

CHFA INSURED

Pilot Program



The dream of homeownership should be within reach to everyone. The CHFA Insured Pilot Program offers credit worthy applicants with middle FICO credit scores less than or equal to 620, an opportunity for mortgage loan financing currently not available due to minimum credit score overlays set by Lenders or Private Mortgage Insurance companies.

ELIGIBILITY REQUIREMENTS

- You are a first-time homebuyer, 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. (see *Sales Price Limits at chfa.org*)
- 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 Downpayment Assistance Loan Program funding.

MORTGAGE INSURANCE

- Mortgage insurance will be provided by CHFA.
- The maximum loan to value financed is 95%.
- An upfront mortgage insurance premium of 3% is required.
- Mortgage Insurance will terminate when 20% equity in the property is reached.
- A minimum borrower contribution of 5% is required from an acceptable source of funds

HOMEBUYER EDUCATION CLASS

All borrowers 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*)

FEDERAL RECAPTURE TAX

In rare cases, you could be required to pay a Federal Recapture Tax in the future if you sell the house. Your lender will provide you with information at the time of application.

You may be eligible to receive reimbursement from CHFA if you are required to make the Federal Recapture Tax payment.

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).