

CHFA-Approved Lenders Mortgage Program Training



CONNECTICUT
HOUSING FINANCE
AUTHORITY

Our Mission

To alleviate the shortage of housing for low-to-moderate income families and persons in this State and, when appropriate, to promote or maintain the economic development of this State through employer-assisted housing efforts.



Our Values

To meet our mission, our customers, partners and employees can trust us to:



Act with Integrity

We honor our responsibility to be sincere, honest, transparent and accountable in our work.



Bring Compassion to our Customer focus

We bring courtesy, responsiveness, efficiency and respect to all of our relationships.



Work as a Team

We achieve a common goal through teamwork, communication, and sharing our knowledge and resources.



Partner to Innovate

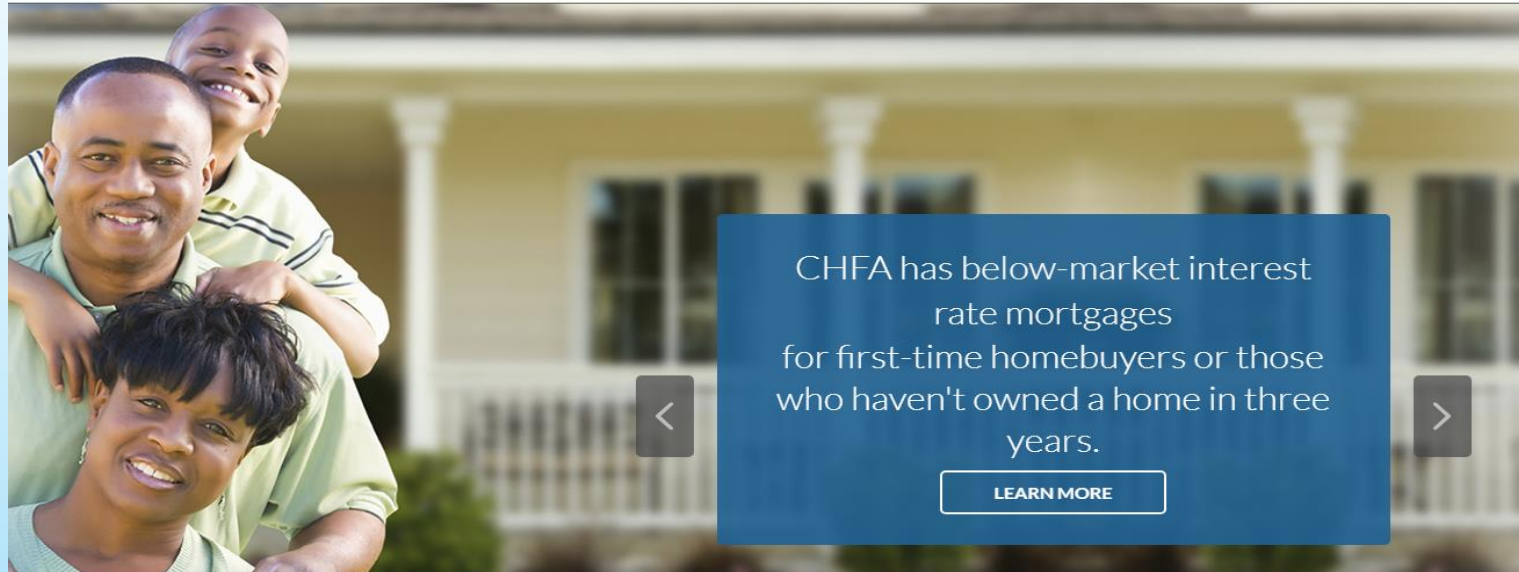
We are an innovative partner who is forward-thinking, committed to continuous improvement and open to new ideas and perspectives.



Take care of our Resources

We responsibly and prudently manage the resources that have been entrusted to us to ensure the long-term sustainability of our mission.





CHFA has below-market interest rate mortgages for first-time homebuyers or those who haven't owned a home in three years.

