is also accepted.) Landlord Certificate also required if purchasing 2-4 family unit. On-Line Homebuyer counseling is available through eHome America in partnership with CHFA. (See Homebuyer and Lender Online Registration Instructions)

MINIMUM CREDIT SCORE	CHFA has no requirement. <i>Insurer or Investor guidelines will apply.</i>
DELINQUENT CREDIT	<ul style="list-style-type: none"> CHFA DAP loans will require proof of payoff of all past-due credit accounts, including but not limited to, collections, judgments and charge-offs, with the exception of medical accounts. CHFA will also require payment of all State or Federal past due tax obligations, including accounts with established payment arrangements, without exception. Discharged Bankruptcy, Foreclosure, Short-sale or Deed-in-Lieu reporting on credit report will be eligible for DAP financing. The acceptable amount of time that must have lapsed from the date of the event is the greater of three (3) years or the amount of time required by the insurer or the investor. The date of the event will be determined by the discharge, or dismissal date of the derogatory credit event. <i>(same for all types of Bankruptcy)</i> <i>See Operation Manual section 8.15</i>
PREPAYMENT PENALTY	There is no Prepayment Penalty
LATE CHARGES	There is a \$5.00 late charge for each monthly installment paid more than 15 days after the due date.
QUALIFYING RATIOS (DAP)	<ul style="list-style-type: none"> Monthly Housing Expense-to-Income ratio = 35% Maximum Total Monthly Debt-to-Income ratio = 43% <p><i>(All Loans with CHFA DAP must meet DAP ratio guidelines of 35%/43%)</i></p> <p><i>No exceptions for ratios exceeding the maximum CHFA acceptable ratios.</i></p>
MAXIMUM LTV ALLOWED BY PROGRAM	<ul style="list-style-type: none"> 96.5% FHA (3.50% Down) 97.0% CHFA Conventional, HFA Preferred™ / HFA Advantage (3% Down) 95.0% CHFA Conventional, HFA Preferred™ (2-4 unit = 2%) 100 % USDA (LTV may increase to include guarantee fee) <i>DAP not allowed</i> 100% VA (LTV may increase to include the funding fee) <i>DAP not allowed</i> <p><i>Insurer guidelines will apply</i></p>
CHFA MAXIMUM CLTV	<ul style="list-style-type: none"> 100% <i>Insurer guidelines will apply. (97% for HFA Preferred 2-4 unit)</i>
INCOME REQUIREMENTS	<ul style="list-style-type: none"> CHFA Income Limits Apply <i>There are no exceptions for Income Limits in Targeted Areas.</i>
SALES PRICE LIMIT	<p>The Sales Price Limit cannot exceed the CHFA Sales Price Limit for the city/town where the property is located. (If HFA Preferred or HFA Advantage Programs, limits must be within the FNMA / FHLMC maximum loan limit for the property type).</p> <p><i>In some instances the CHFA Sales Price Limit will be higher than the Fannie Mae maximum loan limit; in these instances, the FNMA limit will apply.</i></p>

RESERVES	<p><u>HFA Preferred™ or HFA Advantage®:</u></p> <ul style="list-style-type: none"> Reserves are required as per AUS and/or the MI Company insuring the loan. Reserves may come from the borrowers own funds - or gift. <p><u>All Other DAP:</u></p> <p>Reserve requirements for 2-4 family properties must be in compliance with insurer (FHA, PMI) or investor (i.e. FNMA / FHLMC) guidelines.</p>
FEDERAL RECAPTURE TAX	<ul style="list-style-type: none"> Not Applicable
SERVICER	<ul style="list-style-type: none"> First mortgage serviced by Idaho Housing and Finance Association: DAP Servicer will be: Idaho Housing and Finance Association (IHFA) Attn: Loan Servicing Dept. 565 W. Myrtle Street, Boise, ID 83702 (Upload docs in IHFA Lender Connection) First mortgage serviced by Lender or CHFA whole loan serviced by AmeriNat: DAP Servicer will be: Capital For Change, Inc. (C4C) Attn: Angela Zielke 121 Tremont Street, Hartford, CT 06105 Fax (860) 920-2041 Phone (860) 233-5165 ext. 2041 Email: azielke@capitalforchange.org <i>(See CHFA DAP Commitment Letter for servicer assignments)</i>

Downpayment Assistance Program- Rev 4-2018

HFA ADVANTAGE®

~ AND ~




HFA ADVANTAGE® UNINSURED

PURPOSE AND OVERVIEW:

The HFA Advantage® and HFA Advantage® Uninsured Loan Programs will provide CHFA first and second mortgage loan financing to eligible first-time homebuyers in compliance with CHFA and FREDDIE MAC (FHLMC) eligibility requirements. Loans originated under these Programs may be insured by Private Mortgage Insurance (PMI) and will also be subject to the underwriting criteria of the PMI Company insuring the loan. Lenders on the Eligible Lender list will have the option of selecting these Programs.

PARAMETER	Eligibility Requirements
LENDER ORIGATION FEE	CHFA Origination Fee will be calculated based on the interest rate option applicants select for the 1 st mortgage loan financing. The following point options are available: 1.00% or 0.00%
CHFA ALLOWABLE FEES	<ul style="list-style-type: none"> ▪ Underwriting - \$395 ▪ Processing - \$395 <p><i>Additional allowable fees to the borrower include those fees that are customary, reasonable and necessary to close the mortgage loan.</i></p>
CHFA INTEREST RATE	<p>The HFA Advantage® Program interest rate is the same rate as the CHFA Homebuyer Program Loan rate in effect at the time of reservation published as “Non- Government Insured Rate”. (See chfa.org home page)</p> <p><i>(CHFA target area rate discount of .25% will apply when applicable)</i></p>
AMORTIZATION	30-Year Term, Fixed Rate Mortgage (FRM)
TARGET GEOGRAPHY	State of Connecticut
ELIGIBLE BORROWERS	First-time homebuyers - <i>(waived in Targeted Areas - borrowers may not own any other property at the time of loan closing.)</i>
ELIGIBLE / INELIGIBLE PROPERTY TYPES	<p><u>Eligible</u> property types are determined by LTV and include:</p> <ul style="list-style-type: none"> ▪ Existing - Single Family ▪ New Construction – Statewide Single Family ▪ Condominiums (FNMA & FHLMC Approved) ▪ Townhomes ▪ PUD’s (FNMA & FHLMC approved) <p><u>Ineligible</u></p> <ul style="list-style-type: none"> ▪ Co-Ops, Mixed use properties, Manufactured Housing. ▪ 2 - 4 Units ▪ Mobile Homes

ELIGIBLE PURPOSE	Purchases only (refinance not allowed)
AUS RECOMMENDATION	<p>Loan Product Advisor (LPA) is required with Eligible/Accept rating. (DU not allowed)</p> <p><i>(See Qualifying Ratios)</i></p> <p><i>Must be run under "Home Possible Advantage Program" for HFA's</i></p>
MAXIMUM LTV	<ul style="list-style-type: none"> ▪ 97% Single Family ▪ ≤ 80% (Uninsured)
MAXIMUM CLTV	<ul style="list-style-type: none"> ▪ CLTV = 100% (CHFA DAP) ▪ CLTV = 105% <i>(other Subordinate Financing- Follow Investor Guidelines)</i>
MINIMUM CREDIT SCORE <i>(Required for all applicants)</i>	Refer to above matrix for HFA Advantage® Insured & Uninsured Programs
NON-TRADITIONAL CREDIT (MANUAL UNDERWRITE)	<ul style="list-style-type: none"> ▪ Not Allowed
QUALIFYING RATIOS	<ul style="list-style-type: none"> ▪ Monthly Housing Expense-to-Income ratios must be in compliance with Private Mortgage Insurance (PMI) and investor (FHLMC) guidelines up to a maximum of 45%. ▪ Maximum Total Monthly Debt-to-Income = 45% <i>(unless a lower maximum is required for product/property type per Insurer or HFA guidelines)</i> ▪ All loans with CHFA DAP must meet CHFA DAP ratio guidelines of 35% / 43% <i>Mortgage Insurer guidelines will also apply.</i>
MINIMUM BORROWER CONTRIBUTION	<ul style="list-style-type: none"> ▪ One-unit 97% : \$0 <p><i>Mortgage Insurer guidelines will apply; LTV may impact amount of required borrower contribution on one-unit transactions.</i></p> <p><i>Applicants must meet all CHFA DAP eligibility and underwriting criteria for DAP approval.</i></p>
SUBORDINATE FINANCING	<ul style="list-style-type: none"> ▪ FNMA/FHLMC Approved Community Seconds ▪ CHFA DAP ▪ Insurer guidelines for subordinate financing will apply <p><i>The maximum LTV/CLTV Limit set by FNMA/FHLMC [or as determined by the MI Company insuring the loan] will apply.</i></p> <p><i>If using a Financed Single Premium, the maximum LTV may not be increased above the FNMA/FHLMC established limit of 97 %.</i></p>

INCOME REQUIREMENTS	<p>An applicant’s annual, before tax household income must not exceed the CHFA <i>Income Limits for applicable Town</i>. Borrower’s income limit is based on household size.</p> <p><i>(See “Full List” at chfa.org “Income & Sales Price Limits”)</i></p> <p><i>Example only:</i></p> <table><tr><th colspan="6">Connecticut Housing Finance Authority (CHFA) - Income Limits</th><th colspan="2"></th></tr><tr><td colspan="8">"Statewide" Income Limits \$87,800 (1 or 2 persons) - \$100,970 (3 or more) = Programs Home of Your Own / Homeownership / Section 8 / Reverse Annuity Mtg (RAM)</td></tr><tr><td colspan="8">"Town" Income Limits = All other Programs except where not applicable (i.e. Targeted Areas for loans without CHFA DAP)</td></tr><tr><th colspan="2">"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</th><th colspan="2">"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</th></tr><tr><td colspan="2">Fairfield County</td><td>1 or 2</td><td>3 or more</td><td colspan="2">Litchfield County, cont.</td><td>1 or 2</td><td>3 or more</td></tr><tr><td colspan="2">Bethel</td><td>128,160</td><td>149,520</td><td colspan="2">Colebrook</td><td>89,300</td><td>102,695</td></tr><tr><td colspan="2">Bridgeport *All Areas</td><td>107,160</td><td>125,020</td><td colspan="2">Cornwall</td><td>89,300</td><td>102,695</td></tr><tr><td colspan="2"></td><td colspan="2"></td><td colspan="2">New Haven County, cont.</td><td>1 or 2</td><td>3 or more</td></tr><tr><td colspan="2"></td><td colspan="2"></td><td colspan="2">Prospect</td><td>87,800</td><td>100,970</td></tr><tr><td colspan="2"></td><td colspan="2"></td><td colspan="2">Seymour</td><td>93,500</td><td>107,525</td></tr></table> <p>Income Limit can be waived in Federally Targeted Areas unless applicant also borrows under the CHFA Downpayment Assistance Program (DAP).</p>	Connecticut Housing Finance Authority (CHFA) - Income Limits								"Statewide" Income Limits \$87,800 (1 or 2 persons) - \$100,970 (3 or more) = Programs Home of Your Own / Homeownership / Section 8 / Reverse Annuity Mtg (RAM)								"Town" Income Limits = All other Programs except where not applicable (i.e. Targeted Areas for loans without CHFA DAP)								"Town" Income Limits		HOUSEHOLD SIZE		"Town" Income Limits		HOUSEHOLD SIZE		Fairfield County		1 or 2	3 or more	Litchfield County, cont.		1 or 2	3 or more	Bethel		128,160	149,520	Colebrook		89,300	102,695	Bridgeport *All Areas		107,160	125,020	Cornwall		89,300	102,695					New Haven County, cont.		1 or 2	3 or more					Prospect		87,800	100,970					Seymour		93,500	107,525
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SALES PRICE LIMIT	<p>The Sales Price Limit cannot exceed the CHFA Sales Price Limit for the city/town where the property is located. The maximum first mortgage loan amount must be within the Freddie Mac Maximum Loan Limit for the property type.</p> <ul style="list-style-type: none">1 unit = \$ 453,100 <i>(Eff. 1-1-2018)</i>																																																																																
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INTERESTED PARTY CONTRIBUTIONS	<ul style="list-style-type: none">3% max for LTV greater than 90%6% max for LTV less than or equal to 90%																																																																																
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ELIGIBLE MORTGAGE INSURERS	<p>Refer to MI company guidelines for specific eligibility and underwriting requirements.</p> <ul style="list-style-type: none">Arch Mortgage Ins. Co. (CMG)Essent Guaranty Inc. (Essent)Genworth Mortgage Ins. Corp. (Genworth)Mortgage Guaranty Ins. Corp. (MGIC)National Mortgage Ins. Corp. (NMI)Radian Guaranty Inc. (Radian)United Guaranty Residential Ins. Co. (UGI) <p><i>(FHA, VA, USDA-RD insurance not allowed)</i></p>																																																																																
MORTGAGE INSURANCE COVERAGE	<ul style="list-style-type: none">95.01% - 97% LTV: 18%90.01% - 95% LTV: 16%85.01% - 90% LTV: 12%80.01% - 85% LTV: 6% <p><i>Refer to MI Company guidelines for specific eligibility and underwriting requirements for MI Company selected to provide insurance for the HFA Advantage® loan submitted.</i></p>																																																																																

FEDERAL RECAPTURE TAX	<p>Subject to Federal Recapture Tax unless:</p> <ul style="list-style-type: none"> ▪ Home sold more than nine (9) years after purchase. ▪ No profit (capital gain) on sale. ▪ Household income is below Recapture Tax Limit at time of sale. <p><i>(See eligibility for CHFA reimbursement – Form 049-0313 if recapture tax payment is required)</i></p>
ELIGIBLE LENDERS	See the HFA Advantage Program information page at chfa.org for current list
SERVICER	<ul style="list-style-type: none"> ▪ Idaho Housing Finance Association; Service Released Lenders <i>(HomeLoanServ for loss payee clauses & Servicing Transfer Notice)</i>

HFA Advantage® and HFA Advantage®Uninsured – Rev 1- 2018

HFA PREFERRED™

~ AND ~




HFA PREFERRED™ UNINSURED

PURPOSE AND OVERVIEW:

The HFA Preferred™ and HFA Preferred™ Uninsured Loan Programs will provide CHFA first and second mortgage loan financing to eligible first-time homebuyers in compliance with CHFA and FANNIE MAE (FNMA) eligibility requirements. Loans originated under the HFA Preferred™ program may be insured by Private Mortgage Insurance (PMI) and will also be subject to the underwriting criteria of the PMI Company insuring the loan.

