

DOWNPAYMENT ASSISTANCE PROGRAM (DAP)



The foremost obstacle to homeownership is a potential homebuyer's inability to cover the down payment and closing requirements of purchasing their home. The CHFA Downpayment Assistance Program loan is offered in conjunction with a CHFA first mortgage loan program to eligible applicants for down payment and closing cost assistance.

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*)
- 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*)

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. Applicants will be required to make a minimum investment of \$1,000 towards the acquisition costs.
- The DAP interest rate is the same as the first mortgage loan interest rate based on CHFA loan product selected.
- Borrower(s) gross income must not exceed CHFA established income limits based on household size. (see *Income Limits at chfa.org*).

Note: Income limits do not apply if you are purchasing a home in a targeted area unless you are also using the Downpayment Assistance Program, HFA Preferred™, HFA Advantage® or CHFA CALP loan funding.

- 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*)

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*).

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*) or call CHFA toll free at: 844-CT1-HOME (844-281-4663)

