



**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 approved by Lakeview Loan Servicing, LLC 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. 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 1st Mortgage Loan Amount
 - Government = 3.50% of the 1st 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.