



For Immediate Release

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CHFA SUCCESSFULLY SELLS \$118 MILLION IN FIXED-RATE BONDS

Single-family housing bond issuance to finance 690 mortgages

Rocky Hill, Conn., February 13, 2018 – The [Connecticut Housing Finance Authority](#) (CHFA) offered \$118 million of bonds rated AAA and Aaa by S&P Global and Moody’s on February 6, 2018. Against a backdrop of uncertainty and a clear lack of direction in both the equity and fixed income markets last week, the CHFA sale was oversubscribed, receiving more than \$350 million workable orders. Retail orders accounts for \$67 million of the sale.

“As a self-funding quasi-public agency, the bond sales provide the funds that allow CHFA to offer below-market interest rates on mortgages for buyers with low- to moderate-incomes who are first-time buyers or haven’t owned a home in three years. Lower rates make it a little easier for them to make the leap from renters to homeowners,” said Karl Kilduff, CHFA’s Executive Director. CHFA’s current rates range from 3.625 percent and 3.875 percent (for the 1 point option), compared to the average conventional rate of 4.32 percent, based on Freddie Mac’s Primary Mortgage Market Survey.

In 2017, CHFA issued a total of \$693 million in bonds, providing funding for nearly 3,000 single-family mortgages.

Due to the strong response from retail and institutional investors, the Senior Manager was able to reduce the coupons of various maturities between 3 and 10 basis points, which will lower the cost of its program.

CHFA was the first state housing financing agency in the country to sell bonds in the post-tax reform market, so the sale was closely watched. In the new lower corporate tax rate environment, there were concerns about investors seeking greater yields. However, CHFA saw little to no increase relative to Municipal Market Data and Treasuries.

The Senior Manager on the sale is Bank of America Merrill Lynch. Co-Bond Counsels are Kutak Rock, Hawkins Delafield & Wood, and Lewis & Munday. Lamont Financial Services Corporation acts as CHFA’s financial advisor.

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The Connecticut Housing Finance Authority (CHFA) was created in 1969 by the Connecticut Legislature as a self-supporting quasi-public housing agency charged with expanding affordable housing opportunities for the state’s low- and moderate-income families and individuals. CHFA has helped more than 139,000 Connecticut individuals and families become homeowners through its low-interest single-family mortgage programs. In addition, CHFA has financed the creation of more than 40,000 affordable, rental units throughout the state. To date, the combined mortgage financing for CHFA’s single- and multifamily housing programs exceeds \$11 billion. For more information: <http://www.chfa.org>



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