

Bulletin # 72
September 11, 2014

To: CHFA Lenders

From: CHFA Single Family Underwriting

Subject: **HFA Preferred Program “UPDATE” Minimum Credit Score Requirements and DAP Eligibility for Condominiums**

MINIMUM CREDIT SCORE REQUIREMENTS

U. S. Bank guidelines require minimum credit scores for all HFA Preferred Program applicants.

- The minimum credit score for applications with loan-to-values less than or equal to 95% is **640**. ($\leq 95\% = 640$)
- The minimum credit score for applications with a loan-to-value of 95.01% - 97% is **680**. ($95.01\% - 97\% = 680$)

The minimum credit score of 680 will apply for all loans originated under the HFA Preferred Product with an LTV of 95.01% - 97%.

DAP ELIGIBILITY FOR CONDOMINIUMS WITH 95% LTV HFA PREFERRED PROGRAM PILOT

The maximum LTV for Approved Condominiums under the HFA Preferred Program is 95%.

CHFA requires Lenders to maximize the first mortgage loan amount for borrowers to be eligible for DAP. For applications originated with FHA, the maximum LTV is 96.5% and for eligible conventional loan programs the maximum LTV is 97%.

The U.S. Bank maximum LTV overlay of 95% for condominiums effectively excluded applicants from DAP eligibility.

Effective with HFA Preferred loan reservations dated on or after Monday, September 15, 2014, applicants purchasing FNMA eligible condominium units with 95% LTV will be eligible to apply for DAP at 5% for downpayment plus closing costs, if applicable.

The increased DAP eligibility at 5% is restricted to HFA Preferred Program applications for condominiums with 95% LTV only and is not applicable to any other CHFA loan product.

Applicants must meet all DAP eligibility criteria and underwriting guidelines for approval.

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