

Bulletin # 278A

October 28, 2025

To: CHFA Participating Lenders
From: CHFA Single Family Underwriting
Subject: **REMINDER- Reservations on or after November 3, 2025**

To standardize the method of income calculation for both CHFA Limits and Time to Own Eligibility for Housing Ratio and AMI (to determine TTO loan amount), CHFA has updated the CHFA Limits and TTO Eligibility Income Guide. CHFA has also created a new Limits and TTO Eligibility Income Worksheet that will be required on all files.

With this update comes a very important change to the income calculation for TTO Eligibility regarding Housing Ratio and AMI calculations. Both calculations will be based on CHFA Income Limits Calculations as per the updated Guide.

This method of calculation must be used on all reservations on or after **Monday, November 3, 2025**.

The Excel Worksheet must be uploaded at the time of submission as a separate document so that the CHFA underwriter may expand as needed. We will be revising the submission checklist to include this addition.

CHFA Submission Checklists will also be updated to reflect the following required documentation with reservations on or after November 3, 2025.

1. Current paystub, regardless of AUS Findings.
2. If borrower has variable income, a final paystub from the previous year will be required.
3. One current bank statement from each asset account listed on the 1003, regardless of AUS findings.
4. All forfeited income within the past 90 days will be included in both CHFA Income Limits and TTO calculations.

CHFA's Training Team has scheduled Trainings for the week of October 27th. [CLICK for Training Schedule](#). Attached please see the [CHFA Limits and TTO Eligibility Income Guide](#) for your review. [Click here for the CHFA Income Limits and TTO Eligibility Income Worksheet](#).

In addition, please note the following:

The existing "Income Suspension" will be expanded to include non-conforming loan items: ratios, CT residency, etc. The title of this suspension will be changed to "Incomplete Review". These suspended loans will be returned to the end of the new loan underwriting queue forfeiting the standard 48-72 hour turn time. The complete loan file will not be fully reviewed until all corrections are received.

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*All questions regarding this Bulletin should be directed to Lisa Hensley at lisa.hensley@chfa.org
or Carolyn Christensen at carolyn.christensen@chfa.org*

CHFA LIMITS AND TTO ELIGIBILITY INCOME GUIDE

This is a guide to assist lenders in determining income for limits and TTO eligibility. It should be used as a reference when using the CHFA Limits and TTO Eligibility Income Worksheet.

CHFA reserves the right to use its discretion for determining income.

Base pay if set hours per week/salaried:

- Annually Annual gross pay / 12 months
- Monthly Use monthly gross payment amount
- Bimonthly Twice monthly gross pay x 2 pay periods
- Biweekly (Biweekly gross pay x 26 pay periods) / 12 months
- Weekly (Weekly gross pay x 52 pay periods) / 12 months
- Hourly (Hourly gross pay x # hours worked per week x 52 weeks) / 12 months

Perform a YTD gross pay analysis using the **pay date** to ensure consistency. If not consistent, ask why (unpaid leave, temporary assignment, increase in pay rate)

Base pay if hours are irregular/Income is variable:

- YTD base pay (including sick leave, vacation, holidays (pay date)) / # weeks* 52 / 12 = monthly - annualize for eligibility income

If too early in the year or prior year is higher, add prior year and divide by appropriate # weeks

- YTD + prior year / # weeks* 52 / 12 = monthly

Check for consistency/irregularities - if prior year is higher than YTD average, determine if the hours are higher during certain parts of the year and not accounted for in YTD. Use higher amount. If not consistent, ask why (unpaid leave, temporary assignment, increase in pay) and if will continue.

Bonus/Commission:

- Determine the number of installments received annually. Complete the income worksheet according to installments received YTD.
- If none received YTD, use previous year average
- Use greater of previous year or YTD average. Check for consistency/irregularities...

Overtime (and any other variable income, such as holiday worked, shift premium, weekend, etc.):

- Use greater of previous year or YTD average

Child Support/Retirement Distributions/Trust/Etc. and Temporary Pay with defined end date

- Current amounts received/expected to be received over next 12 months.
 - o Example, if the borrower has received 6 months' worth of child support payments during this calendar year and only 3 additional payments are due/forthcoming, the 9 months total is what would be included/annualized.
 - o Another example, if it is late in the year and the customer is only expecting to receive 6 additional months of support, you can look forward to what is expected over the next full 12 months and use that amount to annualize.

Self-Employment:

- Use most recent federal tax return. Net income is to be calculated as per Agency/Investor guidelines. Add back in all allowable expenses.
- Provide S/E calculator used to determine qualifying income, in addition to CHFA income calculator.
- YTD Profit & Loss statements are not acceptable

Rental Income for 2-4-unit properties:

- Use income that is being used to qualify as allowed by agency. Significant variances from appraisal may require adjustment.

Losses/Expenses reported on Federal Tax Returns:

- Self-employment or investment losses and employee expenses on Form 2106 will not be deducted for purposes of eligibility

Other Sources of Income:

- Interest/dividend/capital gains income as reported on most recent Federal Tax Return or asset statements
- Review asset statements for undisclosed income, such as child support/separate maintenance, Lyft, Uber, sales consultant, gambling winnings, RSU earnings, etc.
- Forfeited income earned within the last three months must be included

PLEASE ENSURE YOU ARE USING THE MOST CURRENT REVISION DATE OF THIS GUIDE BY REVIEWING IT DIRECTLY ON OUR WEBSITE.