

HFA ADVANTAGE[®]

Mortgage Loan Programs



The HFA Advantage and HFA Advantage Uninsured Loan Programs will provide first mortgage loan financing to eligible first-time homebuyers in compliance with CHFA and FREDDIE MAC (FHLMC) eligibility requirements. This program offers a 30-year, fixed rate mortgage with low cost mortgage insurance coverage requirements.

ELIGIBILITY REQUIREMENTS

- You must be a first-time homebuyer or have not owned a home in the past three (3) years unless purchasing in a Targeted Area of the state. You may not own any other property at the time of closing your CHFA mortgage. (see list of 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) qualifying gross income for the HFA Advantage[®] product must not be greater than 80% of the FHLMC Area Median Income (AMI) limits for the county where the property is located and cannot exceed the CHFA established eligibility Income Limits based on household size. (see Income Limits at chfa.org)
- The interest rate is the CHFA published rate on the day your CHFA - Participating Lender registers your loan. **The interest rate is reduced by .25% if purchasing property in a Targeted Area.** (see list of Targeted Areas at chfa.org)

DOWN PAYMENT ASSISTANCE PROGRAMS

CHFA offers down payment and closing cost assistance loans in conjunction with CHFA first mortgage loans. The minimum assistance amount is \$3,000.

MORTGAGE INSURANCE

Mortgage insurance is required when the amount financed exceeds 80% of the appraised value or purchase price, whichever is less. Your lender will review mortgage insurance requirements with you.

HOME BUYER EDUCATION CLASS

At least one borrower is 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 CHFA- Participating Lenders list at chfa.org) or call us toll free at: 844-CT1-HOME (844-281-4663).

