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CONNECTICUT  
HOUSING FINANCE  
AUTHORITY

## CHFA TO SELL \$123 MILLION IN FIXED AND VARIABLE RATE BONDS

### *Bond issuance expected to finance 680 mortgages for first-time homebuyers*

Rocky Hill, Conn., April 22, 2019 – The [Connecticut Housing Finance Authority](http://www.chfa.org) (CHFA) will offer a portion of the \$123 million bonds in Series B Bonds on April 23, 2019. The Tax-Exempt and Taxable Bonds (Bonds) are revenue bonds and rated AAA and Aaa by S&P Global and Moody's Investor Service. CHFA, as a self-funded, quasi-public agency, utilizes proceeds from the Bonds to purchase 1<sup>st</sup> lien mortgages at below-market interest rates for first-time homebuyers, or buyers who haven't owned a home in three years from its participating lenders.

"In a state like Connecticut, finding an affordable home can be a challenge. CHFA's below-market interest rate mortgages give borrowers greater buying power, which can be the difference between buying and not buying a home, or enable a first-time buyer to purchase a larger home than they could afford with higher interest rates," said Karl Kilduff, CHFA's Executive Director.

CHFA's current home mortgage interest rates are 3.625% – 3.825%, for the 1 point option, well below the current average conventional rate. According to Freddie Mac, the average conventional rate is 4.17% (as of 4/18/19). With a \$200,000 mortgage, every 0.10% decrease in interest rate increases the purchasing power of a borrower by \$2,413.

Additionally, CHFA will issue \$100 million of Series C Bonds and which will be purchased by TD Securities. The Series C Bonds are a variable-rate bond based on the Secured Overnight Financing Rate (SOFR). CHFA is the first Housing Finance Agency to use SOFR, allowing it to reach investors moving away from LIBOR as it is phased out. The Series C Bonds will finance the development of affordable multifamily housing in addition to first-time homebuyer mortgages.

Closing for both series is expected in early May. The Senior Book Runner for the Series B Sale is Bank of America Merrill Lynch. Co-bond Counsels are Hawkins Delafield & Wood, and Lewis & Munday. The Financial Advisor is Lamont Financial Services Corporation.

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The Connecticut Housing Finance Authority (CHFA) was created in 1969 by the Connecticut Legislature as a self-supporting quasi-public housing agency charged with expanding affordable housing opportunities for the state's low- and moderate-income families and individuals. CHFA has helped more than 140,000 Connecticut individuals and families become homeowners through its low-interest single-family mortgage programs. In addition, CHFA has financed the creation of more than 53,000 affordable, rental units throughout the state. To date, the combined mortgage financing for CHFA's single- and multifamily housing programs exceeds \$11 billion. For more information: <http://www.chfa.org>