PARAMETER	Eligibility Requirements
LENDER ORIGATION FEE	CHFA Origination Fee will be calculated based on the interest rate option applicants select for the 1 st mortgage loan financing. The following point options are available: 1.00% or 0.00%
CHFA ALLOWABLE FEES	<ul style="list-style-type: none"> ▪ Underwriting - \$395 ▪ Processing - \$395 <p><i>Additional allowable fees to the borrower include those fees that are customary, reasonable and necessary to close the mortgage loan. (The Adverse Market fee is not applicable Eff. 9/1/2015. Loan Level Pricing Adjustments (LLPA's) are not applicable to this product)</i></p>
CHFA INTEREST RATE	<p>The HFA Preferred™ Program interest rate is the same rate as the CHFA Homebuyer Program Loan rate in effect at the time of reservation published as “Non- Government Insured Rate”. <i>(See chfa.org home page)</i></p> <p><i>(CHFA target area rate discount of .25% will apply when applicable)</i></p>
AMORTIZATION	30-Year Term, Fixed Rate Mortgage (FRM)
TARGET GEOGRAPHY	State of Connecticut
ELIGIBLE BORROWERS	First-time homebuyers - <i>(waived in Targeted Areas - borrowers may not own any other property at the time of loan closing.)</i>
ELIGIBLE / INELIGIBLE PROPERTY TYPES	<p>Eligible property types are determined by LTV and include:</p> <ul style="list-style-type: none"> ▪ Single Family ▪ 2 - 4 Units ▪ Condominiums <i>(FNMA approved – Includes 2 – 4 unit projects)</i> ▪ Townhomes ▪ PUD's <i>(FNMA approved)</i> <p>Ineligible</p> <ul style="list-style-type: none"> ▪ Co-Ops, Mixed use properties, Manufactured Housing.

ELIGIBLE PURPOSE	Purchases only (refinance not allowed)
DESKTOP UNDERWRITER®(DU®)	Desktop Underwriter (DU) is required. Recommendation must be Approve/Eligible. <i>(See Qualifying Ratios)</i>
MAXIMUM LTV	<ul style="list-style-type: none"> ▪ 97% Single Family ▪ 95% (2-4 unit) ▪ ≤ 80% (Uninsured)
MAXIMUM CLTV	<ul style="list-style-type: none"> ▪ CLTV = 100% (CHFA DAP) ▪ CLTV = 105% <i>(other Subordinate Financing- Follow Investor Guidelines)</i>
MINIMUM CREDIT SCORE <i>(Required for all applicants)</i>	Refer to “Program Outline and Underwriting Guidelines” found on pages 1 - 4
NON-TRADITIONAL CREDIT (MANUAL UNDERWRITE)	<p>Borrowers without credit scores are eligible following FNMA underwriting guidelines for submitting files with manual underwriting and non-traditional credit.</p> <p><i>Loans with non-traditional credit manual underwrites are eligible for delivery to Idaho Housing and Finance Association as long as the loan was underwritten following FNMA guidelines.</i></p> <p><i>Loans submitted with non-traditional credit are not eligible for CHFA DAP.</i></p>
QUALIFYING RATIOS	<ul style="list-style-type: none"> ▪ Monthly Housing Expense-to-Income ratios must be in compliance with Private Mortgage Insurance (PMI) and investor (FNMA) guidelines up to a maximum of 50%. ▪ Maximum Total Monthly Debt-to-Income = 50% <i>(unless a lower maximum is required for product/property type per Insurer or HFA guidelines)</i> ▪ All loans with CHFA DAP must meet CHFA DAP ratio guidelines of 35% / 43% <i>Mortgage Insurer guidelines will also apply.</i>
MINIMUM BORROWER CONTRIBUTION	<ul style="list-style-type: none"> ▪ One-unit and Condominiums: \$0 ▪ 2 – 4 units: 3% from borrowers own funds. (Max. LTV = 95%) <i>Mortgage Insurer guidelines will apply; LTV may impact amount of required borrower contribution on one-unit transactions.</i> ▪ Borrowers purchasing 2-4 unit properties that make the minimum contribution of 3% from their own funds will be eligible to apply for CHFA DAP for the remaining 2% of the down payment to meet the maximum LTV requirement of 95% . <i>Applicants must meet all CHFA DAP eligibility and underwriting criteria for DAP approval.</i>

SUBORDINATE FINANCING	<ul style="list-style-type: none">▪ FNMA Approved Community Seconds▪ CHFA DAP▪ Insurer guidelines for subordinate financing will apply <p><i>The maximum LTV/CLTV Limit set by Fannie Mae [or as determined by the MI Company insuring the loan] will apply.</i></p> <p><i>If using a Financed Single Premium, the maximum LTV may not be increased above the FNMA established limit of 97 %.</i></p>																																																												
INCOME REQUIREMENTS	<p>An applicant's annual, before tax household income must not exceed the CHFA Income Limits for applicable Town. Borrower's income limit is based on household size.</p> <p><i>(See "Full List" at chfa.org "Income & Sales Price Limits")</i></p> <p>Example only:</p> <table><tr><th colspan="7">Connecticut Housing Finance Authority (CHFA) - Income Limits</th><th></th></tr><tr><td colspan="8">"Statewide" Income Limits \$87,800 (1 or 2 persons) - \$100,970 (3 or more) = Programs Home of Your Own / Homeownership / Section 8 / Reverse Annuity Mtg (RAM)</td></tr><tr><td colspan="8">"Town" Income Limits = All other Programs except where not applicable (i.e. Targeted Areas for loans without CHFA DAP)</td></tr><tr><th>"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</th><th>"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</th><th>"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</th></tr><tr><td>Fairfield County</td><td>1 or 2</td><td>3 or more</td><td>Litchfield County, cont.</td><td>1 or 2</td><td>3 or more</td><td>New Haven County, cont.</td><td>1 or 2</td><td>3 or more</td></tr><tr><td>Bethel</td><td>128,160</td><td>149,520</td><td>Colebrook</td><td>89,300</td><td>102,695</td><td>Prospect</td><td>87,800</td><td>100,970</td></tr><tr><td>Bridgeport *All Areas</td><td>107,160</td><td>125,020</td><td>Cornwall</td><td>89,300</td><td>102,695</td><td>Seymour</td><td>93,500</td><td>107,525</td></tr></table> <p>Income Limit can be waived in Federally Targeted Areas unless applicant also borrows under the CHFA Downpayment Assistance Program (DAP).</p>	Connecticut Housing Finance Authority (CHFA) - Income Limits								"Statewide" Income Limits \$87,800 (1 or 2 persons) - \$100,970 (3 or more) = Programs Home of Your Own / Homeownership / Section 8 / Reverse Annuity Mtg (RAM)								"Town" Income Limits = All other Programs except where not applicable (i.e. Targeted Areas for loans without CHFA DAP)								"Town" Income Limits	HOUSEHOLD SIZE		"Town" Income Limits	HOUSEHOLD SIZE		"Town" Income Limits	HOUSEHOLD SIZE		Fairfield County	1 or 2	3 or more	Litchfield County, cont.	1 or 2	3 or more	New Haven County, cont.	1 or 2	3 or more	Bethel	128,160	149,520	Colebrook	89,300	102,695	Prospect	87,800	100,970	Bridgeport *All Areas	107,160	125,020	Cornwall	89,300	102,695	Seymour	93,500	107,525
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SALES PRICE LIMIT	<p>The Sales Price Limit cannot exceed the CHFA Sales Price Limit for the city/town where the property is located. The maximum first mortgage loan amount must be within the Fannie Mae Maximum Loan Limit for the property type.</p> <ul style="list-style-type: none">▪ 1 unit = \$ 453,100 <i>(Eff. 1-1-2018)</i>▪ 2 unit = \$ 580,150▪ 3 unit = \$ 701,250▪ 4 unit = \$ 871,450																																																												
RESERVES	<p>Reserve requirements for 2-4 family properties must be in compliance with insurer (PMI) or investor i.e. FNMA / FHLMC guidelines.</p>																																																												
INTERESTED PARTY CONTRIBUTIONS	<ul style="list-style-type: none">▪ 3% max for LTV greater than 90%▪ 6% max for LTV less than or equal to 90%																																																												
HOMEBUYER EDUCATION	<ul style="list-style-type: none">▪ 3- Hr. Counseling Certificate required for at least one borrower/co-borrower. <i>(An optional 8-Hr. in-depth counseling is also accepted.)</i>▪ Landlord Certificate also required if purchasing 2-4 family unit.▪ On-Line Homebuyer counseling is available through eHome America in partnership with CHFA. <i>(See Homebuyer and Lender Online Registration Instructions)</i>																																																												

ELIGIBLE MORTGAGE INSURERS	<p>Refer to MI company guidelines for specific eligibility and underwriting requirements.</p> <ul style="list-style-type: none"> ▪ Arch Mortgage Ins. Co. (CMG) ▪ Essent Guaranty Inc. (Essent) ▪ Genworth Mortgage Ins. Corp. (Genworth) ▪ Mortgage Guaranty Ins. Corp. (MGIC) ▪ National Mortgage Ins. Corp. (NMI) ▪ Radian Guaranty Inc. (Radian) ▪ United Guaranty Residential Ins. Co. (UGI) <p><i>(FHA, VA, USDA-RD insurance not allowed)</i></p>
MORTGAGE INSURANCE COVERAGE	<ul style="list-style-type: none"> ▪ 95.01% - 97% LTV: 18% ▪ 90.01% - 95% LTV: 16% ▪ 85.01% - 90% LTV: 12% ▪ 80.01% - 85% LTV: 6% <p><i>Refer to MI Company guidelines for specific eligibility and underwriting requirements for MI Company selected to provide insurance for the HFA Preferred loan submitted.</i></p>
FEDERAL RECAPTURE TAX	<p>Subject to Federal Recapture Tax unless:</p> <ul style="list-style-type: none"> ▪ Home sold more than nine (9) years after purchase. ▪ No profit (capital gain) on sale. ▪ Household income is below Recapture Tax Limit at time of sale. <p><i>(See eligibility for CHFA reimbursement – Form 049-0313 if recapture tax payment is required)</i></p>
ELIGIBLE LENDERS	<p>See the HFA Preferred Program information page at chfa.org for current list.</p>
SERVICER	<ul style="list-style-type: none"> ▪ Idaho Housing Finance Association; Service Released Lenders <i>(HomeLoanServ for loss payee clauses & Servicing Transfer Notice)</i> ▪ AmeriNat - (FICO score \leq 618) ▪ Service Retained Lenders - (FICO score \leq 618)

HFA PreferredTM and HFA PreferredTM Uninsured – Rev 1-2018

HOME OF YOUR OWN




(APPLICANTS WHO ARE DISABLED OR HAVE A DISABLED MEMBER OF HOUSEHOLD)

PURPOSE AND OVERVIEW:

The Home of Your Own (HOYO) Program offers home loans at below-market interest rates to applicants who are disabled or who have a disabled member of the household who wish to purchase their first home. Previous homeowners may qualify for this loan if they intend to purchase property located in a Federally Targeted Area.

