
Servicing Bulletin 2023-03
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To: All CHFA Single Family Servicers
From: Liisa M. Koeper, Assistant Director, SFAM Default Servicing
Subject: Priority Liens Update

The State of Connecticut has granted “super” priority status to certain types of municipal liens, including property taxes and water and sewer assessments, and to unpaid homeowner association (HOA) fees. As a result, these liens will gain priority over the first mortgage. This Servicing Bulletin (SB 2023-03) updates and supersedes all previous bulletins, guidance, or policy on payment of priority liens.

When a servicer determines that a borrower is unable to pay an outstanding HOA or municipal debt, the servicer will satisfy the priority debt the sooner of the receipt of any notification of a pending municipal lien, a Demand Letter or when the servicer becomes aware of six or more delinquent and unpaid monthly HOA fees.

Questions regarding this Bulletin should be directed to Liisa Koeper at (860) 571-4226 or email liisa.koeper@chfa.org.