

To: All CHFA Servicers

From: Elizabeth M. Vallera, Treasurer



Bulletin #6
January 16, 2013



Subject: FHA Claim Interest Rate

CHFA has reviewed its current process of calculating mortgage interest due CHFA at the rate FHA uses in paying claims ("FHA Rate") vs. CHFA's mortgage note rate. CHFA, as the mortgage holder, is entitled to the entire amount of mortgage interest calculated at the FHA Rate, the higher of which (i) is paid by FHA, or (ii) would have been paid by FHA had they not curtailed the amount paid due to servicer error or omission ("Total Interest"). Effective immediately, Total Interest will be calculated and charged by CHFA using the FHA Rate for each claim, whether or not a curtailment is involved and regardless of whether that FHA Rate is lower or higher than the stated mortgage note rate.

In order to effectuate this change, all servicers must submit proof of the actual FHA Rate used when providing CHFA the Part A claim form for each claim. Please submit this proof of FHA Rate for all Part A claim form submissions to CHFA on and after 1/16/2013.

If you have any questions regarding this bulletin, please contact Claudia Rodrigues, Manager, Single Family Loans Investor Reporting and Servicing at (860) 571-4329 or via email at claudia.rodriques@chfa.org.

Please forward this Bulletin to any effected management or staff within your organization. This Bulletin is also listed on CHFA's website at www.chfa.org under the Lender Documentation Library as Servicing Bulletin #6.