

CALCULATING INCOME THE CHFA WAY



CONNECTICUT
HOUSING FINANCE
AUTHORITY

AGENDA

- Introductions
- How to calculate income to determine eligibility with CHFA limits
- Income to consider for limits
- Acceptable income documentation
- Common errors
- Questions, comments, concerns



How to Calculate Income the CHFA Way

- **REPAYMENT:** Income Used to Qualify for Payment
 - Follow insurer/investor guidelines. Consider DAP overlays when applicable.
- **INCOME LIMITS:** All Income Earned by Borrower(s)
 - Follow CHFA income analysis worksheet.

**Only the Borrower(s) income is considered for
repayment and income limits calculations**

AND

**Borrower income limits will be based on
household size**

See Income Limits Guide



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Connecticut Housing Finance Authority - INCOME LIMITS - Eff. 6-4-2018



The Home of Your Own - Homeownership - Reverse Annuity Mortgage Programs use "Statewide" Income Limits: \$96,300 (1 or 2 persons) \$110,745 (3 or more persons)

All other Programs use "Town" Income Limits as shown below except where not applicable (i.e. Targeted Areas for loans without CHFA DAP)

"Town" Income Limits	HOUSEHOLD SIZE		"Town" Income Limits	HOUSEHOLD SIZE		"Town" Income Limits	HOUSEHOLD SIZE	
	1 or 2	3 or more		1 or 2	3 or more		1 or 2	3 or more
Fairfield County			Litchfield County, cont.			New Haven County, cont.		
Bethel	129,710	149,165	Canaan	96,800	111,320	Prospect	96,800	111,320
Bridgeport *All Areas	116,160	135,520	Colebrook	96,800	111,320	Seymour	96,800	111,320
Brookfield	129,710	149,165	Cornwall	96,800	111,320	Southbury	96,800	111,320
Danbury	129,710	149,165	Goshen	96,800	111,320	Wallingford	96,800	111,320
*Targeted Areas	139,560	162,820	Harwinton	96,800	111,320	Waterbury * All Areas	116,160	135,520
Darien	134,900	155,135	Kent	96,800	111,320	West Haven	96,800	111,320
Easton	116,160	135,520	Litchfield	96,800	111,320	Wolcott	96,800	111,320
Fairfield	116,160	135,520	Morris	96,800	111,320	Woodbridge	96,800	111,320
Greenwich	134,900	155,135	New Hartford	96,800	111,320	New London County	1 or 2	3 or more
Monroe	116,160	135,520	New Milford	96,800	111,320	Bozrah	96,800	111,320
New Canaan	134,900	155,135	Norfolk	96,800	111,320	Colchester	110,200	126,730
New Fairfield	129,710	149,165	North Canaan	96,800	111,320	East Lyme	96,800	111,320
Newtown	129,710	149,165	Plymouth	96,800	111,320	Franklin	96,800	111,320
Norwalk	134,900	155,135	Roxbury	96,800	111,320	Griswold	96,800	111,320
*Targeted areas	161,880	188,860	Salisbury	96,800	111,320	Groton	96,800	111,320
Redding	129,710	149,165	Sharon	96,800	111,320	*Targeted Areas	116,160	135,520
Ridgefield	129,710	149,165	Thomaston	96,800	111,320	Lebanon	110,200	126,730
Shelton	116,160	135,520	Torrington	96,800	111,320	Ledyard	96,800	111,320
Sherman	129,710	149,165	*Targeted Areas	116,160	135,520	Lisbon	96,800	111,320
Stamford	134,900	155,135	Warren	96,800	111,320	Lyme	96,800	111,320
*Targeted Areas	161,880	188,860	Washington	96,800	111,320	Montville	96,800	111,320
Stratford	116,160	135,520	Watertown	96,800	111,320	New London *All Areas	116,160	135,520
Trumbull	116,160	135,520	Winchester	96,800	111,320	North Stonington	96,800	111,320
Weston	134,900	155,135	Woodbury	96,800	111,320	Norwich	96,800	111,320
Westport	134,900	155,135	Middlesex County	1 or 2	3 or more	*Targeted Areas	116,160	135,520
Wilton	134,900	155,135	Chester	96,800	111,320	Old Lyme	96,800	111,320
Hartford County	1 or 2	3 or more	Clinton	108,500	124,775	Preston	96,800	111,320
Avon	96,800	111,320	Cromwell	96,800	111,320	Salem	96,800	111,320
Berlin	96,800	111,320	Deep River	108,500	124,775	Sprague	96,800	111,320
Bloomfield	96,800	111,320	Durham	96,800	111,320	Stonington	96,800	111,320
Bristol	96,800	111,320	East Haddam	96,800	111,320	Voluntown	96,800	111,320
Burlington	96,800	111,320	East Hampton	96,800	111,320	Waterford	96,800	111,320
Canton	96,800	111,320	Essex	108,500	124,775	Tolland County	1 or 2	3 or more
East Granby	96,800	111,320	Haddam	96,800	111,320	Andover	96,800	111,320
East Hartford	96,800	111,320	Killingworth	108,500	124,775	Bolton	96,800	111,320
*Targeted Areas	116,160	135,520	Middlefield	96,800	111,320	Columbia	96,800	111,320



