



Time To Own **Down Payment Assistance Program**

PURPOSE AND OVERVIEW

A significant obstacle to homeownership is a potential homebuyer's inability to cover the down payment and closing costs required to purchase a home. This is particularly true for low- and moderate-income families throughout the state who are seeking an opportunity to purchase a home in higher resourced communities, where home prices are often out of reach for income-constrained homebuyers. For a limited time, the Connecticut Housing Finance Authority (CHFA), on behalf of the State of Connecticut Department of Housing, will offer the ***Time To Own*** down payment assistance loan to help those households overcome the obstacle of being able to afford their first home.

The ***Time To Own*** down payment assistance loan program is available to eligible applicants in conjunction with a CHFA first mortgage loan to purchase their first home. In addition to the ***Time To Own*** down payment assistance loan, borrowers may also take advantage of CHFA's existing Down Payment Assistance (DAP) loan. Eligible borrowers must demonstrate an ability to repay CHFA mortgage loans to qualify for assistance under this program.

LOAN AMOUNT AND RATE

The ***Time To Own*** down payment assistance loan will be structured as a 10-year 0% non-amortizing loan, of which 1/10 of the principal amount will be forgiven on the anniversary of the loan closing, each year, until fully forgiven. The loan amount is based on the borrower's financial needs to reduce the borrower's Payment-to-Income Ratio to not lower than 30% so that not less than 30% of the borrower's gross monthly income is applied to the payment. The ***Time To Own*** loan amount shall not exceed \$50,000.

ELIGIBLE USES

The ***Time To Own*** down payment assistance loan may be applied as follows:

- Up to a 20% down payment
- Up to 5% towards closing costs

TERM

The ***Time To Own*** down payment assistance loan term shall not exceed 10 years.

ELIGIBLE BORROWER

Borrower must be a current resident and able to demonstrate continued residency in Connecticut for the most recent three (3) years. Borrower is required to qualify for and attain a CHFA first mortgage loan. Additionally, CHFA first-time homebuyer loan requirements shall apply.

LIEN POSITION

The ***Time To Own*** down payment assistance loan shall be junior to the CHFA first mortgage and CHFA second mortgage, if applicable.

PROPERTY LOCATION

If the property is in a census tract that is determined to be "high opportunity" or "very high opportunity" per the [State of Connecticut Opportunity Map¹](#), a borrower is eligible to apply for up to \$50,000. For any other property, the loan amount is limited up to \$25,000.

INCOME LIMIT OVERLAY

The ***Time To Own*** down payment assistance loan amount shall be limited based on the borrower's income:

- 80% or less area median income (AMI): up to 100% of the eligible amount based on the property location.
- Greater than 80% up to 100% AMI: up to 75% of the eligible amount based on the property location.

¹<https://www.chfa.org/about-us/ct-opportunity-map/>