

# 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 (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](http://chfa.org))
- The sales price of the home does not exceed CHFA Sales Price Limits and the borrower(s) gross income must not exceed the CHFA established **Statewide** Income Limits based on household size. (see Sales Price & Income Limits at [chfa.org](http://chfa.org))
- The interest rate is the CHFA published rate on the day your CHFA- Participating Lender registers your loan. **This program offers borrower(s) an additional interest rate reduction of .125%. (If purchasing in a Targeted Area, the interest rate can be reduced by .25%).** (see list of Targeted Areas at [chfa.org](http://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 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 CHFA- Participating Lenders list at [chfa.org](http://chfa.org)) or call us toll free at: 844-CT1-HOME (844-281-4663).