Income Considerations For Limits

Aggregate mortgagor(s) income (gross income) shall include ALL sources from where borrower(s) receive income, whether used for repayment or not.

Examples include, but are not limited to:

Alimony

Annuity

Bonus

Child Support

Commission

Dividends

Disability

Foster Care

Military Allowance

Military Reimbursement

Overtime

Pension

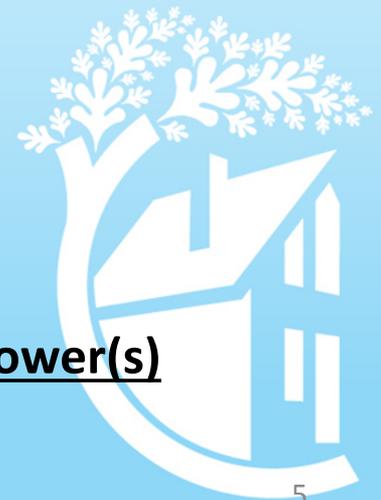
Rental Income

Retirement

Social Security/VA Benefits

Welfare

Include any other recurring source of income received by borrower(s)



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INCOME ANALYSIS WORKSHEET

Acct #: _____

Rate: _____ Completed By: _____ Date: _____

Borrower: _____

PAYSTUB:	Gross Pay:	_____ x _____	≈ 12 mnths	=	_____
*Pay Period Ending Date	Year-to-Date:	_____ ≈ _____ (# weeks)	x 52 ≈ 12 mnths	=	_____ (limit)
____/____/____	_____ W2 _____		≈ 12 mnths	=	_____
	(Year)				
	_____ W2 _____		≈ 12 mnths	=	_____
	(Year)				
AMOUNT USED					

Co-Borrower: _____

PAYSTUB:	Gross Pay:	_____ x _____	≈ 12 mnths	=	_____
*Pay Period Ending Date	Year-to-Date:	_____ ≈ _____ (# weeks)	x 52 ≈ 12 mnths	=	_____ (limit)
____/____/____	_____ W2 _____		≈ 12 mnths	=	_____
	(Year)				
	_____ W2 _____		≈ 12 mnths	=	_____
	(Year)				
AMOUNT USED					

Borrower(s) Other Income:

(B/CB)	_____ (Description)	_____ (Monthly Amt.)	x	_____ (factor)	=	_____
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2018



