

Bulletin #230
April 27, 2023

To: CHFA Lenders
From: CHFA Single Family Underwriting
Subject: Mortgage Program Enhancement Summary

Connecticut Housing Finance Authority (CHFA) has made several recent Mortgage Loan Program enhancements. A summary is provided below for reference:

First Mortgages:

- CHFA will allow Government insured first mortgages at or below 80% LTV with lender explanation for reason Conventional financing cannot be secured.
- Repair escrow may be paid from borrower/s own funds if home is sold, “as is”. Repair escrow must meet agency/insurer guidelines.
- Deed restrictions do not require CHFA prior approval. The Lender is responsible to ensure that any subject property deed restriction meets first mortgage agency/insurer guidelines.

Down Payment Assistance Program/s:

- Borrower/s are allowed to pay off debt to qualify, provided the first mortgage agency/insurer guidelines are followed.
- CHFA no longer requires that the first mortgage is at the maximum LTV for the program in order to utilize Down Payment Assistance Program/s.
- Borrower paid up-front single mortgage insurance premiums may be included in closing costs and covered by CHFA Down Payment Assistance Program/s proceeds.
- The Down Payment Assistance Program/s may not be utilized if the subject property appraised value exceeds the sales price by 10% or more.
- In cases where the subject property appraises below the sales price, borrower/s are permitted to pay the difference from their own funds. CHFA down payment assistance will be based on the appraised value. Must meet all other first mortgage insurer/investor guidelines.

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