[LEARN MORE](#)

Homebuyers & Homeowners

- CHFA First-time Homebuyer Guide
- All Homebuyer Mortgage Programs
- CHFA Homes For Sale
- Homebuyer Education
- CHFA- Approved Lenders
- Foreclosure Prevention Resources

Lenders, Real Estate Agents, Counselors

- Homebuyer Mortgage Programs
- Sales Price & Income Limits
- CHFA Resource Map
- Loan Status Information
- CHFA- Approved Housing Counselors

Developers, Owners & Property Managers

- Multifamily Affordable Housing Financing
- Asset Management/Compliance Guidelines
- Property Management Resources
- Design and Construction Criteria
- Consolidated Application Materials



What Makes CHFA Different?

- **Caretaker for the First-Time Homebuyer:**
 - CHFA assists with eliminating obstacles for first-time homebuyers.
- **Competitive Interest Rates:**
 - CHFA has below market interest rate mortgages for first-time homebuyers or individuals that have not owned a home in the past three years.
- **Recapture Tax Provision:**
 - Updated in March, 2013.
- **Income & Sales Price Limits:**
 - Apply to CHFA mortgages.
- **CHFA Down Payment Assistance Loan Program (DAP)**
 - Homebuyer(s) may apply for down payment assistance.



CHFA and Bond Compliance Requirements

- **First-Time Homebuyer**

- Borrower must be a first-time home buyer or have not owned a home in the past three years. Borrowers who have owned a home previously may also apply if they plan to purchase in a Federally Targeted Area of the State and do not own property at the time of loan closing.

- **Income Limits**

- Varies by town and city.
- Differs between households of less than three residents and households of three or more residents.

- **Sales Price Limits**

- Varies by town and city.
- May differ slightly between new and existing homes in the same city or town and for homes found in Federally Targeted Areas.

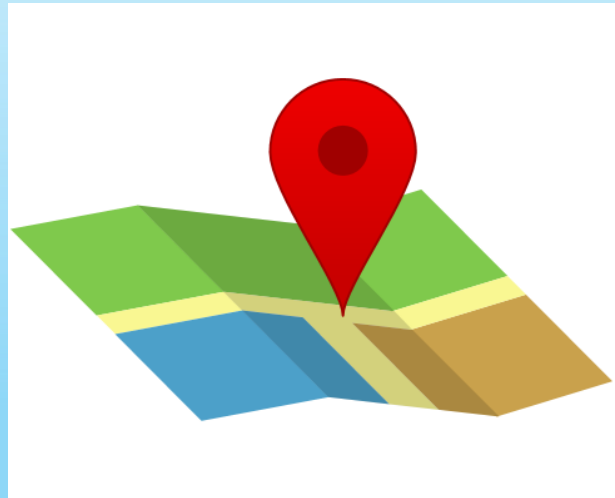
- **Homebuyer Education**

- Pre-Purchase Homebuyer Education
- Pre-Closing Homebuyer Education
- Landlord Education
- Financial Fitness



Targeted Areas

- Certain areas of CT are designated as Federally “Targeted Areas” based on IRS guidelines.
- CT currently has 20 towns designated as Federally “Targeted Areas”.



Benefits of Targeted Areas

- If the prospective homebuyer(s) purchase a home in a Federally designated “Target Area”, they will receive an additional .25% discount on CHFA’s published interest rate.
- **The first-time homebuyer requirement is waived.**
(Homebuyer(s) may not own any other property at the time of closing).
- The income limit is waived *unless* the homebuyer(s) are also using CHFA Downpayment Assistance Program loan funding.
- Homebuyer(s) may not combine the Target Area rate discount with any other rate discount.