PARAMETER	Eligibility Requirements
LENDER ORIGATION FEE	CHFA Origination Fee will be calculated based on the interest rate option applicants select for the 1 st mortgage loan financing. The following point options are available: 1.00% or 0.00%
CHFA ALLOWABLE FEES	<ul style="list-style-type: none"> ▪ Loan Processing Fee = \$395 ▪ Loan Underwriting Fee = \$395
GOVERNMENT PROGRAM UPFRONT FEES	<ul style="list-style-type: none"> ▪ FHA - UFMIP – <i>Insurer or Investor guidelines will apply.</i> ▪ USDA - Guarantee Fee ▪ VA - Funding Fee
CHFA INTEREST RATE	<p>The interest rate will be determined by the type of CHFA Loan Product and Point Option selected. Either the CHFA Government (i.e. FHA, VA, USDA [RD]) rate; or CHFA Non-Government (i.e. PMI or Uninsured) rate will apply. (<i>See chfa.org home page</i>)</p> <p><i>(CHFA target area rate discount of .25% will apply when applicable and cannot be combined with this programs rate reduction of .125%)</i></p>
AMORTIZATION	30-Year Term, Fixed Rate Mortgage
TARGET GEOGRAPHY	State of Connecticut
ELIGIBLE BORROWERS	<ul style="list-style-type: none"> ▪ The borrower must be a disabled first-time homebuyer (or have a disabled member of the household) with no property ownership in the past three (3) yrs. ▪ Applicants who have owned a home previously may also apply if they plan to purchase a home located in a Targeted Area. <i>(waived in targeted areas – may not own property at time of loan closing)</i>
ELIGIBLE / INELIGIBLE PROPERTY TYPES	<p>Eligible</p> <ul style="list-style-type: none"> ▪ Existing – Single Family ▪ New Construction – <i>Statewide Single Family / 2 unit eligible in Targeted Areas only (3-4 not eligible)</i> ▪ 2 – 4 units <i>(existing & occupied as residential for the past 5 years)</i> ▪ Condominiums <i>(FNMA & FHA approved – Includes 2-4 unit projects)</i> ▪ Townhomes ▪ PUD's <i>(FNMA & FHA approved)</i>

	Ineligible <ul style="list-style-type: none">Co-ops , Mixed use properties, Manufactured Homes																																																																					
ELIGIBLE OCCUPANCY	Owner occupied only (investment properties not allowed)																																																																					
ELIGIBLE PURPOSE	Purchases only – primary residence - refinance not allowed																																																																					
AUS RECOMMENDATION	AUS Approve Eligible/Accept																																																																					
MINIMUM CREDIT SCORE	CHFA has no requirement – <i>Insurer or Investor guidelines will apply.</i>																																																																					
NON-TRADITIONAL CREDIT (MANUAL UNDERWRITE)	<i>Insurer or Investor guidelines will apply.</i>																																																																					
QUALIFYING RATIOS	<ul style="list-style-type: none">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%.Maximum Total Monthly Debt-to-Income ratio = 45%All Loans with CHFA DAP must meet CHFA DAP ratio guidelines of 35% / 43%.																																																																					
MAXIMUM LTV	<ul style="list-style-type: none">96.5% FHA (3.50% Down)97.0% CHFA Conventional, HFA Preferred™ / HFA Advantage (3% Down)95.0% CHFA Conventional, HFA Preferred™ (2-4 unit = 2%)100 % USDA (LTV may increase to include guarantee fee) <i>DAP not allowed</i>100% VA (LTV may increase to include the funding fee) <i>DAP not allowed</i> <i>Insurer guidelines will apply</i>																																																																					
MAXIMUM CLTV	<ul style="list-style-type: none">CLTV = 100% (CHFA DAP)CLTV = 105% <i>(other Subordinate Financing- Follow Investor Guidelines)</i>																																																																					
MINIMUM BORROWER CONTRIBUTION	<ul style="list-style-type: none">Typically 3% - 3.50% of total purchase price depending on insurer. <i>(VA and USDA may not require any downpayment.)</i>No insurance required when borrower makes downpayment of at least 20% of total purchase price.																																																																					
SUBORDINATE FINANCING	<ul style="list-style-type: none">CHFA Downpayment Assistance Program is available to qualified borrowers.																																																																					
INCOME REQUIREMENTS	<p>An applicant’s annual, before tax household income must not exceed the CHFA “Statewide” Income Limits. Borrower’s income limit is based on household size. <i>(See “Full List” at chfa.org “Income & Sales Price Limits”)</i></p> <p><i>Example only:</i></p> <table><tr><th colspan="8">Connecticut Housing Finance Authority (CHFA) - Income Limits</th></tr><tr><td colspan="8">"Statewide" Income Limits \$87,800 (1 or 2 persons) - \$100,970 (3 or more) = Programs Home of Your Own / Homeownership / Section 8 / Reverse Annuity Mtg (RAM)</td></tr><tr><td colspan="8">"Town" Income Limits = All other Programs except where not applicable (i.e. Targeted Areas for loans without CHFA DAP)</td></tr><tr><th>"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</th><th>"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</th><th>"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</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><tr><td>Fairfield County</td><td>128,160</td><td>149,520</td><td>Litchfield County, cont.</td><td>89,300</td><td>102,695</td><td>New Haven County, cont.</td><td>87,800</td><td>100,970</td></tr><tr><td>Bethel</td><td>107,160</td><td>125,020</td><td>Colebrook</td><td>89,300</td><td>102,695</td><td>Prospect</td><td>93,500</td><td>107,525</td></tr><tr><td>Bridgeport *All Areas</td><td></td><td></td><td>Cornwall</td><td></td><td></td><td>Seymour</td><td></td><td></td></tr></table> <p>Income Limit can be waived in Federally Targeted Areas unless applicant also borrows under the CHFA Downpayment Assistance Program (DAP).</p>	Connecticut Housing Finance Authority (CHFA) - Income Limits								"Statewide" Income Limits \$87,800 (1 or 2 persons) - \$100,970 (3 or more) = Programs Home of Your Own / Homeownership / Section 8 / Reverse Annuity Mtg (RAM)								"Town" Income Limits = All other Programs except where not applicable (i.e. Targeted Areas for loans without CHFA DAP)								"Town" Income Limits	HOUSEHOLD SIZE		"Town" Income Limits	HOUSEHOLD SIZE		"Town" Income Limits	HOUSEHOLD SIZE			1 or 2	3 or more		1 or 2	3 or more		1 or 2	3 or more	Fairfield County	128,160	149,520	Litchfield County, cont.	89,300	102,695	New Haven County, cont.	87,800	100,970	Bethel	107,160	125,020	Colebrook	89,300	102,695	Prospect	93,500	107,525	Bridgeport *All Areas			Cornwall			Seymour		
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SALES PRICE LIMIT	<p>Purchase price of home must not exceed the CHFA Sales Price Limits established for the specific city or town where property is located.</p> <p><i>(See “Full List” at chfa.org “Income & Sales Price Limits”)</i></p> <p><i>Example only:</i></p> <table><tr><th colspan="8"><u>Connecticut Housing Finance Authority (CHFA) - Sales Price Limits</u></th><th></th></tr><tr><th colspan="3">Fairfield County</th><th colspan="3">Litchfield County, cont.</th><th colspan="3">New Haven County, cont.</th></tr><tr><td></td><td>Existing</td><td>New</td><td></td><td>Existing</td><td>New</td><td></td><td>Existing</td><td>New</td></tr><tr><td>Bethel</td><td>567,105</td><td>567,105</td><td>Colebrook</td><td>337,225</td><td>337,225</td><td>Prospect</td><td>288,430</td><td>288,430</td></tr><tr><td>Bridgeport *All Areas</td><td>693,130</td><td>693,130</td><td>Comwall</td><td>337,225</td><td>337,225</td><td>Seymour</td><td>288,430</td><td>288,430</td></tr></table> <p>Appraised value cannot exceed 105% of the purchase price limit</p>	<u>Connecticut Housing Finance Authority (CHFA) - Sales Price Limits</u>									Fairfield County			Litchfield County, cont.			New Haven County, cont.				Existing	New		Existing	New		Existing	New	Bethel	567,105	567,105	Colebrook	337,225	337,225	Prospect	288,430	288,430	Bridgeport *All Areas	693,130	693,130	Comwall	337,225	337,225	Seymour	288,430	288,430
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RESERVES	Reserve requirements for 2-4 family properties must be in compliance with insurer (i.e. FHA, VA, USDA [RD] or PMI) or investor (i.e. FNMA / FHLMC) guidelines.																																													
REQUIRED DOCUMENTATION	<ul style="list-style-type: none">Lender must obtain proof of disability with documentation from a government agency such as a copy of the Social Security Administration award letter.																																													
INTERESTED PARTY CONTRIBUTIONS	<i>Insurer or Investor guidelines will apply.</i>																																													
HOMEBUYER EDUCATION	<ul style="list-style-type: none">3- Hr. Counseling Certificate required for at least one borrower/co-borrower. <i>(An optional 8-Hr. in-depth counseling is also accepted.)</i>Landlord Certificate also required if purchasing 2-4 family unit.On-Line Homebuyer counseling is available through eHome America in partnership with CHFA. <i>(See Homebuyer and Lender Online Registration Instructions)</i>																																													
ELIGIBLE MORTGAGE INSURERS	<ul style="list-style-type: none">Government loans must be insured through FHA, VA, USDA [RD].Conventional loans must be originated under HFA Preferred™ (PMI) or HFA Advantage® (PMI) Loan Programs.																																													
MORTGAGE INSURANCE COVERAGE	<i>Refer to MI Company guidelines for specific eligibility and underwriting requirements.</i>																																													
FEDERAL RECAPTURE TAX	<p>Subject to Federal Recapture Tax unless:</p> <ul style="list-style-type: none">Home sold more than nine (9) years after purchase.No profit (capital gain) on sale.Household income is below Recapture Tax Limit at time of sale. <p><i>(See eligibility for CHFA reimbursement – Form 049-0313 if recapture tax payment is required)</i></p>																																													
SERVICER	<ul style="list-style-type: none">Idaho Housing Finance Association; Service Released Lenders <i>(HomeLoanServ for loss payee clauses & Servicing Transfer Notice)</i>AmeriNat - (FICO score ≤ 618); Service Released Lenders.Service Retained Lenders - (FICO score ≤ 618) retain servicing.																																													




HOMEBUYER MORTGAGE




(REGULAR HOMEBUYER PROGRAM)

PURPOSE AND OVERVIEW:

The Homebuyer Mortgage Program Loan provides below-market interest rate mortgage loans to people interested in purchasing their first home as well as previous homeowners who purchase a home in Federally Targeted Areas of the State.

PARAMETER	Eligibility Requirements
LENDER ORIGATION FEE	CHFA Origination Fee will be calculated based on the interest rate option applicants select for the 1 st mortgage loan financing. The following point options are available: 1.00% or 0.00%
CHFA ALLOWABLE FEES	<ul style="list-style-type: none"> ▪ Loan Processing Fee = \$395 ▪ Loan Underwriting Fee = \$395
GOVERNMENT PROGRAM UPFRONT FEES	<ul style="list-style-type: none"> ▪ FHA - UFMIP – <i>Insurer or Investor guidelines will apply</i> ▪ USDA - Guarantee Fee ▪ VA - Funding Fee
CHFA INTEREST RATE	The interest rate will be determined by the type of CHFA Loan Product and Point Option selected. Either the CHFA Government (i.e. FHA, VA, USDA [RD]) rate; or CHFA Non-Government (i.e. PMI or Uninsured) rate will apply. <i>(See chfa.org home page)</i> <i>(CHFA target area rate discount of .25% will apply when applicable)</i>
AMORTIZATION	30-Year Term, Fixed Rate Mortgage (FRM)
TARGET GEOGRAPHY	State of Connecticut
ELIGIBLE BORROWERS	<ul style="list-style-type: none"> ▪ The borrower must be a first-time homebuyer with no property ownership in the past three (3) yrs. <i>(waived in targeted areas – may not own property at time of loan closing)</i>
ELIGIBLE / INELIGIBLE PROPERTY TYPES	<p>Eligible</p> <ul style="list-style-type: none"> ▪ Existing – Single Family ▪ New Construction – <i>Statewide Single Family / 2 unit eligible in Targeted Areas only (3-4 not eligible)</i> ▪ 2 – 4 units <i>(existing & occupied as residential for the past 5 years)</i> ▪ Condominiums (<i>FHA, VA or USDA-RD approved – Includes 2-4 unit projects</i>) ▪ Townhomes ▪ PUD's <i>(FHA, VA or USDA-RD approved)</i>