Income - Weekly Calculation Calendar

	S	M	T	W	T	F	S	Week #		S	M	T	W	T	F	S	Week #
JAN		1	2	3	4	5	6	1	JUL	1	2	3	4	5	6	7	27
	7	8	9	10	11	12	13	2		8	9	10	11	12	13	14	28
	14	15	16	17	18	19	20	3		15	16	17	18	19	20	21	29
	21	22	23	24	25	26	27	4		22	23	24	25	26	27	28	30
	28	29	30	31				5		29	30	31					31
FEB					1	2	3	5	AUG				1	2	3	4	31
	4	5	6	7	8	9	10	6		5	6	7	8	9	10	11	32
	11	12	13	14	15	16	17	7		12	13	14	15	16	17	18	33
	18	19	20	21	22	23	24	8		19	20	21	22	23	24	25	34
	25	26	27	28				9		26	27	28	29	30	31		35
MAR					1	2	3	9	SEP							1	35
	4	5	6	7	8	9	10	10		2	3	4	5	6	7	8	36
	11	12	13	14	15	16	17	11		9	10	11	12	13	14	15	37
	18	19	20	21	22	23	24	12		16	17	18	19	20	21	22	38
	25	26	27	28	29	30	31	13		23	24	25	26	27	28	29	39
APR	1	2	3	4	5	6	7	14	OCT	30	1	2	3	4	5	6	40
	8	9	10	11	12	13	14	15		7	8	9	10	11	12	13	41



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Salary and Bonus- From Written VOE



INCOME ANALYSIS WORKSHEET

Acct #: 0000000
 Rate: 0.000% Completed By: Underwriter's Name Date: MM/DD/YYYY

Borrower: Anita Mortgage

(Example = \$20.hr x 40hrs x 52wks / 12mths = \$3,466.67 mth)

PAYSTUB:						
	Gross Pay:	<u>\$800. wk</u>	x	<u>52 wks</u>	÷ 12 mnths	= <u>\$3,466.67 mth</u>
*Pay Period Ending Date	Year-to-Date:	<u>\$61,640.</u>	÷	<u>34</u>	x 52 ÷ 12 mnths	= <u>\$7,856.07 mth</u>
<u>8/25/18</u>				(# weeks)		(limit)
	<u>2017</u>	W2 <u>\$84,696. yr</u>			÷ 12 mnths	= <u>\$7,058.00 mth</u>
	(Year)					
	<u>2016</u>	W2 <u>\$81,472. yr</u>			÷ 12 mnths	= <u>\$6,789.33 mth</u>
	(Year)					
					AMOUNT USED	<u>\$3,466.67 mth</u>

Co-Borrower: _____

PAYSTUB:						
	Gross Pay:	_____	x	_____	÷ 12 mnths	= _____

*Pay Period



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Request for Verification of Employment

Privacy Act Notice: This information is to be used by the agency collecting it or its assignees in determining whether you qualify as a prospective mortgagor under its program. It will not be disclosed outside the agency except as required and permitted by law. You do not have to provide this information, but if you do not your application for approval as a prospective mortgagor or borrower may be delayed or rejected. The information requested in this form is authorized by Title 38, USC, Chapter 37 (if VA); by 12 USC, Section 1701 et. seq. (if HUD/FHA); by 42 USC, Section 1452b (if HUD/CPD); and Title 42 USC, 1471 et. seq., or 7 USC, 1921 et. seq. (if USDA/FmHA).

Instructions: Lender – Complete items 1 through 7. Have applicant complete item 8. Forward directly to employer named in item 1.
 Employer – Please complete either Part II or Part III as applicable. Complete Part IV and return directly to lender named in item 2.
 The form is to be transmitted directly to the lender and is not to be transmitted through the applicant or any other party.

Part I – Request

1. To (Name and address of employer) Mike's Mechanicals 100 Main Street Anytown, CT 06000	2. From (Name and address of lender) CHFA Approved Lender 102 Main Street Anytown, CT 06000
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I certify that this verification has been sent directly to the employer and has not passed through the hands of the applicant or any other interested party.

3. Signature of Lender <i>Patty Processor</i>	4. Title Loan Processor	5. Date 08/10/2018	6. Lender's Number (Optional)
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I have applied for a mortgage loan and stated that I am now or was formerly employed by you. My signature below authorizes verification of this information.