CHFA Resource Map

- The CHFA Resource Map is an all-in-one tool to help you find eligibility information for a CHFA mortgage.
- By clicking on the tabs above the map you can see:
 - Income and Sales Price Limits
 - Federally “Targeted Areas”
 - CHFA-Approved Lenders
 - CHFA Homes for Sale



CHFA Resource Map

CHFA Resource Map

Income & Sales Price Limits List

999 West Street Rocky Hill, CT 06067
(860) 721-9501 or 1-844-CT1-HOME (toll free)

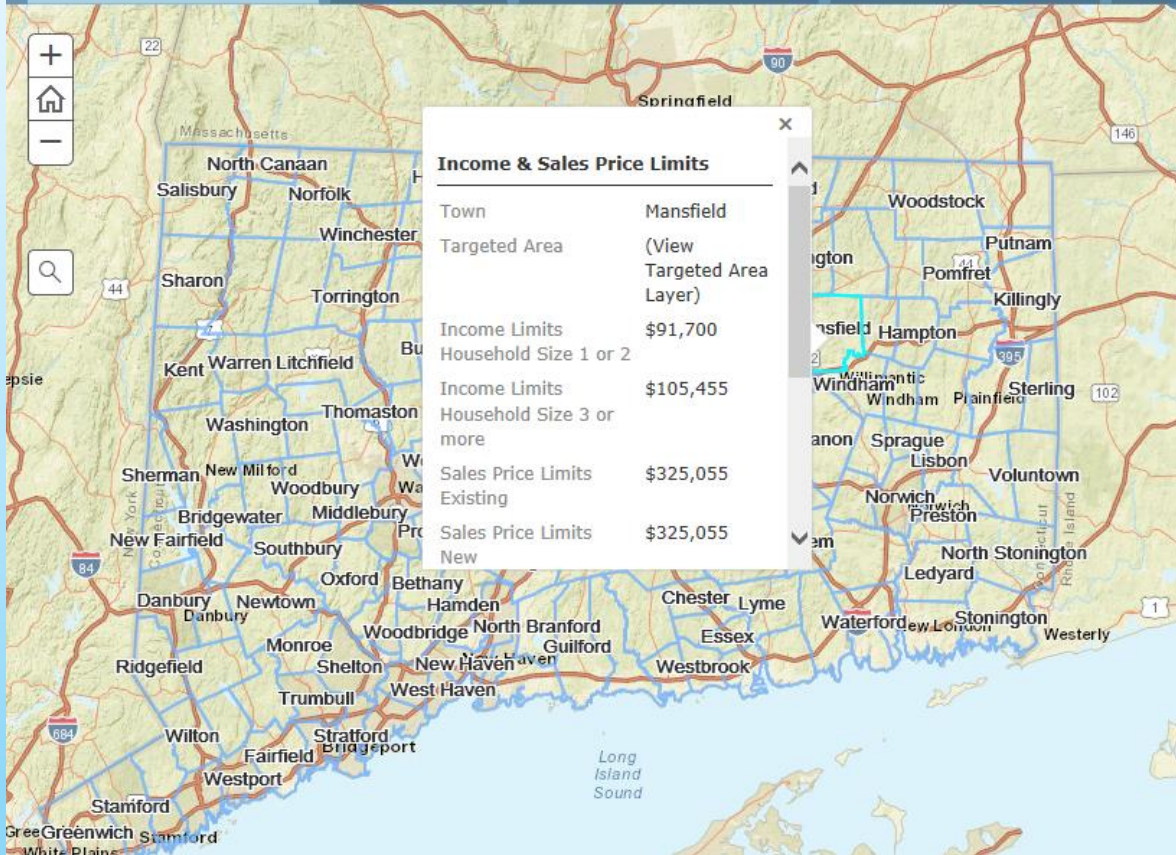
Income & Sales Price Limits

Targeted Areas

CHFA- Approved Counselors

CHFA- Approved Lenders

CHFA- Homes For Sale



Income Limits

(click on town to view attributes)

The Connecticut Housing Finance Authority (CHFA) establishes maximum household income limits on most borrowers eligible for CHFA mortgages. The income limits vary by town and city to correspond with differences in cost of living and median incomes throughout the state. The income limits also differ between households of less than three residents and households of three or more residents.