	<u>Ineligible</u> <ul style="list-style-type: none">Co-ops , Mixed use properties, Manufactured Homes																																																																	
ELIGIBLE OCCUPANCY	Owner occupied only (investment properties not allowed)																																																																	
ELIGIBLE PURPOSE	Purchases only – primary residence - refinance not allowed																																																																	
AUS RECOMMENDATION	AUS Approve Eligible/Accept																																																																	
MINIMUM CREDIT SCORE	CHFA has no requirement – <i>Insurer or Investor guidelines will apply.</i>																																																																	
NON-TRADITIONAL CREDIT (MANUAL UNDERWRITE)	<i>Insurer or Investor guidelines will apply.</i>																																																																	
QUALIFYING RATIOS	<ul style="list-style-type: none">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%.Maximum Total Monthly Debt-to-Income ratio = 45%Maximum ratios on FHA loans (<i>or HFA Preferred</i>) without DAP may go up to 50% with an Approve Eligible AUS Total Scorecard recommendation. (<i>Effective May 15, 2017</i>)All Loans with CHFA DAP must meet CHFA DAP ratio guidelines of 35% / 43%.																																																																	
MAXIMUM LTV	<ul style="list-style-type: none">96.5% FHA (3.50% Down)100 % USDA (LTV may increase to include guarantee fee) <i>DAP not allowed</i>100% VA (LTV may increase to include the funding fee) <i>DAP not allowed</i> <i>Insurer guidelines will apply</i>																																																																	
MAXIMUM CLTV	<ul style="list-style-type: none">CLTV = 100% (CHFA DAP)CLTV = 105% (<i>other Subordinate Financing- Follow Investor Guidelines</i>)																																																																	
MINIMUM BORROWER CONTRIBUTION	<ul style="list-style-type: none">3.50% of total purchase price depending on insurer. <i>(VA and USDA may not require any downpayment.)</i>																																																																	
SUBORDINATE FINANCING	<ul style="list-style-type: none">CHFA Downpayment Assistance Program is available to qualified borrowers.																																																																	
INCOME REQUIREMENTS	<p>An applicant’s annual, before tax household income must not exceed the CHFA <i>Income Limits for “Applicable Town”</i>. Borrower’s income limit is based on household size.</p> <p><i>(See “Full List” at chfa.org “Income & Sales Price Limits”)</i></p> <p><i>Example only:</i></p> <table><tr><th colspan="6">Connecticut Housing Finance Authority (CHFA) - Income Limits</th><th></th></tr><tr><td colspan="7">"Statewide" Income Limits \$87,800 (1 or 2 persons) - \$100,970 (3 or more) = Programs Home of Your Own / Homeownership / Section 8 / Reverse Annuity Mtg (RAM)</td></tr><tr><td colspan="7">"Town" Income Limits = All other Programs except where not applicable (i.e. Targeted Areas for loans without CHFA DAP)</td></tr><tr><th colspan="2">"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</th><th colspan="2">"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</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><tr><td>Fairfield County</td><td></td><td></td><td>Litchfield County, cont.</td><td></td><td></td><td>New Haven County, cont.</td><td></td><td></td></tr><tr><td>Bethel</td><td>128,160</td><td>149,520</td><td>Colebrook</td><td>89,300</td><td>102,695</td><td>Prospect</td><td>87,800</td><td>100,970</td></tr><tr><td>Bridgeport *All Areas</td><td>107,160</td><td>125,020</td><td>Cornwall</td><td>89,300</td><td>102,695</td><td>Seymour</td><td>93,500</td><td>107,525</td></tr></table> <p>Income Limit can be waived in Federally Targeted Areas unless applicant also borrows under the CHFA Downpayment Assistance Program (DAP).</p>	Connecticut Housing Finance Authority (CHFA) - Income Limits							"Statewide" Income Limits \$87,800 (1 or 2 persons) - \$100,970 (3 or more) = Programs Home of Your Own / Homeownership / Section 8 / Reverse Annuity Mtg (RAM)							"Town" Income Limits = All other Programs except where not applicable (i.e. Targeted Areas for loans without CHFA DAP)							"Town" Income Limits		HOUSEHOLD SIZE		"Town" Income Limits		HOUSEHOLD SIZE			1 or 2	3 or more		1 or 2	3 or more		1 or 2	3 or more	Fairfield County			Litchfield County, cont.			New Haven County, cont.			Bethel	128,160	149,520	Colebrook	89,300	102,695	Prospect	87,800	100,970	Bridgeport *All Areas	107,160	125,020	Cornwall	89,300	102,695	Seymour	93,500	107,525
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SALES PRICE LIMIT	<p>Purchase price of home must not exceed the CHFA Sales Price Limits established for the specific city or town where property is located.</p> <p><i>(See “Full List” at chfa.org “Income & Sales Price Limits”)</i></p> <p><i>Example only:</i></p> <table><tr><th colspan="7"><u>Connecticut Housing Finance Authority (CHFA) - Sales Price Limits</u></th><th></th></tr><tr><th colspan="2">Fairfield County</th><th>Existing</th><th>New</th><th colspan="2">Litchfield County, cont.</th><th>Existing</th><th>New</th><th colspan="2">New Haven County, cont.</th><th>Existing</th><th>New</th></tr><tr><td colspan="2">Bethel</td><td>567,105</td><td>567,105</td><td colspan="2">Colebrook</td><td>337,225</td><td>337,225</td><td colspan="2">Prospect</td><td>288,430</td><td>288,430</td></tr><tr><td colspan="2">Bridgeport *All Areas</td><td>693,130</td><td>693,130</td><td colspan="2">Cornwall</td><td>337,225</td><td>337,225</td><td colspan="2">Seymour</td><td>288,430</td><td>288,430</td></tr></table> <p>Appraised value cannot exceed 105% of the purchase price limit.</p>	<u>Connecticut Housing Finance Authority (CHFA) - Sales Price Limits</u>								Fairfield County		Existing	New	Litchfield County, cont.		Existing	New	New Haven County, cont.		Existing	New	Bethel		567,105	567,105	Colebrook		337,225	337,225	Prospect		288,430	288,430	Bridgeport *All Areas		693,130	693,130	Cornwall		337,225	337,225	Seymour		288,430	288,430
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RESERVES	<p>Reserve requirements for 2-4 family properties must be in compliance with insurer (i.e. FHA, VA, USDA [RD]) or investor guidelines.</p>																																												
INTERESTED PARTY CONTRIBUTIONS	<p><i>Insurer or Investor guidelines will apply.</i></p>																																												
HOMEBUYER EDUCATION	<ul style="list-style-type: none">▪ 3- Hr. Counseling Certificate required for at least one borrower/co-borrower. <i>(An optional 8-Hr. in-depth counseling is also accepted.)</i>▪ Landlord Certificate also required if purchasing 2-4 family unit.▪ On-Line Homebuyer counseling is available through eHome America in partnership with CHFA. <i>(See Homebuyer and Lender Online Registration Instructions)</i>																																												
ELIGIBLE MORTGAGE INSURERS	<ul style="list-style-type: none">▪ Government loans must be insured through FHA, VA, USDA [RD].																																												
MORTGAGE INSURANCE COVERAGE	<p><i>Insurer or Investor guidelines will apply.</i></p>																																												
FEDERAL RECAPTURE TAX	<p>Subject to Federal Recapture Tax unless:</p> <ul style="list-style-type: none">▪ Home sold more than nine (9) years after purchase.▪ No profit (capital gain) on sale.▪ Household income is below Recapture Tax Limit at time of sale. <p><i>(See eligibility for CHFA reimbursement – Form 049-0313 if recapture tax payment is required)</i></p>																																												
SERVICER	<ul style="list-style-type: none">▪ Idaho Housing Finance Association; Service Released Lenders <i>(HomeLoanServ for loss payee clauses & Servicing Transfer Notice)</i>▪ AmeriNat - (FICO score ≤ 618); Service Released Lenders.▪ Service Retained Lenders - (FICO score ≤ 618) retain servicing.																																												

HOMEOWNERSHIP MORTGAGE







(Applicants in Public Housing or Receiving Public Housing Assistance)

PURPOSE AND OVERVIEW:

The Homeownership Program offers mortgages at below-market interest rates to Tenants of Publicly Assisted Housing who wish to transition from renting to homeownership. Though the program is primarily designed to support first-time homebuyers, renters who were homeowners may still be eligible for a loan under this program if the property they intend to buy is located in a Federally Targeted Area.

PARAMETER	Eligibility Requirements
LENDER ORIGATION FEE	CHFA Origination Fee will be calculated based on the interest rate option applicants select for the 1 st mortgage loan financing. The following point options are available: 1.00% or 0.00%
CHFA ALLOWABLE FEES	<ul style="list-style-type: none"> ▪ Loan Processing Fee = \$395 ▪ Loan Underwriting Fee = \$395
GOVERNMENT PROGRAM UPFRONT FEES	<ul style="list-style-type: none"> ▪ FHA - UFMIP – <i>Insurer or Investor guidelines will apply.</i> ▪ USDA - Guarantee Fee ▪ VA - Funding Fee
CHFA INTEREST RATE	<p>The interest rate will be determined by the type of CHFA Loan Product and Point Option selected. Either the CHFA Government (i.e. FHA, VA, USDA [RD]) rate; or CHFA Non-Government (i.e. PMI or Uninsured) rate will apply. (<i>See chfa.org home page</i>)</p> <p><i>(CHFA target area rate discount of .25% will apply when applicable and cannot be combined with this programs rate reduction of .125%)</i></p>
AMORTIZATION	30-Year Term, Fixed Rate Mortgage (FRM)
TARGET GEOGRAPHY	State of Connecticut
ELIGIBLE BORROWERS	<p>Tenants of public housing or receive public housing assistance through Section 8, Rental Assistance Program, The Department of Developmental Services or the State Moderate Rental Program.</p> <p><i>Residents of one of the following types of properties may also be eligible:</i></p> <ul style="list-style-type: none"> ▪ Residences managed by CHFA or a municipal housing authority. ▪ CHFA financed rental properties. ▪ HUD subsidized housing supported by HUD Programs 221(d)(3), 241(f) or 236. <p><i>The borrower must be a first-time homebuyer with no property ownership in the past (3) yrs. (waived in targeted areas – may not own property at time of loan closing)</i></p>

ELIGIBLE / INELIGIBLE PROPERTY TYPES	<p><u>Eligible</u></p> <ul style="list-style-type: none"> Existing – Single Family New Construction – Statewide Single Family / 2 unit eligible in Targeted Areas only (3-4 not eligible) 2 – 4 units (existing & occupied as residential for the past 5 years) Condominiums (FNMA & FHA approved – Includes 2-4 unit projects) Townhomes PUD's (FNMA & FHA approved) <p><u>Ineligible</u></p> <ul style="list-style-type: none"> Co-ops , Mixed use properties, Manufactured Homes
ELIGIBLE OCCUPANCY	Owner occupied only (investment properties not allowed)
ELIGIBLE PURPOSE	Purchases only – primary residence - refinance not allowed
AUS RECOMMENDATION	AUS Approve Eligible/Accept
MINIMUM CREDIT SCORE	CHFA has no requirement – <i>Insurer or Investor guidelines will apply.</i>
NON-TRADITIONAL CREDIT (MANUAL UNDERWRITE)	<i>Insurer or Investor guidelines will apply.</i>
QUALIFYING RATIOS	<ul style="list-style-type: none"> 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%. Maximum Total Monthly Debt-to-Income ratio = 45% All Loans with CHFA DAP must meet CHFA DAP ratio guidelines of 35% / 43%.
MAXIMUM LTV	<ul style="list-style-type: none"> 96.5% FHA (3.50% Down) 97.0% CHFA Conventional, HFA Preferred™ / HFA Advantage (3% Down) 95.0% CHFA Conventional, HFA Preferred™ (2-4 unit = 2%) 100 % USDA (LTV may increase to include guarantee fee) <i>DAP not allowed</i> 100% VA (LTV may increase to include the funding fee) <i>DAP not allowed</i> <p><i>Insurer guidelines will apply</i></p>
MAXIMUM CLTV	<ul style="list-style-type: none"> CLTV = 100% (CHFA DAP) CLTV = 105% (<i>other Subordinate Financing- Follow Investor Guidelines</i>)
MINIMUM BORROWER CONTRIBUTION	<ul style="list-style-type: none"> Typically 3% - 3.50% of total purchase price depending on insurer. (<i>VA and USDA may not require any downpayment.</i>) No insurance required when borrower makes downpayment of at least 20% of total purchase price.

