



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

INCOME AND SALES PRICE LIMITS	<p style="text-align: center;"><u>Income and Sales Price Limits</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>
HOMEBUYER EDUCATION CHFA Approved Counseling Agencies Only <u>CHFA Approved Counseling Agencies</u>	<ul style="list-style-type: none"> ▪ 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> ▪ Landlord Education Certificate also required if purchasing a 2-4 family unit ▪ On-Line Homebuyer counseling is available through FinallyHome!® in partnership with CHFA
OCCUPANCY	<ul style="list-style-type: none"> ▪ Owner Occupied only
UNDERWITING	<ul style="list-style-type: none"> ▪ CHFA will perform a full U/W of the loan prior to closing/purchase
RENOVATION COST	<ul style="list-style-type: none"> ▪ \$5,000 to \$75,000 - Follow FHA Guidelines
IMPROVEMENTS	<ul style="list-style-type: none"> ▪ 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>
TERM	<ul style="list-style-type: none"> ▪ Fixed Rate/ 360 Months

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

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

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 & Closing costs</i>	<i>Not Applicable</i>
2- 4 Unit 95% / 105%	Eligible	3% borrower own funds
Mortgage Insurance Coverage ≤ 80% AMI No MI Coverage <= 80% LTV	Loan-To-Value	MI Coverage (reduced)
	95.01% - 97%	18%
	90.01% - 95%	16%
	85.01% - 90%	12%
	80.01% - 85%	6%
Mortgage Insurance Coverage > 80% AMI No MI Coverage <= 80% LTV	Loan-To-Value	MI Coverage (standard)
	95.01% - 97%	35%
	90.01% - 95%	30%
	85.01% - 90%	25%
	80.01% - 85%	12%
Servicer/s <i>See Commitment Letter</i>	McCue Mortgage	
See DAP / TTO Matrix for Subordinate Mortgage Servicers	McCue Mortgage Servicer Guide	
Credit Score	Minimum 620	
Hazard and Flood Insurance		HAZARD INSURANCE
<i>All Applicable CHFA, FHLMC and Investor Underwriting Guidelines Apply</i>		
PARAMETER	Eligibility Requirements	
CHFA /SERVICER ALLOWABLE FEES	Limited to \$1,295 origination charges, plus any customary and reasonable fees to be paid to 3 rd parties, such as appraisal, inspections, etc. No points or additional lender construction loan fees may be collected/charged	
CHFA INTEREST RATE	CHFA Interest Rates Set by CHFA Discounted rates apply for Targeted Area or Special Programs	
LOAN AMOUNT	<ul style="list-style-type: none"> ▪ Conforming loan limits apply 	
ELIGIBLE BORROWERS	<ul style="list-style-type: none"> ▪ 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> 	
ELIGIBLE PROPERTY TYPES	1-4 Unit, Condo, Townhouses, PUDs 2-4 Unit properties (residential, built over 5 years ago, unless 2 units in targeted area) <ul style="list-style-type: none"> ✓ Full Appraisal is required on all transactions ✓ Lender to verify that Condo is Warrantable 	

ELIGIBLE PURPOSE	<ul style="list-style-type: none"> Purchases only (refinance not allowed)
AUS RECOMMENDATION	<ul style="list-style-type: none"> Approve Eligible (FNMA) or Accept Eligible (FHLMC) Findings matching program type Manual Underwrite is not allowed
QUALIFYING RATIOS	<ul style="list-style-type: none"> 50%
SUBORDINATE FINANCING	<ul style="list-style-type: none"> FNMA/FHLMC Approved Community Subordinate Financing <i>(includes CHFA Down Payment Assistance Program/s)</i>
INCOME AND SALES PRICE LIMITS	<p style="text-align: center;"><u>Income and Sales Price Limits</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>
HOMEBUYER EDUCATION CHFA Approved Counseling Agencies Only <u>CHFA Approved Counseling Agencies</u>	<ul style="list-style-type: none"> 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> Landlord Education Certificate also required if purchasing a 2 – 4 family unit On-Line Homebuyer counseling is available through FinallyHome!® in partnership with CHFA
OCCUPANCY	<ul style="list-style-type: none"> Owner Occupied only
UNDERWRITING	<ul style="list-style-type: none"> 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
RENOVATION COST	<ul style="list-style-type: none"> 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
COMPLETION PERIOD	<ul style="list-style-type: none"> All renovations should be completed within a fifteen-month (450 days) period from the date the mortgage loan is closed. see FNMA/FHLMC guidelines
IMPROVEMENTS	<ul style="list-style-type: none"> Refer to FNMA/FHLMC guidelines for allowable improvements for the product type selected (HomeStyle Renovation or ChoiceRenovation) <p style="text-align: center;"><i>(Lender must maintain and manage a custodial account for Renovation Funds and Draws)</i></p>
TERM	<ul style="list-style-type: none"> Fixed Rate / 360 months

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