

Bulletin # 64
April 10, 2014

To: CHFA Lenders

From: CHFA Single Family Underwriting

Subject: **Connecticut Housing Finance Authority (CHFA) Announces New Interest Rate Options for Borrower(s) and Increased Compensation for Service Released Lenders**

Effective with loan reservations dated on or after **MONDAY, APRIL 14, 2014**, lenders will be able to discuss more interest rate options with applicants interested in obtaining mortgage loan financing from CHFA.

NEW CHFA INTEREST RATE PROGRAM TABLE EXAMPLE

CHFA Loan Program	Point Options	Interest Rate ¹	Targeted Area Rate ¹
Regular Homebuyer Program	1.00%	3.650%	3.400%
Regular Homebuyer Program	.750%	3.750%	3.500%
Regular Homebuyer Program	.500%	3.850%	3.600%
Regular Homebuyer Program	0.000%	4.000%	3.750%

¹subject to change

Eligible borrowers will be able to choose from an interest rate point structure that will allow them to decrease the amount of funds they need to bring to closing for a slight increase in the discounted interest rate available with CHFA mortgage loan programs.

Borrowers can select from zero point, half-point, three-quarter point or one point rate options when making the decision about which CHFA loan program is right for them. Additionally, CHFA will also pay a Service Release Premium (SRP) to Service Released Lenders. Inclusion of the SRP will increase lender overall compensation on an average of 2% on every loan, regardless of point option selected by the borrower. **(SRP'S ARE NOT APPLICABLE TO SERVICE RETAINED LENDERS THAT ARE PAID FEES FOR SERVICING)**

SUBMITTING LOAN RESERVATIONS

The CHFA LOS Reservation System has been updated for the CHFA loan programs that are eligible for the new interest rate options. When completing the loan reservation screen, first select the loan "Program Type" and then click on the new "Program Option" drop down box to view and choose the "Point Paid by Borrower" for the program. Once selected, the system will automatically populate the correct interest rate that corresponds with the Point Option Selection you chose (see screen print samples on the following page).

CHFA LOS RESERVATION SCREEN PRINT – SELECTING POINT OPTIONS

Lender Dashboard	Reservation	Rates	Contacts	Reports	Admin	Help	
Reservation Search	Communication Search	Submit New Reservation	Reservation Details	Submit Additional Data	Upload 1003	Manage 1003	Communications

SUBMIT RESERVATION Borrower: JOE SMITH
 Reservation data saved successfully.

Loan #: (To be assigned after successful submission of Reservation)
 Status: **Not Submitted**

RESERVATION DETAILS

Lender Code: 102 Lender Name: MCCUE MORTGAGE COMPANY
 Email: johnny.adams@chfa.org Prepared By: Bob Smith
 Phone: _____

*Program Type: Regular Home Buyer Program
 *Program Option: Point Paid by borrower 0.00

Interest Rate:
 Point Paid by borrower 0.00
 Point Paid by borrower 0.50
 Point Paid by borrower 0.75
 Point Paid by borrower 1.00

Borrower Title: Co-Borrower Not Present

*First Name: JOE
 Middle Name:

CHFA LOS RESERVATION SCREEN PRINT – VERIFICATION OF RATE

Lender Dashboard	Reservation	Rates	Contacts	Reports	Admin	Help	
Reservation Search	Communication Search	Submit New Reservation	Reservation Details	Submit Additional Data	Upload 1003	Manage 1003	Communications

SUBMIT RESERVATION Borrower: JOE SMITH
 Reservation data saved successfully.

Loan #: (To be assigned after successful submission of Reservation)
 Status: **Not Submitted**

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Lender Code: 102 Lender Name: MCCUE MORTGAGE COMPANY
 Email: johnny.adams@chfa.org Prepared By: Bob Smith
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*Program Type: Regular Home Buyer Program
 *Program Option: Point Paid by borrower 0.00

Interest Rate:

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