7. Name and Address of Applicant (include employee or badge number) Anita Mortgage 200 CHFA Lane, Rocky Hill, CT 06067	8. Signature of Applicant <i>Anita Mortgage</i>
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Part II – Verification of Present Employment

9. Applicant's Date of Employment 02/02/2012	10. Present Position Assembler	11. Probability of Continued Employment Good
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12A. Current Gross Base Pay (Enter Amount and Check Period) <input type="checkbox"/> Annual <input checked="" type="checkbox"/> Hourly <input type="checkbox"/> Monthly <input type="checkbox"/> Other (Specify) <input type="checkbox"/> Weekly \$ 20.00				13. For Military Personnel Only		14. If Overtime or Bonus is Applicable, Is its Continuance Likely? Overtime <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Bonus <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
12B. Gross Earnings				Type	Monthly Amount	
Type	Year To Date	Past Year 2017	Past Year 2016	Base Pay	\$	15. If paid hourly – average hours per week 62
Base Pay	Thru 8/25/18 \$ 27,200.00	\$ 39,520.00	\$ 37,440.00	Flight or Hazard	\$	
				Clothing	\$	
						16. Date of applicant's next pay increase TBD



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Mike's Mechanicals
100 Main Street
Anytown, CT 06000

Advice Date
09/01/2018

Advice No. 2345

Advice Amount: \$1,041.22

To The
Account(s) Of

Anita Mortgage
200 CHFA Lane
Rocky Hill, CT 06067

DIRECT DEPOSIT DESCRIPTION			
Account Type	Bank Name	Account Number	Deposit Amount
Checking	Anita's Bank	XXX2	\$941.22
Savings	Anita's Bank	XXX3	\$100.00
Total:			\$1,041.22
NON-NEGOTIABLE			
Pay Begin Date:		08/19/2018	
Pay End Date:		08/25/2018	
			Advice Date: 09/01/2018

Employee ID: 12

TAX DATE:

Federal CT State

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Department of the Treasury—Internal Revenue Service

Form **1040EZ** **Income Tax Return for Single and Joint Filers With No Dependents** (99) **2017** OMB No. 1545-0074

Your first name and initial Anita	Last name Mortgage	Your social security number 1 2 3 4 5 6 7 8 9
If a joint return, spouse's first name and initial	Last name	Spouse's social security number
Home address (number and street). If you have a P.O. box, see instructions. 200 CHFA Lane		Apt. no. ▲ Make sure the SSN(s) above are correct.
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). Rocky Hill, CT 06067		Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse
Foreign country name	Foreign province/state/county	Foreign postal code

Income Attach Form(s) W-2 here. Enclose, but do not attach, any payment.	1	Wages, salaries, and tips. This should be shown in box 1 of your Form(s) W-2. Attach your Form(s) W-2.	1	84696
	2	Taxable interest. If the total is over \$1,500, you cannot use Form 1040EZ.	2	120
	3	Unemployment compensation and Alaska Permanent Fund dividends (see instructions).	3	
	4	Add lines 1, 2, and 3. This is your adjusted gross income .	4	84816
	5	If someone can claim you (or your spouse if a joint return) as a dependent, check the applicable box(es) below and enter the amount from the worksheet on back. <input type="checkbox"/> You <input type="checkbox"/> Spouse If no one can claim you (or your spouse if a joint return), enter \$10,400 if single ; \$20,800 if married filing jointly . See back for explanation.	5	
	6	Subtract line 5 from line 4. If line 5 is larger than line 4, enter -0-. This is your taxable income .	6	84,816
	7	Federal income tax withheld from Form(s) W-2 and 1099.	7	10,888
	8a	Earned income credit (EIC) (see instructions)	8a	
	b	Nontaxable combat pay election. 8b		
	9	Add lines 7 and 8a. These are your total payments and credits .	9	10,888
	10	Tax. Use the amount on line 6 above to find your tax in the tax table in the instructions. Then, enter the tax from the table on this line.	10	16908
	11	Health care: individual responsibility (see instructions) Full-year coverage <input type="checkbox"/>	11	
	12	Add lines 10 and 11. This is your total tax .	12	16908
Refund	13a If line 9 is larger than line 12, subtract line 12 from line 9. This is your refund . If Form 8888 is attached, check here <input type="checkbox"/>	13a	0	

