

Homeownership Program



The Key To Affordable Housing

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)
- 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 *Statewide* 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.

- 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)*

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. 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)

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) or call CHFA toll free at: 844-CT1-HOME (844-281-4663).