SUBORDINATE FINANCING	<ul style="list-style-type: none">CHFA Downpayment Assistance Program is available to qualified borrowers.																																																																																	
INCOME REQUIREMENTS	<p>An applicant's annual, before tax household income must not exceed the CHFA "Statewide" Income Limits. Borrower's income limit is based on household size.</p> <p><i>(See "Full List" at chfa.org "Income & Sales Price Limits")</i></p> <p><i>Example only:</i></p> <table><tr><th colspan="10">Connecticut Housing Finance Authority (CHFA) - Income Limits</th><th></th></tr><tr><td colspan="11">"Statewide" Income Limits \$87,800 (1 or 2 persons) - \$100,970 (3 or more) = Programs Home of Your Own / Homeownership / Section 8 / Reverse Annuity Mtg (RAM)</td></tr><tr><td colspan="11">"Town" Income Limits = All other Programs except where not applicable (i.e. Targeted Areas for loans without CHFA DAP)</td></tr><tr><th colspan="2">"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</th><th colspan="2">"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</th><th colspan="2">"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</th></tr><tr><th colspan="2">Fairfield County</th><th>1 or 2</th><th>3 or more</th><th colspan="2">Litchfield County, cont.</th><th>1 or 2</th><th>3 or more</th><th colspan="2">New Haven County, cont.</th><th>1 or 2</th><th>3 or more</th></tr><tr><td colspan="2">Bethel</td><td>128,160</td><td>149,520</td><td colspan="2">Colebrook</td><td>89,300</td><td>102,695</td><td colspan="2">Prospect</td><td>87,800</td><td>100,970</td></tr><tr><td colspan="2">Bridgeport *All Areas</td><td>107,160</td><td>125,020</td><td colspan="2">Cornwall</td><td>89,300</td><td>102,695</td><td colspan="2">Seymour</td><td>93,500</td><td>107,525</td></tr></table> <p>Income Limit can be waived in Federally Targeted Areas unless applicant also borrows under the CHFA Downpayment Assistance Program (DAP).</p>	Connecticut Housing Finance Authority (CHFA) - Income Limits											"Statewide" Income Limits \$87,800 (1 or 2 persons) - \$100,970 (3 or more) = Programs Home of Your Own / Homeownership / Section 8 / Reverse Annuity Mtg (RAM)											"Town" Income Limits = All other Programs except where not applicable (i.e. Targeted Areas for loans without CHFA DAP)											"Town" Income Limits		HOUSEHOLD SIZE		"Town" Income Limits		HOUSEHOLD SIZE		"Town" Income Limits		HOUSEHOLD SIZE		Fairfield County		1 or 2	3 or more	Litchfield County, cont.		1 or 2	3 or more	New Haven County, cont.		1 or 2	3 or more	Bethel		128,160	149,520	Colebrook		89,300	102,695	Prospect		87,800	100,970	Bridgeport *All Areas		107,160	125,020	Cornwall		89,300	102,695	Seymour		93,500	107,525
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RESERVES	Reserve requirements for 2-4 family properties must be in compliance with insurer (i.e. FHA, VA, USDA [RD] or PMI) or investor (i.e. FNMA / FHLMC) guidelines.																																																																																	
INTERESTED PARTY CONTRIBUTIONS	<i>Insurer or Investor guidelines will apply.</i>																																																																																	
HOMEBUYER EDUCATION	<ul style="list-style-type: none">All borrower(s) must attend 3- Hr. Homeownership Counseling. <i>(An optional 8-Hr. in-depth counseling is also accepted.)</i>Landlord Certificate also required if purchasing 2-4 family unit.On-Line Homebuyer counseling is available through eHome America in partnership with CHFA. <i>(See Homebuyer and Lender Online Registration Instructions)</i>																																																																																	
ELIGIBLE MORTGAGE INSURERS	<ul style="list-style-type: none">Government loans must be insured through FHA, VA, USDA [RD].Conventional loans must be originated under HFA Preferred™ (PMI) or HFA Advantage® (PMI) Loan Programs.																																																																																	

MORTGAGE INSURANCE COVERAGE	<i>Refer to MI Company guidelines for specific eligibility and underwriting requirements.</i>
FEDERAL RECAPTURE TAX	<p>Subject to Federal Recapture Tax unless:</p> <ul style="list-style-type: none"> ▪ Home sold more than nine (9) years after purchase ▪ No profit (capital gain) on sale ▪ Household Income is below Recapture Tax Limit at time of sale <p><i>(See eligibility for CHFA reimbursement – Form 049-0313 if recapture tax payment is required)</i></p>
SERVICER	<ul style="list-style-type: none"> ▪ Idaho Housing Finance Association; Service Released Lenders <i>(HomeLoanServ for loss payee clauses & Servicing Transfer Notice)</i> ▪ AmeriNat - (FICO score \leq 618); Service Released Lenders. ▪ Service Retained Lenders - (FICO score \leq 618) retain servicing.

Homeownership Mortgage- Rev 5-2017







MILITARY HOMEOWNERSHIP

PURPOSE AND OVERVIEW:

The Military Homeownership Program is designed to help the men and women who serve our country realize the dream of owning their first home. The program offers home loans at below-market interest rates to members of the US military, Reserve or National Guard, US military veterans, and some widowed military spouses or civil union partners.

PARAMETER	Eligibility Requirements
LENDER ORIGATION FEE	CHFA Origination Fee will be calculated based on the interest rate option applicants select for the 1 st mortgage loan financing. The following point options are available: 1.00% or 0.00%
CHFA ALLOWABLE FEES	<ul style="list-style-type: none"> ▪ Loan Processing Fee = \$395 ▪ Loan Underwriting Fee = \$395
GOVERNMENT PROGRAM UPFRONT FEES	<ul style="list-style-type: none"> ▪ FHA - UFMIP – <i>Insurer or Investor guidelines will apply.</i> ▪ USDA - Guarantee Fee ▪ VA - Funding Fee
CHFA INTEREST RATE	<p>The interest rate will be determined by the type of CHFA Loan Product and Point Option selected. Either the CHFA Government (i.e. FHA, VA, USDA [RD]) rate; or CHFA Non-Government (i.e. PMI or Uninsured) rate will apply. (<i>See chfa.org home page</i>)</p> <p><i>(CHFA target area rate discount of .25% will apply when applicable and cannot be combined with this programs rate reduction of .125%)</i></p>
AMORTIZATION	30-Year Term, Fixed Rate Mortgage (FRM)
TARGET GEOGRAPHY	State of Connecticut
ELIGIBLE BORROWERS	<ul style="list-style-type: none"> ▪ Veterans, full-time active duty, Reserve or National Guard service member of the United States military. ▪ Unmarried surviving spouses or civil union partners of eligible veterans who died as a result of military service or service-connected disabilities may also be eligible. ▪ First-time homebuyer with no homeownership in the past (3) years. <p><i>(waived in targeted areas - may not own any other property at the time of loan closing.)</i></p>

ELIGIBLE / INELIGIBLE PROPERTY TYPES	<p><u>Eligible</u></p> <ul style="list-style-type: none"> Existing – Single Family New Construction – Statewide Single Family / 2 unit eligible in Targeted Areas only (3-4 not eligible) 2 – 4 units (existing & occupied as residential for the past 5 years) Condominiums (FNMA & FHA approved – Includes 2-4 unit projects) Townhomes PUD's (FNMA & FHA approved) <p><u>Ineligible</u></p> <ul style="list-style-type: none"> Co-ops , Mixed use properties, Manufactured Homes
ELIGIBLE OCCUPANCY	<ul style="list-style-type: none"> Owner occupied only (investment properties not allowed) If called to Active Duty, borrower/s should contact CHFA directly to obtain permission to rent the home during deployment.
ELIGIBLE PURPOSE	Purchases only – primary residence – refinance not allowed
AUS RECOMMENDATION	AUS Approve – Accept eligible is strongly recommended.
MINIMUM CREDIT SCORE	CHFA has no requirement – <i>Insurer or Investor guidelines will apply.</i>
NON-TRADITIONAL CREDIT (MANUAL UNDERWRITE)	<i>Insurer or Investor guidelines will apply.</i>
QUALIFYING RATIOS	<ul style="list-style-type: none"> 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%. Maximum Total Monthly Debt-to-Income ratio = 45% Maximum ratios on FHA loans (or HFA Preferred) without DAP may go up to 50% with an Approve Eligible AUS Total Scorecard recommendation. (Eff. May 15, 2017) All Loans with CHFA DAP must meet CHFA DAP ratio guidelines of 35% / 43%.
MAXIMUM LTV	<ul style="list-style-type: none"> 96.5% FHA (3.50% Down) 97.0% CHFA Conventional, HFA Preferred™ / HFA Advantage (3% Down) 95.0% CHFA Conventional, HFA Preferred™ (2-4 unit = 2%) 100 % USDA (LTV may increase to include guarantee fee) DAP not allowed 100% VA (LTV may increase to include the funding fee) DAP not allowed <p><i>Insurer guidelines will apply</i></p>
MAXIMUM CLTV	<ul style="list-style-type: none"> CLTV = 100% (CHFA DAP) CLTV = 105% (other Subordinate Financing- Follow Investor Guidelines)

MINIMUM BORROWER CONTRIBUTION	<ul style="list-style-type: none">3% - 3.50% of total purchase price depending on insurer. <i>(VA and USDA may not require any downpayment)</i>Borrowers with 20% or more down payment may apply for an uninsured first mortgage, statewide.																																																									
SUBORDINATE FINANCING	<ul style="list-style-type: none">CHFA Downpayment Assistance Program is available to qualified borrowers.																																																									
INCOME REQUIREMENTS	<p>An applicant's annual, before tax household income must not exceed the CHFA Income Limits for "Applicable Town". Borrower's income limit is based on household size.</p> <p><i>(See "Full List" at chfa.org "Income & Sales Price Limits")</i></p> <p><i>Example only:</i></p> <table><tr><th colspan="6">Connecticut Housing Finance Authority (CHFA) - Income Limits</th><th></th></tr><tr><td colspan="7">"Statewide" Income Limits \$87,800 (1 or 2 persons) - \$100,970 (3 or more) = Programs Home of Your Own / Homeownership / Section 8 / Reverse Annuity Mtg (RAM)</td></tr><tr><td colspan="7">"Town" Income Limits = All other Programs except where not applicable (i.e. Targeted Areas for loans without CHFA DAP)</td></tr><tr><th>"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</th><th>"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</th><th>"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</th></tr><tr><td>Fairfield County</td><td>1 or 2</td><td>3 or more</td><td>Litchfield County, cont.</td><td>1 or 2</td><td>3 or more</td><td>New Haven County, cont.</td><td>1 or 2</td><td>3 or more</td></tr><tr><td>Bethel</td><td>128,160</td><td>149,520</td><td>Colebrook</td><td>89,300</td><td>102,695</td><td>Prospect</td><td>87,800</td><td>100,970</td></tr><tr><td>Bridgeport *All Areas</td><td>107,160</td><td>125,020</td><td>Cornwall</td><td>89,300</td><td>102,695</td><td>Seymour</td><td>93,500</td><td>107,525</td></tr></table> <p>Income Limit can be waived in Federally Targeted Areas unless applicant also borrows under the CHFA Downpayment Assistance Program (DAP).</p>	Connecticut Housing Finance Authority (CHFA) - Income Limits							"Statewide" Income Limits \$87,800 (1 or 2 persons) - \$100,970 (3 or more) = Programs Home of Your Own / Homeownership / Section 8 / Reverse Annuity Mtg (RAM)							"Town" Income Limits = All other Programs except where not applicable (i.e. Targeted Areas for loans without CHFA DAP)							"Town" Income Limits	HOUSEHOLD SIZE		"Town" Income Limits	HOUSEHOLD SIZE		"Town" Income Limits	HOUSEHOLD SIZE		Fairfield County	1 or 2	3 or more	Litchfield County, cont.	1 or 2	3 or more	New Haven County, cont.	1 or 2	3 or more	Bethel	128,160	149,520	Colebrook	89,300	102,695	Prospect	87,800	100,970	Bridgeport *All Areas	107,160	125,020	Cornwall	89,300	102,695	Seymour	93,500	107,525
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HOMEBUYER EDUCATION	<ul style="list-style-type: none">3- Hr. Counseling Certificate required for at least one borrower/co-borrower. <i>(An optional 8-Hr. in-depth counseling is also accepted.)</i>Landlord Certificate also required if purchasing 2-4 family unit.On-Line Homebuyer counseling is available through eHome America in partnership with CHFA. <i>(See Homebuyer and Lender Online Registration Instructions)</i>																																																									

ELIGIBLE MORTGAGE INSURERS	<ul style="list-style-type: none"> ▪ Government loans must be insured through FHA, VA, USDA [RD]. ▪ Conventional loans must be originated under HFA Preferred™ (PMI) or HFA Advantage® (PMI) Loan Programs.
MORTGAGE INSURANCE COVERAGE	<i>Insurer or Investor guidelines will apply.</i>
FEDERAL RECAPTURE TAX	<p>Subject to Federal Recapture Tax unless:</p> <ul style="list-style-type: none"> ▪ Home sold more than nine (9) years after purchase ▪ No profit (capital gain) on sale ▪ Household Income is below Recapture Tax Limit at time of sale <p><i>(See eligibility for CHFA reimbursement – Form 049-0313 if recapture tax payment is required)</i></p>
SERVICER	<ul style="list-style-type: none"> ▪ Idaho Housing Finance Association; Service Released Lenders. <i>(HomeLoanServ for loss payee clauses & Servicing Transfer Notice)</i> ▪ AmeriNat - (FICO score \leq 618); Service Released Lenders. ▪ Service Retained Lenders - (FICO score \leq 618) retain servicing.