Have it directly



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Hourly, Overtime, Child Support (not using for re-payment)
DAP loan



INCOME ANALYSIS WORKSHEET

Acct #: 0000000
 Rate: 0.00% Completed By: Underwriter's Name Date: MM/DD/YYYY

Borrower: Sue Smith Hourly Rate \$16/hour, OT Rate \$24/hour- Borrower is paid weekly

PAYSTUB:	Gross Pay:	<u>\$640</u>	x	<u>52</u>	÷ 12 mnths	=	\$2,773.33
*Pay Period Ending Date	Year-to-Date:	<u>\$38,543.97</u>	÷	<u>33</u>	x 52 ÷ 12 mnths	=	\$5,061.32
<u>8/17/18</u>				(# weeks)			(limit)
	<u>2017</u>	W2 <u>\$60,736.00</u>			÷ 12 mnths	=	<u>\$5,061.33</u>
	(Year)						
	<u>2016</u>	W2 <u>\$60,736.00</u>			÷ 12 mnths	=	<u>\$5,061.33</u>
	(Year)						
AMOUNT USED							\$2,773.33

~~CONTRACTOR~~ Overtime

PAYSTUB:	Gross Pay:		x		÷ 12 mnths	=	
*Pay Period Ending Date	Year-to-Date:	<u>17,424.00</u>	÷	<u>33</u>	x 52 ÷ 12 mnths	=	\$2,288.00
<u>8/17/18</u>				(# weeks)			(limit)
	<u>2017</u>	W2 <u>27,456.00</u>			÷ 12 mnths	=	<u>\$2,288.00</u>
	(Year)						



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Seasonal, Unemployment & Rental Income on Subject Property



INCOME ANALYSIS WORKSHEET

Acct #: 0000000

Rate: 0.00%

Completed By: Underwriter's Name

Date: MM/DD/YYYY

Borrower: James Jones

Salaried, Seasonal Landscaper/Snow Plower- Works 48 weeks per year + rental income not used for repayment

PAYSTUB:

Gross Pay: \$1,200 x 48 ≈ 12 mnths = \$4,800

*Pay Period Ending Date

Year-to-Date: \$50,400 ≈ 42 x 48 ≈ 12 mnths = \$4,800
(# weeks) (limit)

10/20/18

2017 W2 \$57,600 ≈ 12 mnths = \$4,800
(Year)

2016 W2 \$55,020 ≈ 12 mnths = \$4,585
(Year)

AMOUNT USED \$4,800

Co-Borrower:



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Social Security, Interest & Dividends

Part-time employment- 3 months, cannot use for repayment



INCOME ANALYSIS WORKSHEET

Acct #: 0000000

Rate: 0.00%

Completed By: Underwriter's Name

Date: MM/DD/YYYY

Borrower: Ernie Earner- Social Security Benefits- Grossed up

PAYSTUB:

Gross Pay: \$1,250 x 125% ÷ 12 mnths = \$1,562.50

*Pay Period
Ending Date
 / /

Year-to-Date: _____ ÷ _____ x 52 ÷ 12 mnths = \$1,562.50
(# weeks) (limit)

2017- 1099 W2 \$15,000 ÷ 12 mnths = \$1,250.00
(Year)

2016-1099 W2 \$14,500 ÷ 12 mnths = \$1,208.33
(Year)

AMOUNT USED \$1,562.50

Co-Borrower: Part-Time Employment- Hire Date 7/13/18



QUESTIONS?

SFAMinquiry@chfa.org

