

Bulletin # 146
November 20, 2018

To: CHFA Lenders
From: CHFA Single Family Underwriting
Subject: **CHFA 0 Point (0.00%) Interest Rate Option (Suspension)**

The CHFA 0 point option will be suspended and will no longer be available to loan applicants **effective with loan reservations dated on and after January 1, 2019** (the "Effective Date"). Beginning January 1, 2019, all loan applicants are required to pay 1 point¹ or 1.00% for loan origination fee.

CHFA INTEREST RATE PROGRAM TABLE EXAMPLE

CHFA Loan Program	Point Option	Government Insured Interest Rate ²	Non-Government Insured Interest Rate ²
Homebuyer Mortgage Program	1.00%	4.125%	4.375%
HFA Preferred Loan Program	1.00%	-	4.375%

Service Released Lenders will continue to receive approximately 2.02% compensation on average for each loan originated – see calculation example in the matrix below:

Loan Valuation – Based on \$170,000 Mortgage	
Service <u>Released</u> Lenders	
Mortgage Rate ²	4.375%
<u>Origination Fee</u> ¹ Due from CHFA	0.56%
<u>Origination Fee</u> ¹ Due from Borrower	1.00%
Ancillary Expenses ³	0.46%
Total Upfront Fee	2.02%

Loan Valuation – Based on \$170,000 Mortgage	
Service <u>Retained</u> Lenders	
Mortgage Rate ²	4.125%
<u>Origination Fee</u> ¹ Due from CHFA	0.00%
<u>Origination Fee</u> ¹ Due from Borrower	1.00%
Ancillary Expenses ³	0.46%
Total Upfront Fee	1.46%

¹ Compensation fee schedule for Lenders Originating CHFA FHA 203(k) loan programs will remain the same:

- 203(k) Standard Rehabilitation Program – Point fee = 2.50%
- 203(k) Limited Rehabilitation Program – Point Fee = 1.50%.

² As of 11/8/2018. Subject to change.

³ \$790 flat fee.

The CHFA manuals, website and online reservation system will be updated accordingly

All questions regarding this Bulletin should be directed to Valencia Taft-Jackson at (860) 571-4224 or valencia.taft-jackson@chfa.org or Hazim Taib at (860)571-4250 or hazim.taib@chfa.org