



**CONNECTICUT  
HOUSING  
FINANCE AUTHORITY**

Unlocking Solutions, Building Strong Communities.

# **CHFA PILOT RENOVATION LOAN PROGRAMS**

**(Loan Program Outlines)**

**FHA 203(k) Limited Loan Program  
FHA 203(k) Standard Loan Program  
Conventional Renovation Loan Program  
(HFA Renovation Advantage) (HFA Renovation Preferred)**

Rev. 12.2025

**Lender must be specifically approved to originate programs**

**Funds are Limited  
and will be Reserved on a First-Come, First-Served Basis**

## FHA 203(k) Limited Loan Program (Bond)

(Lender must be specifically approved to originate this program)

Maximum LTV / CLTV	Subordinate Financing	Borrower Contribution
<b>1 -4 Unit/Condo</b> <b>96.50%/105%</b>	<i>Eligible</i> <i>Down payment &amp; Closing costs</i>	<i>Not Applicable</i>
<b>UFMIP</b>	Per FHA Guidelines LTV/CLTV calculated on base Loan Amount	
Servicer/s <i>See Commitment Letter</i>  See DAP / TTO Matrix for Subordinate Mortgage Servicers	<b>McCue Mortgage</b>  <a href="#">McCue Mortgage Servicing Guide</a>	
Hazard and Flood Insurance	<a href="#">HAZARD INSURANCE</a>	
<i>All Applicable CHFA, FHA and Investor Underwriting Guidelines Apply</i>		
PARAMETER	Eligibility Requirements	
<b>CHFA/SERVICER ALLOWABLE FEES</b>	Limited to \$1,295 origination charges, plus any customary and reasonable fees to be paid to 3 <sup>rd</sup> parties, such as appraisal, inspections, etc. No points or additional lender construction loan fees may be collected/charged	
<b>CHFA INTEREST RATE</b>	<a href="#">CHFA Interest Rates</a> Set by CHFA <b>Discounted rates apply for Targeted Area or Special Programs</b>	
<b>LOAN AMOUNT</b>	<ul style="list-style-type: none"> <li>▪ Follow FHA Guidelines</li> </ul>	
<b>ELIGIBLE BORROWERS</b>	<ul style="list-style-type: none"> <li>▪ First-time homebuyers unless property is located in a Targeted Area <i>(Borrowers may not own any other property at the time of loan closing)</i></li> </ul>	
<b>ELIGIBLE PROPERTY TYPES</b>	<b>1-4 Unit, Condo, Townhouses, PUDs</b> <b>2-4 Unit properties (residential, built over 5 years ago, unless 2 units in targeted area)</b> <ul style="list-style-type: none"> <li>✓ Full Appraisal is required on all transactions</li> <li>✓ Lender to verify that Condo is FHA Approved</li> </ul>	
<b>ELIGIBLE PURPOSE</b>	<ul style="list-style-type: none"> <li>▪ Purchases only (refinance not allowed)</li> </ul>	
<b>AUS RECOMMENDATION</b>	<ul style="list-style-type: none"> <li>▪ Total Scorecard Approve Eligible or Accept Eligible Findings matching program type</li> <li>▪ Manual Underwrite not allowed</li> </ul>	
<b>QUALIFYING RATIOS</b>	<ul style="list-style-type: none"> <li>▪ 660 and above credit score = 50%</li> <li>▪ Below 660 credit score = 45%</li> </ul>	
<b>SUBORDINATE FINANCING</b>	<ul style="list-style-type: none"> <li>▪ FHA Approved Community Subordinate Financing <i>(includes CHFA Down Payment Assistance Program/s)</i></li> </ul>	