Rev. 6-01-17

Sales Price Limits

(click on town to view attributes)


The Connecticut Housing Finance Authority (CHFA) establishes maximum sales prices for homes that are eligible for CHFA mortgages. The sales price limits vary by town and city to correspond with the differences in cost of living and median incomes throughout the state.

Rev. 4-17-17

Income Limits

Mortgagor(s) income used only for repayment

Household size is for income limit eligibility

Connecticut Housing Finance Authority - INCOME LIMITS - Eff. 6-4-2018								
								
<i>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)</i>								
<i>All other Programs use "Town" Income Limits as shown below except where not applicable (i.e. Targeted Areas for loans without CHFA DAP)</i>								
"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				Westport	96,800	111,320



Sales Price Limits

Connecticut Housing Finance Authority - SALES PRICE LIMITS

Effective June 4, 2018



Fairfield County			Litchfield County, cont.			New Haven County, cont.		
	Existing	New		Existing	New		Existing	New
Bethel	553,760	553,760	Canaan	329,290	329,290	Prospect	281,645	281,645
Bridgeport	553,760	553,760	Colebrook	329,290	329,290	Seymour	281,645	281,645
*Targeted Areas	676,820	676,820	Cornwall	329,290	329,290	Southbury	281,645	281,645
Brookfield	553,760	553,760	Goshen	329,290	329,290	Wallingford	281,645	281,645
Danbury	553,760	553,760	Harwinton	329,290	329,290	Waterbury * All Areas	344,235	344,235
*Targeted Areas	676,820	676,820	Kent	329,290	329,290	West Haven	281,645	281,645
Darien	553,760	553,760	Litchfield	329,290	329,290	Wolcott	281,645	281,645
Easton	553,760	553,760	Morris	329,290	329,290	Woodbridge	281,645	281,645
Fairfield	553,760	553,760	New Hartford	329,290	329,290	New London County		
Greenwich	553,760	553,760	New Milford	329,290	329,290		Existing	New
Monroe	553,760	553,760	Norfolk	329,290	329,290	Bozrah	271,160	271,160
New Canaan	553,760	553,760	North Canaan	329,290	329,290	Colchester	271,160	271,160
New Fairfield	553,760	553,760	Plymouth	329,290	329,290	East Lyme	271,160	271,160
Newtown	553,760	553,760	Roxbury	329,290	329,290	Franklin	271,160	271,160
Norwalk	553,760	553,760	Salisbury	329,290	329,290	Griswold	271,160	271,160
*Targeted areas	676,820	676,820	Sharon	329,290	329,290	Groton	271,160	271,160
Redding	553,760	553,760	Thomaston	329,290	329,290	*Targeted Areas	331,420	331,420
Ridgefield	553,760	553,760	Torrington	329,290	329,290	Lebanon	271,160	271,160
Shelton	553,760	553,760	*Targeted Areas	402,470	402,470	Ledyard	271,160	271,160
Sherman	553,760	553,760	Warren	329,290	329,290	Lisbon	271,160	271,160
Stamford	553,760	553,760	Washington	329,290	329,290	Lyme	271,160	271,160
*Targeted Areas	676,820	676,820	Watertown	329,290	329,290	Montville	271,160	271,160
Stratford	553,760	553,760	Winchester	329,290	329,290	New London *All Areas	331,420	331,420
Trumbull	553,760	553,760	Woodbury	329,290	329,290	North Stonington	271,160	271,160
Weston	553,760	553,760	Middlesex County			Norwich	271,160	271,160
Westport	553,760	553,760		Existing	New	*Targeted Areas	331,420	331,420
			Chester	325,055	325,055	Old Lyme	271,160	271,160



Homebuyer Education

- CHFA requires Homebuyer Education for **ALL** CHFA Programs. (Bulletin #84)
- CHFA offers Online Homebuyer Education classes through our partnership with eHome America.
- If your borrower chooses the Online class, you must click the “YES” box on the “Submit Reservation” screen on CHFA’s LOS system.
- When the loan is submitted in LOS, the system will provide the Lender a **free coupon code which should be given to the borrower to register for the Online class “free of charge”**.