Military Homeownership - Rev 5-2017







POLICE HOMEOWNERSHIP

PURPOSE AND OVERVIEW:

The Police Homeownership Program encourages Police Officers to purchase homes and reside in the communities where they work, by offering home loans at below-market interest rates. For many towns and cities in the State, it's beneficial to their safety and security to have Police Officers living in the community.

PARAMETER	Eligibility Requirements
LENDER ORIGATION FEE	CHFA Origination Fee will be calculated based on the interest rate option applicants select for the 1 st mortgage loan financing. The following point options are available: 1.00% or 0.00%
CHFA ALLOWABLE FEES	<ul style="list-style-type: none"> ▪ Loan Processing Fee = \$395 ▪ Loan Underwriting Fee = \$395
GOVERNMENT PROGRAM UPFRONT FEES	<ul style="list-style-type: none"> ▪ FHA - UFMIP – <i>Insurer or Investor guidelines will apply.</i> ▪ USDA - Guarantee Fee ▪ VA - Funding Fee
CHFA INTEREST RATE	<p>The interest rate will be determined by the type of CHFA Loan Product and Point Option selected. Either the CHFA Government (i.e. FHA, VA, USDA [RD]) rate; or CHFA Non-Government (i.e. PMI or Uninsured) rate will apply. (<i>See chfa.org home page</i>)</p> <p><i>(CHFA target area rate discount of .25% will apply when applicable and cannot be combined with this programs rate reduction of .125%)</i></p>
AMORTIZATION	30-Year Term, Fixed Rate Mortgage (FRM)
TARGET GEOGRAPHY	State of Connecticut
ELIGIBLE BORROWERS	<ul style="list-style-type: none"> ▪ Municipal Police Officer purchasing a home in a participating City/Town must work in that City/Town. ▪ State Police Officers may purchase a home in any participating City or Town. ▪ Must be a first-time homebuyer with no homeownership in the past (3) years. <p><i>(waived in targeted areas - may not own any other property at the time of loan closing.)</i></p>

PARTICIPATING TOWNS	<p>*Targeted Areas - ** Portions Targeted</p> <table><tr><td>Bloomfield</td><td>East Haven</td><td>**Meriden</td><td>*New London</td><td>**Stamford</td></tr><tr><td>*Bridgeport</td><td>Enfield</td><td>Milford</td><td>**Norwalk</td><td>Stratford</td></tr><tr><td>Cheshire</td><td>Hamden</td><td>**New Britain</td><td>**Norwich</td><td>*Waterbury</td></tr><tr><td>**Danbury</td><td>*Hartford</td><td>*New Haven</td><td>Putnam</td><td>West Hartford</td></tr><tr><td></td><td>**Manchester</td><td></td><td></td><td>Woodbridge</td></tr></table> <p><i>(Applicants should contact their Police Dept. or Town hall to obtain details on eligible areas)</i></p>	Bloomfield	East Haven	**Meriden	*New London	**Stamford	*Bridgeport	Enfield	Milford	**Norwalk	Stratford	Cheshire	Hamden	**New Britain	**Norwich	*Waterbury	**Danbury	*Hartford	*New Haven	Putnam	West Hartford		**Manchester			Woodbridge
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ELIGIBLE OCCUPANCY	Owner occupied only (investment properties not allowed)																									
ELIGIBLE PURPOSE	Purchases only – primary residence – refinance not allowed																									
AUS RECOMMENDATION	AUS Approve Eligible/Accept																									
MINIMUM CREDIT SCORE	CHFA has no requirement – <i>Insurer or Investor guidelines will apply.</i>																									
NON-TRADITIONAL CREDIT (MANUAL UNDERWRITE)	<i>Insurer or Investor guidelines will apply.</i>																									
QUALIFYING RATIOS	<ul style="list-style-type: none">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%.Maximum Total Monthly Debt-to-Income ratio = 45%.Maximum ratios on FHA loans (or HFA Preferred) without DAP may go up to 50% with an Approve Eligible AUS Total Scorecard recommendation.All Loans with CHFA DAP must meet CHFA DAP ratio guidelines of 35% / 43%.																									
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SUBORDINATE FINANCING	<ul style="list-style-type: none">CHFA Downpayment Assistance is available to qualified borrowers regardless of assets.Some towns offer grants or loans to cover closing cost expenses on a case-by-case basis. Contact your Police Department to determine whether closing cost assistance is available.																																																																		
INCOME REQUIREMENTS	<p>An applicant's annual, before tax household income must not exceed the CHFA Income Limits for "Applicable Town." Borrower's income limit is based on household size.</p> <p>(See "Full List" at chfa.org "Income & Sales Price Limits")</p> <p>Example only:</p> <table><tr><th colspan="6">Connecticut Housing Finance Authority (CHFA) - Income Limits</th><th></th></tr><tr><td colspan="7">"Statewide" Income Limits \$87,800 (1 or 2 persons) - \$100,970 (3 or more) = Programs Home of Your Own / Homeownership / Section 8 / Reverse Annuity Mtg (RAM)</td></tr><tr><td colspan="7">"Town" Income Limits = All other Programs except where not applicable (i.e. Targeted Areas for loans without CHFA DAP)</td></tr><tr><th>"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</th><th>"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</th><th>"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</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><tr><td>Fairfield County</td><td></td><td></td><td>Litchfield County, cont.</td><td></td><td></td><td>New Haven County, cont.</td><td></td><td></td></tr><tr><td>Bethel</td><td>128,160</td><td>149,520</td><td>Colebrook</td><td>89,300</td><td>102,695</td><td>Prospect</td><td>87,800</td><td>100,970</td></tr><tr><td>Bridgeport *All Areas</td><td>107,160</td><td>125,020</td><td>Cornwall</td><td>89,300</td><td>102,695</td><td>Seymour</td><td>93,500</td><td>107,525</td></tr></table> <p>Income Limit can be waived in Federally Targeted Areas unless applicant also borrows under the CHFA Downpayment Assistance Program (DAP).</p>	Connecticut Housing Finance Authority (CHFA) - Income Limits							"Statewide" Income Limits \$87,800 (1 or 2 persons) - \$100,970 (3 or more) = Programs Home of Your Own / Homeownership / Section 8 / Reverse Annuity Mtg (RAM)							"Town" Income Limits = All other Programs except where not applicable (i.e. Targeted Areas for loans without CHFA DAP)							"Town" Income Limits	HOUSEHOLD SIZE		"Town" Income Limits	HOUSEHOLD SIZE		"Town" Income Limits	HOUSEHOLD SIZE			1 or 2	3 or more		1 or 2	3 or more		1 or 2	3 or more	Fairfield County			Litchfield County, cont.			New Haven County, cont.			Bethel	128,160	149,520	Colebrook	89,300	102,695	Prospect	87,800	100,970	Bridgeport *All Areas	107,160	125,020	Cornwall	89,300	102,695	Seymour	93,500	107,525
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ELIGIBLE MORTGAGE INSURERS	<ul style="list-style-type: none"> ▪ Government loans must be insured through FHA, VA, USDA [RD]. ▪ Conventional loans must be originated under HFA Preferred™ (PMI) or HFA Advantage® (PMI) Loan Programs.
MORTGAGE INSURANCE COVERAGE	<i>Insurer or Investor guidelines will apply.</i>
FEDERAL RECAPTURE TAX	<p>Subject to Federal Recapture Tax unless:</p> <ul style="list-style-type: none"> ▪ Home sold more than nine (9) years after purchase ▪ No profit (capital gain) on sale ▪ Household Income is below Recapture Tax Limit at time of sale <p><i>(See eligibility for CHFA reimbursement – Form 049-0313 if recapture tax payment is required)</i></p>
SERVICER	<ul style="list-style-type: none"> ▪ Idaho Housing Finance Association; Service Released Lenders <i>(HomeLoanServ for loss payee clauses & Servicing Transfer Notice)</i> ▪ AmeriNat - (FICO score ≤ 618); Service Released Lenders. ▪ Service Retained Lenders - (FICO score ≤ 618) retain servicing.




Police Homeownership – Rev 5-2017

REVERSE ANNUITY MORTGAGE (RAM)

PURPOSE AND OVERVIEW:

The Reverse Annuity Mortgage (RAM) Loan Program allows low and moderate income, Connecticut elderly citizens (70 years of age or older), to use the equity in their home to provide monthly cash payments for long-term care needs. The RAM Loan Program can be used for a variety of services connected with long-term care including home maintenance expenses. The program allows elderly homeowners to remain in their homes by providing necessary financial support for medical and many other supportive services related to long-term care needs for a term of up to six (6) years.

PARAMETER	Eligibility Requirements
CHFA ORIGATION FEE	<ul style="list-style-type: none"> \$600.00
CHFA ALLOWABLE FEES	<ul style="list-style-type: none"> \$900.00 (Appraisal Fee, Long Term Care Assessment, Title Search, Title Ins.) Attorney Fee <p><i>Fees are added to the RAM loan balance - No out-of-pocket fees are paid to CHFA.</i></p>
CHFA INTEREST RATE	The RAM Program interest rate is the same as the CHFA Homebuyer Mortgage Program Loan rate published as "Government Insured Rate" with zero points - plus a margin of 1.50%. <i>(See chfa.org home page)</i>
AMORTIZATION	Open - End Mortgage <i>(Loan is repaid in one payment when the property is sold or no longer occupied by borrower.)</i>
TARGET GEOGRAPHY	State of Connecticut
ELIGIBLE BORROWERS	<ul style="list-style-type: none"> Homeowners must be at least 70 years old and have a long-term care needs. Borrower's spouse must also be at least 70 years old and have a joint ownership interest in the property with rights of survivorship (unless permanently institutionalized.) <p><i>(A representative from an independent social services agency will perform an assessment regarding necessary long-term care needs.)</i></p>
ELIGIBLE / INELIGIBLE PROPERTY TYPES	<p>Eligible</p> <ul style="list-style-type: none"> Existing – Single Family New Construction – Statewide Single Family / 2 unit eligible in Targeted Areas only (3-4 not eligible) 2 – 4 units (existing & occupied as residential for the past 5 years) Condominiums (FNMA & FHA approved – Includes 2-4 unit projects) Townhomes PUD's (FNMA & FHA approved)

	<p><u>Ineligible</u></p> <ul style="list-style-type: none">▪ Co-ops , Mixed use properties, Manufactured Homes																																																							
ELIGIBLE OCCUPANCY	Owner occupied - principal residences only																																																							
ELIGIBLE PURPOSE	<p>Long-Term Care Needs - Including, but not limited to:</p> <div><div><ul style="list-style-type: none">- In-Home Care- Medically Indicated Home Alterations- Long-Term Care Insurance Premiums- Lawn Maintenance/Landscaping- Uninsured Recurring and Catastrophic Medical Expenses- Out-of-Home Care (<i>Hospitals, Nursing Homes, Homes for Aged, Adult Day Care</i>) <i>(Up to 90 consecutive days absence from the home permitted)</i></div><div><ul style="list-style-type: none">- Prescription Drugs- Snow Removal- Daily Meals</div></div>																																																							
MAXIMUM LTV	<p>A borrower may receive up to 70% of the appraised value of their home, as long as the RAM loan does not exceed the maximum loan amount of \$453,100. <i>(Eff. 1-1-2018)</i></p> <p><i>(Borrower does not have to take the maximum allowable loan amount at the time of closing, but cannot increase the RAM loan amount later.)</i></p>																																																							
SUBORDINATE FINANCING	No subordinate financing – additionally, the home must be free of any mortgage or lien at the time of closing a RAM loan.																																																							
INCOME REQUIREMENTS	<p>An applicant’s annual, before tax household income must not exceed the CHFA “Statewide” Income Limits. Borrower’s income limit is based on household size. <i>(See “Full List” at chfa.org “Income & Sales Price Limits”)</i></p> <p>Example only:</p> <table><tr><th colspan="6"><u>Connecticut Housing Finance Authority (CHFA) - Income Limits</u></th><th></th></tr><tr><td colspan="7">"Statewide" Income Limits \$87,800 (1 or 2 persons) - \$100,970 (3 or more) = Programs Home of Your Own / Homeownership / Section 8 / Reverse Annuity Mtg (RAM)</td></tr><tr><td colspan="7">"Town" Income Limits = All other Programs except where not applicable (i.e. Targeted Areas for loans without CHFA DAP)</td></tr><tr><th colspan="2">"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</th><th colspan="2">"Town" Income Limits</th><th>HOUSEHOLD SIZE</th></tr><tr><td>Fairfield County</td><td>1 or 2</td><td>3 or more</td><td>Litchfield County, cont.</td><td>1 or 2</td><td>3 or more</td><td>New Haven County, cont.</td><td>1 or 2</td><td>3 or more</td></tr><tr><td>Bethel</td><td>128,160</td><td>149,520</td><td>Colebrook</td><td>89,300</td><td>102,695</td><td>Prospect</td><td>87,800</td><td>100,970</td></tr><tr><td>Bridgeport *All Areas</td><td>107,160</td><td>125,020</td><td>Comwall</td><td>89,300</td><td>102,695</td><td>Seymour</td><td>93,500</td><td>107,525</td></tr></table> <p><i>Household income includes non-taxable income such as Social Security or Municipal Bond Interest.</i></p>	<u>Connecticut Housing Finance Authority (CHFA) - Income Limits</u>							"Statewide" Income Limits \$87,800 (1 or 2 persons) - \$100,970 (3 or more) = Programs Home of Your Own / Homeownership / Section 8 / Reverse Annuity Mtg (RAM)							"Town" Income Limits = All other Programs except where not applicable (i.e. Targeted Areas for loans without CHFA DAP)							"Town" Income Limits		HOUSEHOLD SIZE		"Town" Income Limits		HOUSEHOLD SIZE	Fairfield County	1 or 2	3 or more	Litchfield County, cont.	1 or 2	3 or more	New Haven County, cont.	1 or 2	3 or more	Bethel	128,160	149,520	Colebrook	89,300	102,695	Prospect	87,800	100,970	Bridgeport *All Areas	107,160	125,020	Comwall	89,300	102,695	Seymour	93,500	107,525
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LOAN DISBURSEMENTS	<p>The borrower will receive tax-free monthly payments of the balance of the loan over a term of up to six (6) years. The monthly payment will increase by 3% on the anniversary date of the loan to help meet any increased living costs.</p> <ul style="list-style-type: none">▪ There is a required minimum RAM loan amount of \$25,000.▪ Borrower may request an additional 5,000 to pay off liens or as a lump sum payment at time of closing.▪ If a borrower requires medical or supportive services, a lump sum payment of as much as \$25,000 is permitted.▪ The total loan balance includes the total principal which includes lump sum payments, funds advanced for closing costs, monthly payments and interest. <p><i>(Lump sums payable at closing are included in the total value and will reduce the monthly installment amount.)</i></p>																																																							

