The reasons for wanting a better home are many, and the Connecticut Housing Finance Authority wants to help you with yours. If you are a first-time home buyer we have programs and services, such as the Downpayment Assistance Program, that will make this path a more enriching experience.

Your new home is waiting for you.

Call now 844-CT1-HOME (844-281-4663) or look us up on the web at chfa.org

CONNECTICUT HOUSING FINANCE AUTHORITY

The Key To Affordable Housing

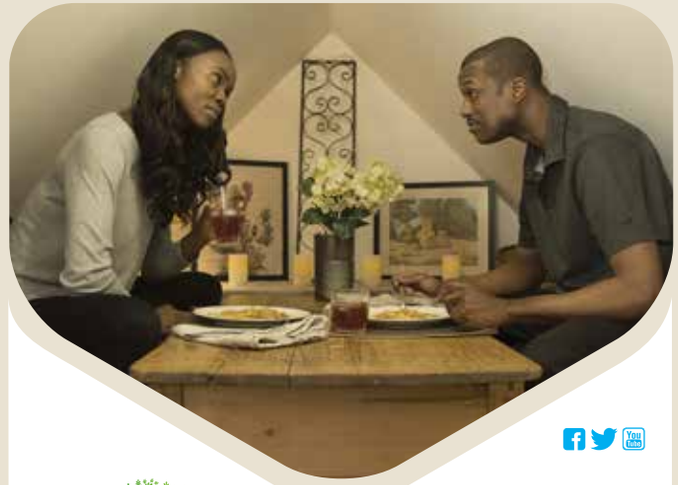
999 West Street • Rocky Hill, CT 06067
chfa.org

Rev. 5-1-2019

EQUAL HOUSING LENDER

HOMEBUYER MORTGAGE PROGRAM

HOME WANTED To live a BETTER LIFE



CONNECTICUT HOUSING FINANCE AUTHORITY

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THE HOMEBUYER MORTGAGE PROGRAM

CHFA offers the Homebuyer Mortgage Program through participating lenders that provide below-market interest rate mortgage loans to eligible applicants interested in purchasing their first home as well as previous homeowners who purchase a home in targeted areas of the state.

ELIGIBILITY

- You are a first-time homebuyer.
- The home will be your primary residence for the life of the loan.
- The sale price of the home does not exceed CHFA sales price limits.
- Borrower(s) gross income must not exceed CHFA established income limits based on household size.

Not a first-time homebuyer? You may still be eligible!

Generally, CHFA assists first-time homebuyers, but may provide loans to previous homeowners who have not had an ownership interest in a home for at least three years.

Targeted Areas

If you're not a first time homebuyer or you have an income that exceeds the CHFA established limit, you may still be eligible for a loan, as long as you plan to purchase a home in a targeted area of the state.

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 in a Targeted Area.* (See list of Targeted Areas at *chfa.org)*

The following information is available at *chfa.org*:

- Home Sales Price Limits and Buyer Income Limits
- Targeted Areas of the state
- List of Participating Lenders
- Homebuyer Education Classes
- Current CHFA Mortgage and DAP Loan Rates

Choosing a Property

To qualify, the home must meet the following criteria:

- Existing and new single family homes, townhouses and Planned Unit Developments (PUDs).
- Condominiums that are **FHA/VA** or **FNMA/FHLMC** approved.
- Two-to-four family homes that have been occupied as residences for the past five years.
- Newly constructed single-family homes that meet FHA energy efficiency standards.
- Newly constructed two-family homes in targeted areas.
- Mobile homes that meet FHA guidelines.

DOWNPAYMENT ASSISTANCE PROGRAM

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

The interest rate for this program will be the same as your first mortgage interest rate.

HOMEBUYER EDUCATION CLASSES

CHFA offers the following free homebuyer education classes focusing on the financial and practical steps of buying and maintaining a home.

- Required for CHFA homebuyers; 3 Hour pre-closing Homebuyer Education Class (Overview)
- Open to any homebuyer: 8 Hour pre-purchase Homebuyer Education Class (In-depth)
- For landlords: Landlord Education and Housing Counseling Services (required if purchasing a 2-4 unit home)
- Borrowers who have a CHFA reservation may take the required counseling in person or online. Your lender will provide you a free coupon code for your use when registering for the online course.

Classes are held at several locations statewide every month. For more information, visit *chfa.org.*

APPLYING FOR A MORTGAGE

1. **Select a Lender Carefully**
   View CHFA list of participating lenders at *chfa.org.* The lender you work with must be on this list.

2. **Sales Price and Income Limits**
   CHFA borrowers must meet income limits and the home must be within sale price limits.

Loan Term

CHFA provides mortgages for a term of 30 years at a fixed rate. Qualification for a mortgage loan is based on credit, income, employment history and other underwriting criteria.

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 work with you to determine the type of mortgage insurance needed.

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. For more information, visit *chfa.org.*

Eligibility for Other Mortgage Programs

CHFA offers specific mortgage programs for the following individuals. Eligibility requirements may be different than above. For more information on these programs, ask a participating lender or visit chfa.org.

- Police Officers, Teachers, Military Personnel and Veterans
- Persons with Disabilities
- Tenants of Public Assistance Housing
- Those wishing to purchase a home in need of minor repairs