

# **SECTION 1 – GENERAL INTRODUCTION**

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## **1.1 Preface**

This Operating Manual (the “Manual”) has been prepared by the Connecticut Housing Finance Authority (CHFA) to provide Loan origination and operating guidelines for Participating Lenders in its Home Mortgage Purchase Program. This Manual supersedes all prior operating manuals, program bulletins or other home mortgage program materials distributed by CHFA.

CHFA mortgage loans are available to borrowers who meet income and other eligibility criteria described in this Manual, at a below market interest rate based on the sale of CHFA bonds. In addition, CHFA finances home mortgages in Targeted Areas without regard to income limits providing the borrower(s) are not obtaining a downpayment assistance loan with CHFA. CHFA does not refinance existing mortgage loans, except when coupled with substantial rehabilitation, or as part of a “special program” initiative authorized by the Authority.

The purpose of the Home Mortgage Purchase Program is to further the general policies of Chapter 134 of the Connecticut General Statutes, including the specific statutory objectives of:

- A. Providing funds for long-term mortgage financing of residential housing for occupancy by low and moderate income persons and families in Connecticut; and
- B. Encouraging the development of balanced communities of all income levels in cities which qualify as Urban Areas under the Act.

## **1.2 Organization**

This Manual is intended to provide policy guidelines and detailed instructions for the performance of the written agreements between CHFA and its Participating Lenders. Accordingly, the provisions of this Manual are subject in all respects to the provisions in the Authority’s procedures and the definitive terms of the Master Commitment Agreement for Mortgage Purchases and the Home Mortgage Servicing Agreement in effect from time to time.

From time to time, CHFA may revise this Manual by issuing changed or additional pages, or with the publication of CHFA Notice to Participating Lenders or CHFA Bulletins. Notices to Participating Lenders and CHFA Bulletins will be sent to the

Participating Lender designated authorized staff and simultaneously posted on the CHFA website at [www.chfa.org](http://www.chfa.org).

As noted throughout the Manual, CHFA requires the use, as appropriate, of **FHA, VA, or FNMA/FHLMC** printed Mortgage Deed and Promissory Note forms in all cases. Participating Lenders are responsible for processing and servicing Loans in accordance with specific **FHA, VA, USDA-RD, CHFA** or private mortgage insurance (**PMI**) requirements, when applicable, and only general reference is made to those requirements in this Manual.

Throughout this Manual masculine references shall include both genders or either gender, as appropriate.