



Servicing Bulletin #SB 2016-2
April 29, 2016

To: All Servicers
From: John Chilson, Director – Portfolio Management
Subject: **Super Liens**

As you are aware, unpaid homeowner associations (“HOA”) fees and water & sewer liens have a super-priority lien status in the State of Connecticut that can prime the first mortgage lien on CHFA single-family mortgages. The FHA standard loan document used for all CHFA mortgage loans requires the mortgagor to keep the property free of such liens.

In cases where a CHFA servicer has to advance funds to prevent a super-priority foreclosure, CHFA does not have any policies or procedures that would prevent the servicer from either immediately demanding the amount advanced from the borrower as due and payable, or providing the borrower the opportunity to repay the advance over a period of time. CHFA also does not have any policies or procedures that prevent the servicer from requiring that the borrower, as a result of the prior default, make escrow payments for future expenditures that have a super lien status.

CHFA servicing contracts do require that the servicer be in compliance with all requirements of all federal and state laws, rules and regulations applicable to CHFA mortgages and to comply with all applicable insurer guidelines.

If you have questions or you would like additional information regarding this bulletin please contact Liisa Canalori at 860-571-4226 or liisa.canalori@chfa.org.