LOAN REPAYMENT	<ul style="list-style-type: none"> The sale of the home will signal the end of the monthly payments and the full repayment of the outstanding balance of the RAM loan comes due. <i>(Borrower may sell the home before the loan term ends)</i> When the monthly loan payments <u>term has expired</u>, loan repayment is not required however; the monthly payments will stop and the loan balance will continue to accrue interest at the note rate, until the loan is repaid in full. No prepayment penalty
HOW TO APPLY	<ul style="list-style-type: none"> Contact the State Department on Aging at 1-866-218-6631 and request a preliminary review for RAM Program loan eligibility. If referred to CHFA for a RAM Program loan, a representative from CHFA will schedule a meeting to take a more detailed RAM loan application.
HOMEOWNER EDUCATION	<p>Reverse Equity Mortgage counseling is not required but is available at the following location:</p> <ul style="list-style-type: none"> ➤ Bridgeport Neighborhood Trust, Inc. 570 State Street - Bridgeport, CT – Phone: (203) 290-4255
FEDERAL RECAPTURE TAX	Not applicable to this Program.
SERVICER	CHFA will originate, close, and service RAM Program Loans.

**CHFA REVERSE ANNUITY MORTGAGE (RAM)
(EXAMPLE PAYMENT TABLE)**

You receive a loan in an amount up to 70% of the value of your home. *(The max loan amount is \$453,100 (Eff. 1-1-18) which is 70% of a home valued at \$647,285)* Loan payments are made to you on the first day of every month for a term of up to six years.

Every year the monthly payment that you receive will increase by 3% in order to help you meet any increased living costs. For example, an initial \$1,358 monthly payment grows to be \$1,528 in the fifth year. These monthly payment amounts are after subtracting out the interest due from the monthly loan advance.

The table below provides examples of monthly payments for a five year payment period *(with or without lump sum payments)*

NOTE: The interest rate for the examples are calculated at 5.00% (5.01% APR)

5-Year Payment Period		Approximate 1st-Year Monthly Payment		
Appraised Value of Home	Maximum Loan Amount	Taking No Lump Sum	Taking a \$5,000 Lump Sum	Taking a \$25,000 Lump Sum
\$150,000	\$105,000	\$1,458.37	\$1,369.41	\$1,013.56
\$200,000	\$140,000	\$1,944.50	\$1,855.53	\$1,499.69
\$250,000	\$175,000	\$2,430.62	\$2,341.66	\$1,985.81
\$295,000	\$206,500	\$2,868.13	\$2,779.17	\$2,423.32
\$476,700	\$333,690	\$4,634.70	\$4,545.74	\$4,189.90
\$513,400	\$359,380	\$4,991.52	\$4,902.56	\$4,546.71
\$647,285 or higher	\$453,100	\$6,293.22	\$6,204.26	\$5,848.41

Reverse Annuity Mortgage (RAM) – Rev 3-2018







TEACHERS MORTGAGE ASSISTANCE

PURPOSE AND OVERVIEW:

The Teachers Mortgage Assistance Program offers home loans at below-market interest rates to Connecticut Public School and Vocational-Technical Teachers who qualify in the States-Identified Academic Subject Matter Shortage Areas and Priority or Transitional School Districts.

PARAMETER	Eligibility Requirements
LENDER ORIGATION FEE	CHFA Origination Fee will be calculated based on the interest rate option applicants select for the 1 st mortgage loan financing. The following point options are available: 1.00% or 0.00%
CHFA ALLOWABLE FEES	<ul style="list-style-type: none"> ▪ Loan Processing Fee = \$395 ▪ Loan Underwriting Fee = \$395
GOVERNMENT PROGRAM UPFRONT FEES	<ul style="list-style-type: none"> ▪ FHA - UFMIP – <i>Insurer or Investor guidelines will apply.</i> ▪ USDA - Guarantee Fee ▪ VA - Funding Fee
CHFA INTEREST RATE	<p>The interest rate will be determined by the type of CHFA Loan Product and Point Option selected. Either the CHFA Government (i.e. FHA, VA, USDA [RD]) rate; or CHFA Non-Government (i.e. PMI or Uninsured) rate will apply. (<i>See chfa.org home page</i>)</p> <p><i>(CHFA target area rate discount of .25% will apply when applicable and will not be combined with this programs rate reduction of .125%)</i></p>
AMORTIZATION	30-Year Term, Fixed Rate Mortgage (FRM)
TARGET GEOGRAPHY	State of Connecticut
ELIGIBLE BORROWERS	<ul style="list-style-type: none"> ▪ First-time homebuyers (Teachers) with no property ownership in past (3) years. (<i>waived in targeted areas - may not own any other property at the time of loan closing.</i>) ▪ Statement of Eligibility Letter (CHFA Form 031-030) required from School District Superintendent. ▪ Teachers purchasing a home in a “Priority or Transitional School District.” - OR- ▪ Full or part-time CT Certified Public School or Regional Vocational-Technical Teacher in the State-identified academic “Subject Matter Shortage Area.” <p><i>(See lists below - updated annually)</i></p>

SUBJECT MATTER SHORTAGE AREAS <i>(JULY 2017- JUNE 30, 2019)</i>	<ul style="list-style-type: none"> - Bilingual Education, PK-12 - Comprehensive Special Education, K-12 - Mathematics, 7-12 - Occupational Subject, Vocational Tech High - School Library Media Specialist - Science, 7-12 - Speech and Language Pathologist - Technology Education, PK-12 - TESOL, PK - 12 - World Languages, 7-12 			
PRIORITY & TRANSITIONAL SCHOOL DISTRICTS <i>(JULY 2016 - JUNE 30, 2017)</i> <small>2017-2018 PRIORITY & TRANSITIONAL SCHOOL DISTRICT INFO NOT RELEASED BY LEGISLATION AS OF 7/1/17. CHFA WILL PROVIDE THE .125% RATE DISCOUNT FOR LOANS RESERVED FOR ANY PSD REMOVED FROM THE LIST FOR THE 2017-2018 YEAR.</small>	Ansonia Bridgeport Bristol Danbury Derby East Hartford East Haven	Hamden Hartford Killingly Manchester Meriden Middletown	Naugatuck New Britain New Haven New London Norwalk Norwich	Putnam Stamford Stratford Vernon Waterbury West Haven Windham
ELIGIBLE / INELIGIBLE PROPERTY TYPES	<p><u>Eligible</u></p> <ul style="list-style-type: none"> ▪ Existing – Single Family ▪ New Construction – <i>Statewide Single Family / 2 unit eligible in Targeted Areas only (3-4 not eligible)</i> ▪ 2 – 4 units <i>(existing & occupied as residential for the past 5 years)</i> ▪ Condominiums <i>(FNMA & FHA approved – Includes 2-4 unit projects)</i> ▪ Townhomes ▪ PUD's <i>(FNMA & FHA approved)</i> <p><u>Ineligible</u></p> <ul style="list-style-type: none"> ▪ Co-ops, Mixed use properties, Manufactured Homes 			
ELIGIBLE OCCUPANCY	Owner occupied only (investment properties not allowed)			
ELIGIBLE PURPOSE	Purchases only – primary residence – refinance not allowed			
AUS RECOMMENDATION	AUS Approve Eligible/Accept			
MINIMUM CREDIT SCORE	CHFA has no requirement – <i>Insurer or Investor guidelines will apply.</i>			
NON-TRADITIONAL CREDIT (MANUAL UNDERWRITE)	<i>Insurer or Investor guidelines will apply.</i>			
QUALIFYING RATIOS	<ul style="list-style-type: none"> ▪ 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%. ▪ Maximum Total Monthly Debt-to-Income ratio = 45% ▪ Maximum ratios on FHA loans <i>(or HFA Preferred)</i> without DAP may go up to 50% with an Approve Eligible AUS Total Scorecard recommendation. <i>(Eff. May 15, 2017)</i> ▪ All Loans with CHFA DAP must meet CHFA DAP ratio guidelines of 35% / 43%. 			

