

UNDERWRITING CHFA HOMEBUYER MORTGAGE PROGRAMS & BOND COMPLIANCE



CONNECTICUT
HOUSING FINANCE
AUTHORITY

AGENDA

- **Bond Compliance**
- **DAP**
- **CHFA Documents**



True or False?

CHFA can Override:

- ✓ **Freddie Mac,**
- ✓ **Fannie Mae,**
- ✓ **FHA,**
- ✓ **USDA,**
- ✓ **VA and**
- ✓ **PMI Guidelines**



FALSE

**Every file submitted
to CHFA must meet
Investor & Insurer
Guidelines and Comply
with CHFA Manual**



CHFA AND BOND COMPLIANCE REQUIREMENTS

- First-Time Homebuyer
- Income Limits
- Sales Price Limits
- Ratios



FIRST-TIME HOMEBUYER

**Borrower(s) cannot have
owned a home
in the three years prior to
Application Date**

Unless purchasing in a Targeted Area



INCOME & SALES PRICE LIMITS

Determined by:

- **Subject Property Town (CENSUS TRACT) ffiec.gov**
- **Number of Occupants in Household**

Apply to all CHFA Homebuyer Products

Unless subject property is in a Targeted Area and there is no DAP

See Workbook Page 27



BENEFITS OF PURCHASING IN A TARGETED AREA

- ✓ **.25% Discount on Rate**
- ✓ **First-Time Homebuyer Requirement Waived**



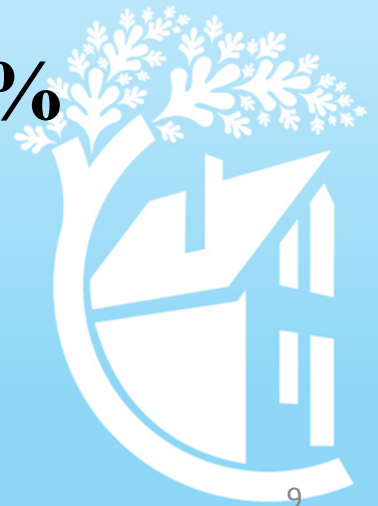
Ratios

Loans without DAP:

- HFA Advantage, USDA, VA MAX 45%
- HFA Preferred, FHA MAX 50%

All Loans with DAP: **35.0% / 43.0%**

No Exceptions



Homebuyer Education

- **At least one borrower must attend**
- **Can be taken in person or online**
- **Landlord Counseling also required if purchasing 2-4 family residence *(cannot be taken online)***

**For more information on Homebuyer Education, visit
www.chfa.org**



Tax Returns for Compliance

In Addition to Income

- ✓ Marital Status
- ✓ Dependents
- ✓ Real Estate Taxes
- ✓ Mortgage Interest



Underwriting Loans with DAP



DAP FACTS

- Must be combined with CHFA First Mortgage
- LTV on first mortgage must be maximized
- Maximum 100% CLTV
- Debt Ratio = 35% / 43%
- Maximum 60 hours per week in earnings to qualify
- Borrower allowed to keep up to \$10,000 in liquid assets after closing
- All delinquent credit with exception of medical collections, but including tax debt, must be paid prior to closing
- Eligibility for DAP financing after Bankruptcy, Foreclosure, Short-Sale or Deed in Lieu is the greater of three (3) years from the date of the event or the amount of time required by insurer



PAYSTUBS

- Deductions
- Direct Deposits
- CSE Credit Union

See Workbook Page 29



BANK STATEMENTS

- ✓ Transfers
- ✓ Employment
- ✓ Overdrafts
- ✓ Other regular deposits/payments

See Workbook Page 36



DAP WORKSHEET

- ✓ Is it signed by the borrower?
- ✓ Has it been updated in LOS with correct assets and closing costs?

See Workbook Page 40



AUS FINDINGS

- ✓ Run correctly as HFA Advantage or HFA Preferred?
- ✓ Community Seconds are correct?

See Workbook Page 42



CHFA DOCUMENTS

- Notice of Potential Recapture Tax
- Understanding Recapture Tax
- 4506T
- Borrower Eligibility Certificate
- DAP Application and Qualifying Worksheet
- DAP Borrower Certificate
- Specialty Products

See Workbook Page 45



QUESTIONS?

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