See: www.chfa.org – Homebuyer Education page for Homebuyer and Lenders Online Homebuyer Registration instructions.



Homebuyer Education, cont.

- A minimum of a 3-hour Pre-Closing Homebuyer Education class is required for at least one borrower.
- For joint applications, only one borrower is required to attend the class however, CHFA strongly recommends both borrowers participate for the greatest benefit.
- Borrowers must take the class in person or online with a CHFA / HUD Approved Counseling Agency.
- Lenders must provide the homebuyer with the free CHFA coupon code obtained from LOS, for the online course.
- Borrower(s) are encouraged to take the class ASAP.
- Borrower(s) purchasing multi-unit properties (*2-4 Family units*) are also required to attend a Landlord Education Counseling class*.

**Both the Pre-closing and Landlord Counseling Certificates are required for multi-unit property homebuyers.*



Homebuyer Education cont.

- **Pre-Purchase Education: (Reservation not required)**

- **8-hour Homebuyer Education Class:**

- Provides an overview on what it takes to become a successful homeowner.
(from seeking pre-approval for a mortgage to making an offer to the closing process)

- **Pre-Closing Homebuyer Education: (Reservation required)**

- **3-hour Homebuyer Education Class (or Online E-Home America class):**

- Provides an overview of budget planning, home maintenance, and foreclosure prevention. At least one CHFA applicant is required to attend this course.

- **Landlord Education:**

- Provides an overview of the issues a homebuyer should understand before owning a multifamily home. This class is required for CHFA homebuyer(s) buying a 2-4 family home.

- **Foreclosure Prevention Counseling is also available.**



Federal Recapture Tax

Recapture tax may be owed if:

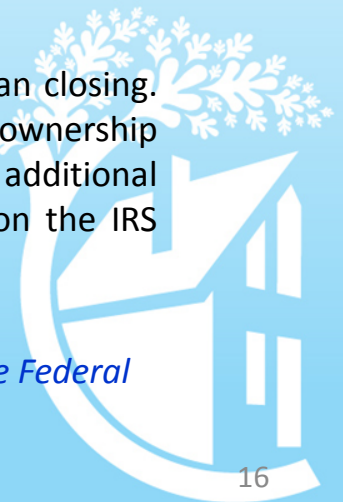
1. A borrower sells the home within nine (9) years of purchase; and
2. Earns significantly more income than when he/she bought the home; and
3. Has a gain from the sale.

Recapture tax would not be owed if:

- A home is sold any time after nine (9) years of purchase.
- A borrowers household income does not rise significantly over the life of the loan. (*generally more than five percent per year*)
- Home is sold within nine (9) years but there is no gain on the sale.

CHFA borrowers will receive disclosure information at the time of application and at the loan closing. These disclosures indicate the federal income limits effective during the nine (9) years of ownership when the tax may come due, if all of the above conditions are present. You may also find additional information regarding recapture tax by obtaining IRS Form 8828 with instructions found on the IRS website at www.irs.gov.

Note: Borrower(s) may be eligible to receive reimbursement from CHFA if required to make the Federal Recapture Tax payment and they complete the required CHFA forms.



File Must Meet Investor and Insurer Guidelines

- **FHA**
- **FHLMC**
- **FNMA**
- **USDA**
- **VA**



Eligible Properties

CHFA requires owner occupancy of the home purchased for the life of the loan.

- Single Family homes, Townhouses, and PUDs (*existing and new*).
- Condominiums (*must be FHA/VA/FNMA/FHLMC approved*).
- Multifamily homes (*2 to 4 units*) must have been residential properties for the last 5 years.
- Newly constructed 2 family homes (*in Targeted Areas*).



