

HFA PREFERRED™

Mortgage Loan Programs



The HFA Preferred™ and HFA Preferred™ Uninsured loan programs will provide first mortgage loan financing to eligible first-time homebuyers in compliance with CHFA and Fannie Mae (FNMA) eligibility requirements. These programs offer 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 years. Borrowers who have owned a home previously may also apply if they plan to purchase in a targeted area of the state. (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 income for CHFA eligibility must not exceed the CHFA income limits based on household size; qualifying income for the HFA Preferred™ product must not exceed 80% of the FNMA Area Median Income (AMI) limits for county. (see Income Limits at chfa.org)

Note: Income limits will not be waived if you are purchasing a home in a Targeted Area for this program.

- The interest rate is the CHFA published rate on the day your 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)



DOWNPAYMENT ASSISTANCE PROGRAM (DAP)

CHFA offers a down payment assistance second mortgage loan to qualified borrowers who are receiving a CHFA first mortgage.

MORTGAGE INSURANCE

Mortgage insurance is required when the amount financed exceeds 80% of the appraised value or purchase price, whichever is less. The amount of insurance is determined by the applicants credit score utilizing the respective mortgage Insurer's guidelines. 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 Participating Lenders list at chfa.org) or call CHFA toll free at: 844-CT1-HOME (844-281-4663).

