



**CONNECTICUT  
HOUSING  
FINANCE AUTHORITY**

Unlocking Solutions, Building Strong Communities.

**NEXT MOVE  
WITH  
DEFERRED DOWN PAYMENT ASSISTANCE  
(Non-Bond)**

Rev. 5.13.2026

**(Addendum to CHFA Operating Manual)**

**Lender must be specifically approved to originate this program**

## Preface

This supplement to CHFA's Operations Manual is to provide loan origination and operating guidelines for participating Lenders in its **Next Move (Non-Bond) Program**.

The guidelines contained herein are subject to change without notice. If there is no stated CHFA overlay, lenders should follow Agency (FNMA HFA Preferred, FHLMC HFA Advantage, FHA, VA, USDA) **AND** Lakeview (Master Servicer) overlays. When a conflict exists, lenders must use the most restrictive guidelines.

## Participating Lenders

The CHFA Next Move (Non-Bond) Program is available through CHFA and Lakeview Participating Lenders who have specifically requested and have been selected to originate this program. Please see the Next Move (Non-Bond) home webpage for a current list of Participating Lenders.

- Securitized loans only or Ginnie, Fannie or Freddie MBS
- Lender must be approved by Lakeview Loan Servicing

## Eligibility Parameters

- Income qualified borrowers purchasing in Connecticut
- Not required to be a first-time homebuyer
- Conforming loan limits (No High-Cost loans)
- No maximum sales price
- Owner Occupied Purchase only
- Must be coupled with CHFA Deferred DPA
- Non-Occupant Co-Borrowers not allowed
- Only borrowers signing the note can hold title

## Eligible Borrowers

First-time and non-first-time homebuyers / homeowners

## First Mortgage Loan Types (no renovation loans/no temporary buydowns)

30- year fixed rate only

- Freddie Mac HFA Advantage
- Fannie Mae HFA Preferred
- FHA
- VA
- RD/USDA

## Lock/Loan Purchase Terms

- Locks will be accepted daily from 10:30 a.m. until 7:00 p.m. on business days only
- Delivery – 60 days, extension fees will apply if greater than 60 days:
  - 15 Days – 0.125%
  - 30 Days – 0.250%
  - 45 Days – 0.375%
- Lenders should set their lock period (45 days) to permit sufficient time for delivery/purchase
- Loans delivered after 105 days may not be purchased

## Lender Compensation

- 2.00% subject to Loan Delivery requirements
- Maximum Ancillary Fee - \$1,295 (Loan Estimate, Section A, Loan Costs)
- Maximum Deferred DPA/Ancillary Fee: \$600 Lender/ Max \$200 Attorney Closing Fee

## Deferred Down Payment Assistance Subordinate Loan

- Deferred 0% due upon sale/transfer, no longer owner occupied, payoff of first mortgage
- All first mortgages must include the DPA:
  - Conventional = 3.00% of the 1<sup>st</sup> Mortgage Loan Amount
  - Government = 3.50% of the 1<sup>st</sup> Mortgage Loan Amount
- May be used for down payment or closing costs
- DPA must be 3.00% (Conv) or 3.5% Govt. Lower DPA loan amount is not an option. Must be rounded DOWN to the nearest dollar

## Loan to Value/Combined Loan to Value

- 97%/105% Conventional
- Government – Follow Insurer/Guarantor Guidelines

## Minimum Down Payment

- Follow Agency/Investor Guidelines

## DTI Ratios

- Maximum 50%

## Homebuyer Education

Homebuyer Education is required when all borrowers are first- time homebuyers (have not owned a primary residence property in the past 3 years).

Landlord Education required on all 2-4 Unit HFA Advantage (FHLMC) properties.

## Income for Eligibility

Qualifying income not to exceed 120% of the Conventional Area Median Income (AMI) as determined by the GSE.

## Ineligible Property Types

- ✓ Co-Ops
- ✓ Community Land Trust
- ✓ Manufactured Homes

## Acceptable Appraisal Types

Follow Agency/Investor Guidelines EXCEPT:

- No Appraisal Waivers permitted

## Underwriting

- Conventional
  - DU “Approve/Eligible” or LPA “Accept” is required
  - Manual Underwriting not permitted
- FHA
  - DU “Approve/Eligible” or LPA “Accept” is required
    - Manual Underwriting is permitted in case where the loan received an “Approve/Eligible” finding but requires a downgrade due to additional information not considered in the DU Decision that affects the overall insurability or eligibility of the loan. Subject to the following requirement:
      - ✓ Min 640 Credit Score
      - ✓ Max 43% DTI
- USDA loans must be submitted through GUS and receive an “Accept/Eligible” finding
  - “Accept/unable to Determine” findings are permitted when GUS cannot find the property
  - Manual UW not permitted
- VA
  - DU “Approve/Eligible” or LPA “Accept” is required
- Use of non-traditional credit:
  - Not permitted
- See Investor/Servicer guidelines for additional information/guidance

## Credit Score ≥ 620

- Limited Documentation/Requirements:
  - Follow Investor/Servicer Guidelines

## Conventional Loans Required PMI Coverage (LTV over 80%)

- CHFA HFA Preferred™ and HFA Advantage® loans with income **at or below 80% AMI** may use reduced coverage:

<u>Loan-to-Value Ratio</u>	<u>PMI Coverage Required</u>
95.01% - 97.00%	18%
90.01% - 95.00%	16%
85.01% - 90.00%	12%
80.01% - 85.00%	6%

- HFA Preferred™ and HFA Advantage® loans with income **over 80% AMI** require the following coverage:

<u>Loan-to-Value Ratio</u>	<u>PMI Coverage Required</u>
95.01 - 97.00%	35%
90.01 - 95.00%	30%
85.01 - 90.00%	25%
80.01 - 85.00%	12%

Follow Agency/Investor Guidelines for Mortgage Insurance payment types

## Loan Delivery and Purchase

- Both the first Mortgage and the subordinate Deferred DPA are serviced by Lakeview Loan Servicing, LLC. Please see the [Lakeview Servicing Guide](#)

## CHFA Specific Loan Documents

Can be found at <https://www.chfa.org/lenders/loan-form-index/>

### Submission:

- Utilize the Next Move Submission checklist and submit all supporting documentation listed through ShareFile.

### Documents to be signed at Application:

- Deferred DPA Applicant Notice
- DPA TRID, if applicable

### Closing Documents:

- Deferred DPA Note
- Subordinate Mortgage Deed

Please refer to CHFA's Operating Manual for instructions on how to reserve a loan in CHFA's LOS system and submit a loan to ShareFile.