

Bulletin # 244
December 1, 2023

To: CHFA Participating Lenders
From: CHFA Single Family Underwriting
Subject: Down Payment Assistance Program Rate/Amount Update

The Connecticut Housing Finance Authority (CHFA) offered a reduced Down Payment Assistance Program (DAP) loan interest rate of 1.00% (*1.10% - 1.50% APR*) in effect for reservations beginning on April 30, 2021 through December 31, 2023 with funding available to eligible borrowers in loan amounts up to \$20,000.

Effective with reservations dated on and after January 1, 2024 the CHFA Down Payment Assistance Program (DAP) loan interest rate will be equal to: (i.) the first mortgage interest rate in effect or, (ii.) 5.00% (*5.10%-5.50% APR*), whichever is less.

The DAP loan amount will be equal to 4.00% of: (i.) the sales price or, (ii.) the appraised value, whichever is less, with a maximum loan size of \$15,000.

DAP may be used for down payment and/or closing costs. Maximum down payment assistance amount will be equal to the minimum down payment required by program type (maximum conventional 2-4 unit is 2%).

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

Loans originated with DAP and/or Time to Own (TTO) 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 chfa.org for complete Down Payment Assistance Program/s eligibility and underwriting guidelines.

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