Eligible Properties

Condominium

- **Condominiums:**
 - **CHFA Approval of Condominiums is not required** *unless* the condo is deed restricted for affordability to low-to-moderate income homebuyers or first time homebuyers.
 - Please send email to sfaminquiry@chfa.org for approval (*if applicable*).



Eligible Properties

Condominium

- FHA - Approved Condominiums
- VA- Approved Condominiums
- Fannie Mae/Freddie Mac eligible for Conventional loans

The following documentation is acceptable:

- CHFA Condo Eligibility Certificate; or
 - CPM (*Condo Project Manager*) - FNMA; or
 - Lenders own form verifying Condo eligibility.
-
- Condo Questionnaire and Full Budget is required for loans delivered to IHFA requiring full condo review. If DU allows limited review, Lender is to put a memo stating as such in file and Questionnaire/Full Budget are not required.



CHFA INTEREST RATES

- CHFA offers two point options for all products
(FHA 203(k) Rehabilitation Loan Programs - Standard = 2.50% and Limited = 1.50%)

RATE STRUCTURE EXAMPLE

<u>Government</u>	<u>Non-Government</u>	<u>Point</u>	<u>APR</u>
<u>Rate</u> 3.000%	<u>Rate</u> 3.25%	1.00	(APR range 3.100% - 3.750%)
3.375%	3.625%	0.00	(APR range 3.475% - 4.125%)

(The margins between government and non-government rates are subject to change with interest rate changes published every Tuesday & Friday by 12 noon)

- Targeted Areas allow for .25 % discount on interest rates.
CANNOT BE COMBINED WITH PROGRAMS THAT OFFER THE DISCOUNTED RATES AS LISTED BELOW
- The following programs offer a rate reduction discount of .125%:
Homeownership, Home of Your Own, Military, Police, Teachers Programs



Rate Lock & Reservation of Funds

CHFA Rate Lock

- Reservation of Funds - 90 Days
- Commitment Rate in effect for 90 Days



Editing Reservations

- Reservations may be edited by the lender's designated CHFA LOS Senior Loan Processor or CHFA LOS Admin.

Edits can include:

- Changing point structure
- Changing subject property address
- Adding or deleting co-borrowers
- Adding or deleting DAP or other Subordinate Financing



Additional Fees Authorized by CHFA

- **Loan Processing Fee = \$395.00**
- **Loan Underwriting Fee = \$395.00**
- **MERS Fee up to \$75.00 (*for IHFA loans only*)**

These fees are applicable to CHFA 1st mortgage loan transactions only.



CHFA Mortgage Programs



**CHFA – Approved Lenders can originate
Government and Conventional Mortgages
which include:**

- **FHA**
- **VA**
- **USDA**
- **FNMA**
- **FHLMC**



HFA Preferred™ Programs

- [HFA Preferred™ and HFA Preferred™ Uninsured Programs](#) allow first and second mortgage loan financing to eligible first-time homebuyers in compliance with CHFA and Fannie Mae (FNMA) eligibility requirements.
- These programs offer a 30-year fixed rate mortgage with low cost mortgage insurance coverage requirements.
- Mortgage insurance is required when the amount financed exceeds 80% of the appraised value or purchase price, whichever is less.



HFA Advantage[®] Programs

- [HFA Advantage[®] and HFA Advantage[®] Uninsured Programs](#) allows first and second mortgage loan financing to eligible first-time homebuyers purchasing a single family residence in compliance with CHFA and Freddie Mac (FHLMC) eligibility requirements.
- These programs offer a 30-year, fixed rate mortgage with low cost mortgage insurance coverage requirements.
- Mortgage insurance is required when the amount financed exceeds 80% of the appraised value or purchase price, whichever is less.