<p><b>INCOME AND SALES PRICE LIMITS</b></p>	<p style="text-align: center;"><u><b>Income and Sales Price Limits</b></u></p> <p style="text-align: center;">Acquisition to include renovation <i>(As completed appraised value/ cannot exceed 105% of the sales price limit)</i></p>
<p><b>HOMEBUYER EDUCATION</b> <b>CHFA Approved</b> <b>Counseling Agencies</b> <b>Only</b></p> <p><b>CHFA Approved Counseling</b> <b>Agencies</b></p>	<ul style="list-style-type: none"> <li>▪ Pre-Closing Homebuyer Education Certificate required for at least one borrower/ co- borrower <i>(An optional Pre-Purchase, in-depth Education Certificate is also accepted)</i></li> <li>▪ Landlord Education Certificate also required if purchasing a 2-4 family unit</li> <li>▪ On-Line Homebuyer counseling is available through FinallyHome!® in partnership with CHFA</li> </ul>
<p><b>OCCUPANCY</b></p>	<ul style="list-style-type: none"> <li>▪ Owner Occupied only</li> </ul>
<p><b>UNDERWRITING</b></p>	<ul style="list-style-type: none"> <li>▪ CHFA will perform a full U/W of the loan prior to closing/purchase</li> </ul>
<p><b>RENOVATION COST</b></p>	<ul style="list-style-type: none"> <li>▪ \$5,000 to \$75,000 - Follow FHA Guidelines</li> </ul>
<p><b>IMPROVEMENTS</b></p>	<ul style="list-style-type: none"> <li>▪ Refer to FHA 203(k) Limited Guidelines for allowable improvements <i>(Lender must maintain and manage a custodial account for Renovation Funds and Draws)</i></li> </ul>
<p><b>TERM</b></p>	<ul style="list-style-type: none"> <li>▪ Fixed Rate/ 360 Months</li> </ul>

*FHA 203k Limited Loan Program (Bond) - Rev 12.8.2025*

## FHA 203(k) Standard Loan Program (Bond)

(Lender must be specifically approved to originate this program)

Maximum LTV / CLTV	Subordinate Financing	Borrower Contribution
<b>1 -4 Unit/Condo</b> <b>96.50%/105%</b>	<i>Eligible</i> <i>Down payment &amp; Closing costs</i>	<i>Not Applicable</i>
<b>UFMIP</b>	Per FHA Guidelines LTV/CLTV calculated on base Loan Amount	
Servicer/s <i>See Commitment Letter</i>  See DAP / TTO Matrix for Subordinate Mortgage Servicers	McCue Mortgage  <a href="#">McCue Mortgage Servicing Guide</a>	
Hazard and Flood Insurance	<a href="#">HAZARD INSURANCE</a>	
<i>All Applicable CHFA, FHA and Investor Underwriting Guidelines Apply</i>		
PARAMETER	Eligibility Requirements	
<b>CHFA/SERVICER ALLOWABLE FEES</b>	Limited to \$1,295 origination charges, plus any customary and reasonable fees to be paid to 3 <sup>rd</sup> parties, such as appraisal, inspections, etc. No points or additional lender construction loan fees may be collected/charged	
<b>CHFA INTEREST RATE</b>	<a href="#">CHFA Interest Rates</a> Set by CHFA <b>Discounted rates apply for Targeted Area or Special Programs</b>	
<b>LOAN AMOUNT</b>	<ul style="list-style-type: none"> <li>▪ Follow FHA Guidelines</li> </ul>	
<b>ELIGIBLE BORROWERS</b>	<ul style="list-style-type: none"> <li>▪ First-time homebuyers unless property is located in a Targeted Area <i>(Borrowers may not own any other property at the time of loan closing)</i></li> </ul>	
<b>ELIGIBLE PROPERTY TYPES</b>	<b>1-4 Unit, Condo, Townhouses, PUDs</b> <b>2-4 Unit properties (residential, built over 5 years ago, unless 2 units in targeted area)</b> <ul style="list-style-type: none"> <li>✓ Full Appraisal is required on all transactions</li> <li>✓ Lender to verify that Condo is FHA Approved</li> </ul>	
<b>ELIGIBLE PURPOSE</b>	<ul style="list-style-type: none"> <li>▪ Purchases only (refinance not allowed)</li> </ul>	
<b>AUS RECOMMENDATION</b>	<ul style="list-style-type: none"> <li>▪ Total Scorecard Approve Eligible or Accept Eligible Findings matching program type</li> <li>▪ Manual Underwrite not allowed</li> </ul>	
<b>QUALIFYING RATIOS</b>	<ul style="list-style-type: none"> <li>▪ 660 and above credit score = 50%</li> <li>▪ Below 660 credit score = 45%</li> </ul>	
<b>SUBORDINATE FINANCING</b>	<ul style="list-style-type: none"> <li>▪ FHA Approved Community Subordinate Financing <i>(includes CHFA Down Payment Assistance Program/s)</i></li> </ul>	

