

# Homeownership Program



## For Residents of Public Housing



***The Homeownership Program offers mortgages at below-market interest rates to tenants of publicly assisted housing who wish to transition from renting to homeownership.***

### ELIGIBILITY REQUIREMENTS

- You must be a tenant of public housing or receive public housing assistance through Section 8, Rental Assistance Program, the Department of Developmental Services or the State Moderate Rental 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](http://chfa.org))
- The sales price of the home does not exceed CHFA sales price limits. (see *Sales Price Limits* at [chfa.org](http://chfa.org))
- Borrower(s) gross income must not exceed CHFA established *Statewide* income limits based on household size. (see *Income Limits* at [chfa.org](http://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.*

- 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](http://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. Eligible purposes include down payment assistance and/or closing costs.

### 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.

### 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](http://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 *list of Participating Lenders* at [chfa.org](http://chfa.org)) or call CHFA toll free at: 844-CT1-HOME (844-281-4663).