

Bulletin # 198
April 22, 2021

To: CHFA Lenders
From: CHFA Single Family Underwriting
Subject: Downpayment Assistance Program (DAP) Reduced Interest Rate

The Connecticut Housing Finance Authority (CHFA) Announces a Temporarily Reduced Downpayment Assistance Program Loan Interest Rate of 1.00% (1.10% -1.50% APR)

Effective with CHFA Reservations dated April 30, 2021, CHFA will reduce the interest rate on Downpayment Assistance Program (DAP) loans temporarily to 1.00% through December 31, 2021. The Downpayment Assistance Program loan interest rate will not equal the first mortgage financing rate during this temporary, reduced DAP interest rate period.

DAP loans are available to eligible borrowers also applying for CHFA first mortgage loan financing.

Loans originated with DAP funds will be subject to all applicable CHFA and Insurer eligibility criteria and underwriting guidelines. Additional discounts for Targeted Areas and Specialty Programs will not apply.

See the CHFA “Loan Program Outline & Underwriting Guides” at www.chfa.org for complete Downpayment Assistance Program (DAP) eligibility and underwriting guidelines.

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