MAXIMUM LTV	<ul style="list-style-type: none">96.5% FHA (3.50% Down)97.0% CHFA Conventional, HFA Preferred™ / HFA Advantage (3% Down)95.0% CHFA Conventional, HFA Preferred™ (2-4 unit = 2%)100 % USDA (LTV may increase to include guarantee fee) <i>DAP not allowed</i>100% VA (LTV may increase to include the funding fee) <i>DAP not allowed</i> <p><i>Insurer guidelines will apply</i></p>																																																																								
MAXIMUM CLTV	<ul style="list-style-type: none">CLTV = 100% (CHFA DAP)CLTV = 105% <i>(other Subordinate Financing- Follow Investor Guidelines)</i>																																																																								
MINIMUM BORROWER CONTRIBUTION	<ul style="list-style-type: none">3% - 3.50% of total purchase price depending on insurer. <i>(VA and USDA may not require any downpayment)</i>																																																																								
SUBORDINATE FINANCING	<ul style="list-style-type: none">CHFA Downpayment Assistance Program is available to qualified borrowers regardless of assets.Some towns offer grants or loans to cover closing cost expenses on a case-by-case basis. Contact your School District Superintendent to determine if assistance is available.																																																																								
INCOME REQUIREMENTS	<p>An applicant’s annual, before tax household income must not exceed the CHFA Income Limits for “Applicable Town.” Borrower’s income limit is based on household size.</p> <p><i>(See “Full List” at chfa.org “Income & Sales Price Limits”)</i></p> <p><i>Example only:</i></p> <table><tr><th colspan="7">Connecticut Housing Finance Authority (CHFA) - Income Limits</th><th></th></tr><tr><td colspan="8">"Statewide" Income Limits \$87,800 (1 or 2 persons) - \$100,970 (3 or more) = Programs Home of Your Own / Homeownership / Section 8 / Reverse Annuity Mtg (RAM)</td></tr><tr><td colspan="8">"Town" Income Limits = All other Programs except where not applicable (i.e. Targeted Areas for loans without CHFA DAP)</td></tr><tr><th colspan="2">"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</th><th colspan="2">"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</th><th colspan="2">"Town" Income Limits</th><th colspan="2">HOUSEHOLD SIZE</th></tr><tr><td colspan="2">Fairfield County</td><td>1 or 2</td><td>3 or more</td><td colspan="2">Litchfield County, cont.</td><td>1 or 2</td><td>3 or more</td><td colspan="2">New Haven County, cont.</td><td>1 or 2</td><td>3 or more</td></tr><tr><td colspan="2">Bethel</td><td>128,160</td><td>149,520</td><td colspan="2">Colebrook</td><td>89,300</td><td>102,695</td><td colspan="2">Prospect</td><td>87,800</td><td>100,970</td></tr><tr><td colspan="2">Bridgeport *All Areas</td><td>107,160</td><td>125,020</td><td colspan="2">Cornwall</td><td>89,300</td><td>102,695</td><td colspan="2">Seymour</td><td>93,500</td><td>107,525</td></tr></table> <p>Income Limit can be waived in Federally Targeted Areas unless applicant also borrows under the CHFA Downpayment Assistance Program (DAP).</p>	Connecticut Housing Finance Authority (CHFA) - Income Limits								"Statewide" Income Limits \$87,800 (1 or 2 persons) - \$100,970 (3 or more) = Programs Home of Your Own / Homeownership / Section 8 / Reverse Annuity Mtg (RAM)								"Town" Income Limits = All other Programs except where not applicable (i.e. Targeted Areas for loans without CHFA DAP)								"Town" Income Limits		HOUSEHOLD SIZE		"Town" Income Limits		HOUSEHOLD SIZE		"Town" Income Limits		HOUSEHOLD SIZE		Fairfield County		1 or 2	3 or more	Litchfield County, cont.		1 or 2	3 or more	New Haven County, cont.		1 or 2	3 or more	Bethel		128,160	149,520	Colebrook		89,300	102,695	Prospect		87,800	100,970	Bridgeport *All Areas		107,160	125,020	Cornwall		89,300	102,695	Seymour		93,500	107,525
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SALES PRICE LIMIT	<p>Purchase price of home must not exceed the CHFA Sales Price Limits established for the specific city or town where property is located.</p> <p><i>(See “Full List” at chfa.org “Income & Sales Price Limits”)</i></p> <p><i>Example only:</i></p> <table><tr><th colspan="7">Connecticut Housing Finance Authority (CHFA) - Sales Price Limits</th><th></th></tr><tr><td colspan="2">Fairfield County</td><td>Existing</td><td>New</td><td colspan="2">Litchfield County, cont.</td><td>Existing</td><td>New</td><td colspan="2">New Haven County, cont.</td><td>Existing</td><td>New</td></tr><tr><td colspan="2">Bethel</td><td>567,105</td><td>567,105</td><td colspan="2">Colebrook</td><td>337,225</td><td>337,225</td><td colspan="2">Prospect</td><td>288,430</td><td>288,430</td></tr><tr><td colspan="2">Bridgeport *All Areas</td><td>693,130</td><td>693,130</td><td colspan="2">Cornwall</td><td>337,225</td><td>337,225</td><td colspan="2">Seymour</td><td>288,430</td><td>288,430</td></tr></table> <p>Appraised value cannot exceed 105% of the purchase price limit.</p>	Connecticut Housing Finance Authority (CHFA) - Sales Price Limits								Fairfield County		Existing	New	Litchfield County, cont.		Existing	New	New Haven County, cont.		Existing	New	Bethel		567,105	567,105	Colebrook		337,225	337,225	Prospect		288,430	288,430	Bridgeport *All Areas		693,130	693,130	Cornwall		337,225	337,225	Seymour		288,430	288,430																												
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RESERVES	Reserve requirements for 2-4 family properties must be in compliance with insurer (i.e. FHA, VA, USDA [RD] or PMI) or investor (i.e. FNMA / FHLMC) guidelines.																																																																								

INTERESTED PARTY CONTRIBUTIONS	<i>Insurer or Investor guidelines will apply.</i>
HOMEBUYER EDUCATION	<ul style="list-style-type: none"> ▪ 3-Hr. Counseling Certificate required for at least one borrower/co-borrower. <i>(An optional 8-Hr. in-depth counseling is also accepted.)</i> ▪ Landlord Certificate also required if purchasing 2-4 family unit. ▪ On-Line Homebuyer counseling is available through eHome America in partnership with CHFA. <i>(See Homebuyer and Lender Online Registration Instructions)</i>
ELIGIBLE MORTGAGE INSURERS	<ul style="list-style-type: none"> ▪ Government loans must be insured through FHA, VA, USDA [RD]. ▪ Conventional loans must be originated under HFA Preferred™ (PMI) or HFA Advantage® (PMI) Loan Programs.
MORTGAGE INSURANCE COVERAGE	<i>Insurer or Investor guidelines will apply.</i>
FEDERAL RECAPTURE TAX	<p>Subject to Federal Recapture Tax unless:</p> <ul style="list-style-type: none"> ▪ Home sold more than nine (9) years after purchase ▪ No profit (capital gain) on sale ▪ Household Income is below Recapture Tax Limit at time of sale <p><i>(See eligibility for CHFA reimbursement – Form 049-0313 if recapture tax payment is required)</i></p>
SERVICER	<ul style="list-style-type: none"> ▪ Idaho Housing Finance Association; Service Released Lenders <i>(HomeLoanServ for loss payee clauses & Servicing Transfer Notice)</i> ▪ AmeriNat - (FICO score ≤ 618); Service Released Lenders ▪ Service Retained Lenders - (FICO score ≤ 618) retain servicing.

Teachers Assistance – Rev 4-2018

CHFA LOAN PROCESSING SUCCESS TIPS

**ALL FILES MUST BE FULLY UNDERWRITTEN & CLEARED TO CLOSE
BY THE LENDER'S UNDERWRITER PRIOR TO SUBMISSION TO CHFA**

1. There are four (4) CHFA overlays that apply to all loans:
 - a. Income Limits
 - b. Sales Price Limits
 - c. First Time Homebuyer Eligibility (*waived in Targeted Areas for loans without DAP*)
 - d. Maximum Total Debt Ratio = 45%
 - e. Maximum ratios on FHA or HFA Preferred loans = 50% with Approve/Eligible AUS findings for loans without DAP. (Loans with CHFA DAP must meet DAP ratio guidelines of 35% / 43%)
2. Most recent 3 years signed Federal Tax Returns **OR** Transcripts are required for loans in non-targeted area. (*Targeted Areas require 1 year signed Federal Tax Returns or Transcripts*)
3. An Income Calculation Worksheet must be provided for all files and include both repayment and CHFA income limit calculations. Lenders can use the CHFA worksheet or their own.
4. CHFA Borrower Eligibility Certificate is required for all loans and **MUST BE COMPLETED IN FULL.** The borrower(s) must be listed in line #24 of form in addition to, all other occupying household members.
5. Follow Insurer i.e. FHA, VA, USDA [RD] or PMI or Investor i.e. FNMA, FHLMC guidelines for first mortgage loan.
6. Follow AUS Findings. Make sure all Non-Government Loans are entered into AUS under HFA Preferred **or** HFA Advantage, as applicable.
7. Review Commitment for Mortgage Purchase for accuracy as soon as received from CHFA.

TIPS FOR SUBMITTING LOANS FOR CHFA REVIEW

1. Follow CHFA Processing and File Submission order Checklists. There are six (6) types:
 - a. Idaho Housing and Finance Assoc. (Conventional -or- Government), as applicable.
 - b. AmeriNat (Conventional) -or- Service Release Lenders (Government), as applicable.
 - c. Downpayment Assistance Program(CHFA) Servicers (Idaho) or (AmeriNat & Service Retained Lenders (C4C).
2. Confirm the interest rate, points, and program type in LOS and on Loan Documents BEFORE submitting the loan to CHFA. PLEASE NOTE: The CHFA LOS Administrator or Sr. Processor in your organization can edit loan information in LOS.
3. The Loan Transmittal must be signed and dated by Lender's Underwriter and must match the AUS Findings.
4. Additional Data Screen must be submitted in CHFA LOS and 1003 must be uploaded and "submitted" in CHFA LOS prior to submitting loan files for review. The 1003 submission is under "X" Government Monitoring.

SPECIAL NOTE: *All Missing Exhibit Letters from CHFA must be reviewed by the Lender's UNDERWRITER to ensure requested items will clear conditions upon CHFA second review of file for approval.*

****SEE NEXT PAGE FOR LOANS WITH DAP****

TIPS FOR PROCESSING LOANS WITH DAP

1. All CHFA DAP loans must be closed in the name of the Connecticut Housing Finance Authority – 999 West Street, Rocky Hill, CT 06067.
2. DAP worksheet must be completed accurately in CHFA LOS prior to submission to CHFA.
(all changes to worksheet calculations must be updated).
3. Refer to CHFA Operating Manual Section 8 – Downpayment Assistance Program and DAP Matrix in CHFA Loan Program Outlines and Underwriting Guide for questions on DAP eligibility, underwriting guidelines and overlays.
4. Remember the maximum hours allowed for calculating repayment income is **sixty (60) hours per week**.
(this includes combined income from base salary, overtime or second job).
5. All Collection accounts must be paid prior to closing, regardless of AUS Findings with the exception of Medical Collections. This includes payoff of all delinquent IRS tax obligations currently in repayment.
6. Review paystubs and bank statements for additional deposit accounts not disclosed as well as direct deposits, garnishments and transfers. Document all undisclosed activity shown on these documents.
7. All liquid asset accounts must be disclosed and verified (most recent 2 months statements required).
8. Apply “common-sense” underwriting! If borrower has borderline credit history, no rental history, substantial overdrafts and little savings – additional alternative credit may be requested. Document the file; tell CHFA why the file should be approved.
9. Double check the terms of DAP/Subordinate financing are correct in AUS.

HAZARD INSURANCE - MORTGAGEE CLAUSE GUIDE

First Mortgage - Service Released: Idaho Housing and Finance Association =

HomeLoanServ, its successors and/or assigns as their interests may appear: **P.O. Box 7899 – Boise, ID 93707**

Second Mortgage – CHFA Downpayment Assistance Program

Idaho Housing and Finance Association = Connecticut Housing Finance Authority C/O HomeLoanServ, its successors and/or assigns as their interests may appear: **P.O. Box 7899 – Boise, ID 83707**

First Mortgage - Service Released: AmeriNat =

Connecticut Housing Finance Authority C/O AmeriNat, its successors and/or assigns as their interests may appear:
217 S. Newton Avenue – Albert Lea, MN 56007

Second Mortgage – CHFA Downpayment Assistance Program

Capital for Change, Inc. (C4C) = Connecticut Housing Finance Authority C/O Capital For Change, Inc. (C4C), its successors and/or assigns as their interests may appear: **121 Tremont Street – Hartford, CT 06105**

First Mortgage - Service Retained: Lender/Servicer =

Connecticut Housing Finance Authority C/O (Lender/Servicer Name), its successors and/or assigns as their interests may appear: **(Lender/Servicer Address)**

Second Mortgage – CHFA Downpayment Assistance Program

Capital for Change, Inc. (C4C) = Connecticut Housing Finance Authority C/O Capital For Change, Inc., its successors and/or assigns as their interests may appear: **121 Tremont Street – Hartford, CT 06105**

PROGRAM QUICK REFERENCE GUIDES

Statewide Income Limits: Home of your Own / Homeownership / Reverse Annuity Mortgage (RAM)

Town Income Limits: All other Programs except where not applicable (*i.e. Targeted Areas for loans without CHFA DAP*)

Targeted Area discount .25%: May not be combined with program interest rate reduction of .125% as shown below

Rate Reduction of .125%: Home of your Own / Homeownership / Military / Police / Teachers

Asset Requirements N/A: Police / Teachers (*Retirement accts are always excluded from asset tests*)

Recapture Tax: FHA 203(k) Renovation Programs/CHFA Insured Pilot /HFA Advantage /HFA Preferred /Home of Your Own / Homebuyer Mortgage / HomeLift & Downpayment Assistance / Homeownership / Military / Police / Teachers

NO Recapture Tax: Downpayment Assistance (DAP) / Reverse Annuity Mtg (RAM)

HOMEBUYER EDUCATION REQUIREMENTS

All Borrowers Attend - Pre-Closing 3 Hour

Homeownership
CHFA Insured Pilot

All Borrowers Attend - Pre-Purchase 8 Hour

HomeLIFT & Downpayment Assistance Program

These Programs Require At Least One Borrower/Co-Borrower Attend – Pre-Closing 3 Hour

Online option offered thru e-Home America - (Approx. 5 - 6 hour course - curriculum similar to 8 hour in-depth class)
(See Online Homebuyer Education (eHome America) Registration and/or Lender Registration instructions)

(Optional 8 Hr. in-depth housing counseling course is also accepted)

203(k) FHA Rehabilitation	Military
HFA Advantage	Mobile/Manuf. Homes
HFA Preferred	Police
Homebuyer Mortgage	Reverse Annuity Mortgage (RAM) (Class offered by: Bridgeport Neighborhood Trust, Inc. 570 State Street – Bridgeport, CT 06604-4504 but not required)
Home of Your Own	Teachers

If purchasing a 2 - 4 family property – A Landlord Certificate is also required

CHFA SINGLE FAMILY- SPECIAL PROGRAMS

UNDERWRITING INFORMATION

&

GENERAL QUESTIONS

Phone: (860) 571-3502

Fax: (860) 571-3550

Email: sfaminquiry@chfa.org

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