



Bulletin #52
June 20, 2013

To: CHFA Participating Lendersⁱ
From: CHFA Single Family Underwriting

**Subject CHFA Complies with FHA Requirements for
Down Payment Assistance Program (DAP) Funding**

FHA released Mortgagee Letter (ML) 2013-14, dated May 9, 2013, that provides instructions for Minimum Cash Investment Requirements and Acceptable Documentation for Funds provided by Federal, State, or Local Governments or Instrumentalities of Government. The ML provides specific procedural guidelines related to the funding and closing of downpayment and closing costs assistance programs, such as CHFA's Downpayment Assistance Program (DAP).

In compliance with HUD Mortgagee Letter (ML) 2013-14, the CHFA DAP Commitment Letter has been revised to document CHFA is the source of funds for the second mortgage loan when the DAP is used to assist borrower(s) with the Minimum Cash Investment; and confirms that CHFA has entered into a legally enforceable liability to fund the second mortgage loan.

The following procedures will apply to all CHFA Home Mortgage Loans with DAP.

Borrower(s) signature(s) will be required on the DAP Commitment Letter. The document may be executed by the borrower(s) prior to or at the time of closing:

- The original fully executed DAP Commitment Letter must be included in the FHA Case Binder delivered to the **first mortgage loan servicer of record** (if applicable);
- A copy of the fully executed DAP Commitment Letter must be included in the loan file delivered to the DAP loan servicer – the **Connecticut Housing Investment Fund (CHIF)**;
- The new DAP Commitment Letter is available on the CHFA website at www.chfa.org under CHFA DAP Commitment Letter Form #024-0995 (A sample of the new DAP Commitment Letter is included in Exhibit A.)
- The CHFA Home Mortgage Programs Operating Manual Section 7 – Loan Purchase; and Section 8 – Downpayment Assistance Program, have been updated to require a copy of the fully executed CHFA DAP Commitment Letter for all loans with DAP to be included in the loan closing documentation submitted to CHFA and retained by the loan servicer.

**REVISED COMMITMENT LETTERS WILL BE ISSUED FOR DAP LOANS APPROVED
ON OR AFTER JULY 1, 2013**

All questions regarding this notice should be directed to Valencia Taft-Jackson (860-571-4224 or via e-mail at valencia.taft-jackson@chfa.org), or Norbert J. Deslauriers (860-571-4374 or via e-mail at norbert.deslauriers@chfa.org).

ⁱ This e-mail was not sent to Correspondent Lenders. Please notify any Correspondent Lender affiliated directly with your organization that originates CHFA Loans.