

# DOWNPAYMENT ASSISTANCE PROGRAM (DAP)



***The foremost obstacle to homeownership is a potential homebuyer's inability to cover the downpayment and/or closing costs of a home purchase. The CHFA Downpayment Assistance loan is offered in conjunction with CHFA first mortgage loan programs to eligible applicants. Funds may be used for down payment assistance and/or closing costs.***

## ELIGIBILITY REQUIREMENTS

- To be eligible for a Downpayment Assistance Program loan, borrowers must apply and qualify for a CHFA first mortgage loan.
- Eligible borrowers must demonstrate an ability to repay both the CHFA first and DAP second mortgage loans in order to qualify for assistance under this program.
- You must be a first-time homebuyer or have not owned a home in the past three years. Borrowers who have owned a home previously may also apply if they plan to purchase in a targeted area of the state. (see [Targeted Areas at chfa.org](http://chfa.org))
- The sales price of the home does not exceed CHFA sales price limits as applicable to the first mortgage program. (see [Sales Price Limits at chfa.org](http://chfa.org))

## IMPORTANT INFORMATION

- The DAP loan amount is based on the borrowers financial needs. Applicants must require a minimum of \$3,000 to be eligible for DAP funding.
- The DAP interest rate is the same as the first mortgage loan interest rate based on CHFA loan product and point option selected.
- Borrower(s) gross income must not exceed CHFA established income limits based on household size. (see [Income Limits at chfa.org](http://chfa.org)).

*Note: Income limits do not apply if you are purchasing a home in a targeted area unless you are also using Downpayment Assistance Loan Program funding.*

- Applicants are required to use all liquid assets above \$10,000 towards down payment, excluding retirement accounts. Applicants must meet all CHFA DAP eligibility and underwriting criteria for DAP approval. Your lender will work with you to determine complete program eligibility requirements. (see [Participating Lenders list at chfa.org](http://chfa.org))

## HOMEBUYER EDUCATION CLASS

At least one borrower under CHFA Program loans are required to attend a free homebuyer education class prior to closing. Classes are held at several locations or online. Your lender will provide you with information for online counseling when your loan is reserved.

A landlord certificate is also required if purchasing a two to four family home. (see [Counseling Class schedules at chfa.org](http://chfa.org)).

## HOW TO APPLY

To learn more about the program and to apply, contact one of the CHFA Participating Lenders for guidance. (see [Participating Lenders list at chfa.org](http://chfa.org)) or call CHFA toll free at: 844-CT1-HOME (844-281-4663)