<p><b>INCOME AND SALES PRICE LIMITS</b></p>	<p style="text-align: center;"><u><b>Income and Sales Price Limits</b></u></p> <p style="text-align: center;">Acquisition to include renovation <i>(As completed appraised value/ cannot exceed 105% of the sales price limit)</i></p>
<p><b>HOMEBUYER EDUCATION</b> <b>CHFA Approved</b> <b>Counseling Agencies</b> <b>Only</b></p> <p><b>CHFA Approved Counseling</b> <b>Agencies</b></p>	<ul style="list-style-type: none"> <li>▪ Pre-Closing Homebuyer Education Certificate required for at least one borrower/ co- borrower <i>(An optional Pre-Purchase, in-depth Education Certificate is also accepted)</i></li> <li>▪ Landlord Education Certificate also required if purchasing a 2 -4 family unit</li> <li>▪ On-Line Homebuyer counseling is available through FinallyHome!® in partnership with CHFA</li> </ul>
<p><b>OCCUPANCY</b></p>	<ul style="list-style-type: none"> <li>▪ Owner Occupied only</li> </ul>
<p><b>UNDERWITING</b></p>	<ul style="list-style-type: none"> <li>▪ CHFA will perform a full U/W of the loan prior to closing/purchase</li> </ul>
<p><b>RENOVATION COST</b></p>	<ul style="list-style-type: none"> <li>▪ \$5,000 minimum- Follow FHA Guidelines</li> <li>▪ 203(k) Consultant Fee subject to FHA Limits</li> </ul>
<p><b>IMPROVEMENTS</b></p>	<ul style="list-style-type: none"> <li>▪ Refer to FHA 203(k) Standard Guidelines for allowable improvements <i>(Lender must maintain and manage a custodial account for Renovation Funds and Draws)</i></li> </ul>
<p><b>TERM</b></p>	<ul style="list-style-type: none"> <li>▪ Fixed Rate/ 360 Months</li> </ul>

*FHA 203k Standard Loan Program (Bond) - Rev 12.8.2025*

## Conventional Renovation Loan Program (Bond)

### HFA Renovation Preferred and HFA Renovation Advantage (Modeled after FNMA and FHLMC respectfully)

Lender must be specifically approved to originate this program

Maximum LTV / CLTV	Subordinate Financing	Borrower Contribution
1 Unit 97% / 105%	<i>Eligible</i> <i>Down payment &amp; Closing costs</i>	<i>Not Applicable</i>
2- 4 Unit 95% / 105%	<b>Eligible</b>	<b>3% borrower own funds</b>
Mortgage Insurance Coverage ≤ 80% AMI No MI Coverage ≤ 80% LTV	<b>Loan-To-Value</b>	<b>MI Coverage (reduced)</b>
	95.01% - 97%	18%
	90.01% - 95%	16%
	85.01% - 90%	12%
Mortgage Insurance Coverage > 80% AMI No MI Coverage ≤ 80% LTV	<b>Loan-To-Value</b>	<b>MI Coverage (standard)</b>
	95.01% - 97%	35%
	90.01% - 95%	30%
	85.01% - 90%	25%
80.01% - 85%		12%
<b>Servicer/s</b> <i>See Commitment Letter</i>  See DAP / TTO Matrix for Subordinate Mortgage Servicers	McCue Mortgage  <a href="#">McCue Mortgage Servicer Guide</a>	
Credit Score	Minimum 620	
Hazard and Flood Insurance	<a href="#">HAZARD INSURANCE</a>	
<i>All Applicable CHFA, FHLMC and Investor Underwriting Guidelines Apply</i>		
<b>PARAMETER</b>	<b>Eligibility Requirements</b>	
<b>CHFA /SERVICER ALLOWABLE FEES</b>	Limited to \$1,295 origination charges, plus any customary and reasonable fees to be paid to 3 <sup>rd</sup> parties, such as appraisal, inspections, etc. No points or additional lender construction loan fees may be collected/charged	
<b>CHFA INTEREST RATE</b>	<a href="#">CHFA Interest Rates</a> Set by CHFA <b>Discounted rates apply for Targeted Area or Special Programs</b>	
<b>LOAN AMOUNT</b>	<ul style="list-style-type: none"> <li>▪ Conforming loan limits apply</li> </ul>	
<b>ELIGIBLE BORROWERS</b>	<ul style="list-style-type: none"> <li>▪ First-time homebuyers unless property is located in a Targeted Area.  <i>(Borrowers may not own any other property at the time of loan closing)</i></li> </ul>	
<b>ELIGIBLE PROPERTY TYPES</b>	<b>1-4 Unit, Condo, Townhouses, PUDs</b> <b>2-4 Unit properties (residential, built over 5 years ago, unless 2 units in targeted area)</b> <ul style="list-style-type: none"> <li>✓ Full Appraisal is required on all transactions</li> <li>✓ Lender to verify that Condo is Warrantable</li> </ul>	