Teachers Mortgage Assistance Program

- The **Teachers Mortgage Assistance Program** offers home loans at below-market interest rates to Connecticut public school and vocational-technical teachers who qualify. The prospective homebuyer(s) will receive an additional .125% discount on CHFA's published interest rate.
- **First way to qualify:**
 - Teachers certified and teaching in a subject matter shortage area may qualify for the Teachers Program in any school district in CT.
- **Second way to qualify:**
 - Teachers may qualify for the Teachers Loan Program if they intend to purchase a home in the same priority or transitional school district where they are teaching.



Police Homeownership Program

- The **Police Homeownership Program** encourages Police Officers to purchase homes and reside in communities where they work by offering home loans at below-market interest rates. The prospective homebuyer(s) will receive an additional .125% discount on CHFA's published interest rate.
- The homebuyer must be a municipal or state police officer, purchasing a home in a designated area of a participating town.
- **Municipal Police Officer:**
 - The homebuyer must work in the town where they purchase their home.
- **State Police Officer:**
 - The homebuyer may purchase a home in any participating city or town.



Military Homeownership Program

- The **Military Homeownership Program** is designed to help the men and women who serve our country realize the dream of homeownership at below market interest rates to members of the U.S. Military, Reserve, or National Guard. The prospective homebuyer(s) will receive an additional .125% discount on CHFA's published interest rate.
- The homebuyer must be a veteran, full-time active duty, Reserve or National Guard service member of the United States military. Unmarried surviving spouses or civil union partners of eligible veterans may also be eligible.



FHA 203(k) Standard and 203(k) Limited Rehabilitation Mortgage Programs

- The FHA 203(k) Standard and Limited Rehabilitation Mortgage Programs offer mortgage financing for homebuyer(s) interested in purchasing a home in need of repairs.
- **203(k) Standard Program:** allows for full structural alterations and repairs of damage to the home (*i.e. chimneys, walls, roof, and ceilings as well as termite and water damage*).
- **203(k) Limited Program:** allows for improvements and repairs with costs between \$5,000 - \$35,000 including these repairs: full conversion of a single family home to duplex, installation of energy-efficient features, and repair of flooring, roofing, and handrails.



Home of Your Own Program

- The Home of Your Own Program offers home loans at below-market interest rates to homebuyer(s) who are disabled or who have a disabled member of the household. The prospective homebuyer(s) will receive an additional .125% discount on CHFA's published interest rate.
- The homebuyer(s) must provide proof of the disability to your lender. The disability can be established with documentation.



Homeownership Mortgage Program

- The Homeownership Mortgage Program offers mortgages at below-market interest rates to tenants of publicly assisted housing who wish to transition from renting to homeownership. The prospective homebuyer(s) will receive an additional .125% discount on CHFA's published interest rate.
- The homebuyer must be a tenant of public housing or receive public housing assistance through the Section 8 Rental Assistance Program, the Department of Developmental Services, or the State Moderate Rental Program.