<b>ELIGIBLE PURPOSE</b>	<ul style="list-style-type: none"> <li>▪ Purchases only (refinance not allowed)</li> </ul>
<b>AUS RECOMMENDATION</b>	<ul style="list-style-type: none"> <li>▪ Approve Eligible (FNMA) or Accept Eligible (FHLMC) Findings matching program type</li> <li>▪ Manual Underwrite is not allowed</li> </ul>
<b>QUALIFYING RATIOS</b>	<ul style="list-style-type: none"> <li>▪ 50%</li> </ul>
<b>SUBORDINATE FINANCING</b>	<ul style="list-style-type: none"> <li>▪ FNMA/FHLMC Approved Community Subordinate Financing <i>(includes CHFA Down Payment Assistance Program/s)</i></li> </ul>
<b>INCOME AND SALES PRICE LIMITS</b>	<p style="text-align: center;"><b><u>Income and Sales Price Limits</u></b></p> <p style="text-align: center;">Acquisition to include renovation <i>(As completed appraised value cannot exceed 105% of the sales price limit)</i></p>
<b>HOMEBUYER EDUCATION</b> <b>CHFA Approved Counseling Agencies Only</b>  <b><u>CHFA Approved Counseling Agencies</u></b>	<ul style="list-style-type: none"> <li>▪ Pre-Closing Homebuyer Education Certificate required for at least one borrower/ co- borrower. <i>(An optional Pre-Purchase, in-depth Education Certificate is also accepted)</i></li> <li>▪ Landlord Education Certificate also required if purchasing a 2 – 4 family unit</li> <li>▪ On-Line Homebuyer counseling is available through FinallyHome!® in partnership with CHFA</li> </ul>
<b>OCCUPANCY</b>	<ul style="list-style-type: none"> <li>▪ Owner Occupied only</li> </ul>
<b>UNDERWRITING</b>	<ul style="list-style-type: none"> <li>▪ CHFA will perform a full U/W of the loan prior to closing/purchase. Servicer to obtain and review all final documents from lenders after completion of the home to ensure complete and meets FNMA/FHLMC requirements</li> </ul>
<b>RENOVATION COST</b>	<ul style="list-style-type: none"> <li>▪ Total financed renovation costs may not exceed the lesser of 75% of either the purchase price plus renovation costs or the “as- completed” appraised value – refer to HomeStyle Renovation Maximum Mortgage Worksheet (Form 1035) or ChoiceRenovation Maximum Mortgage Worksheet</li> </ul>
<b>COMPLETION PERIOD</b>	<ul style="list-style-type: none"> <li>▪ All renovations should be completed within a fifteen-month (450 days) period from the date the mortgage loan is closed. see FNMA/FHLMC guidelines</li> </ul>
<b>IMPROVEMENTS</b>	<ul style="list-style-type: none"> <li>▪ Refer to FNMA/FHLMC guidelines for allowable improvements for the product type selected (HomeStyle Renovation or ChoiceRenovation)  <i>(Lender must maintain and manage a custodial account for Renovation Funds and Draws)</i></li> </ul>
<b>TERM</b>	<ul style="list-style-type: none"> <li>▪ Fixed Rate / 360 months</li> </ul>

*Conventional Renovation Loan Program (Bond) – Rev 12-8-2025*