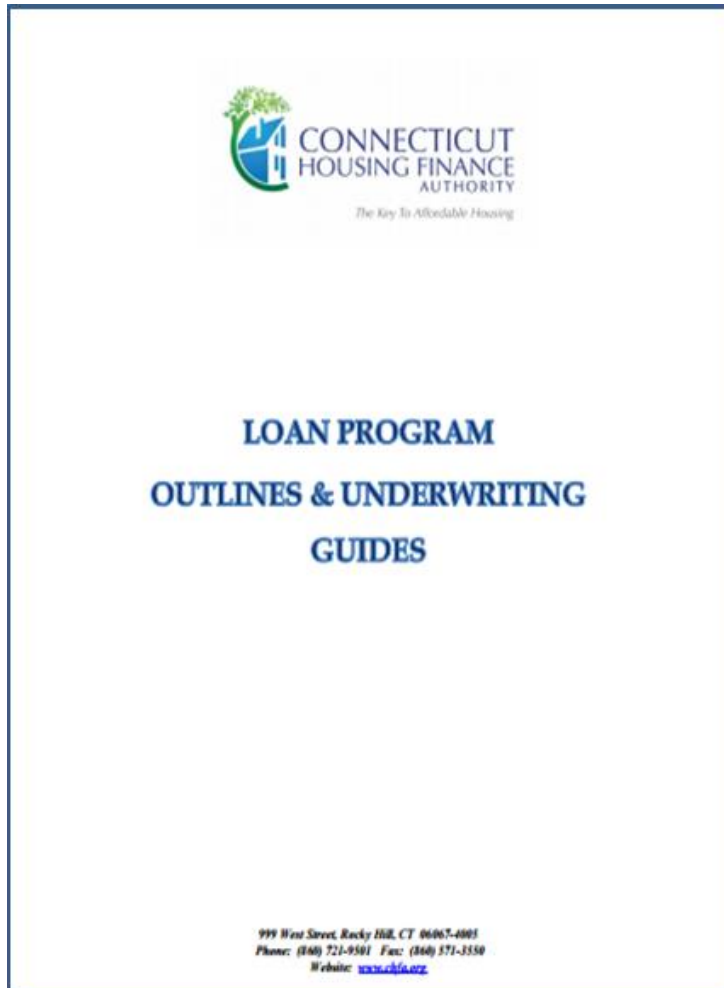
CHFA Insured Pilot Program

- The **CHFA Insured Pilot Program (CIPP)** offers credit worthy homebuyer(s) with credit scores less than or equal to 620 an opportunity for mortgage loan financing currently not available due to minimum credit score overlays set by Lenders or PMI companies and are not eligible for delivery to Idaho Housing and Finance Association (IHFA) for purchase and pooling.

CIPP loans approved for financing will be insured and purchased by CHFA.



LOAN PROGRAM OUTLINES & UNDERWRITING GUIDES



CHFA has prepared a reference guide for our Lenders which pertains to the many loan programs offered, and includes information regarding underwriting overlays, credit scores, applicable servicers, and more

[Go to chfa.org](http://www.chfa.org)

Lenders/Mortgage Program Resources
[see PDF titled:](#)

**LOAN PROGRAM OUTLINES AND
UNDERWRITING GUIDES**

UNDERWRITING CHFA HOMEBUYER MORTGAGE PROGRAMS



Monthly Debt-to-Income Ratio



All Mortgage Programs without DAP

*The maximum **monthly** housing expense ratio allowed must be in compliance with the insurer or guarantor guidelines.*

- **FHA and HFA Preferred:** Lenders may follow AUS / Total Scorecard for loans with Approve/Eligible findings up to a **maximum total DTI of 50%**.
- **HFA Advantage, USDA-RD and VA Guaranteed:** Lenders may follow AUS/GUS for loans with Approve/Accept/Eligible findings up to a **maximum total DTI of 45%**.

When applicable, CHFA DAP guidelines will also apply

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

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

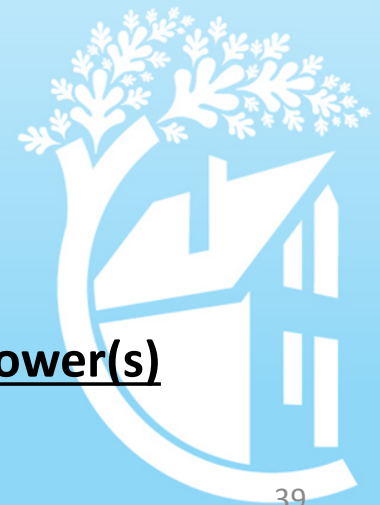
Rental Income

Retirement

Social Security/VA Benefits

Welfare

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



Tax Returns

- **Why three years?**
- **Dependents**
- **Additional Income**



Downpayment Assistance Program Overview

CHFA DAP 2nd mortgages are only available with CHFA first mortgage loan financing.

Effective with Reservations on or after April 1, 2018

- **Borrowers may apply for down payment assistance ONLY.**
(Closing costs are no longer eligible for inclusion in the CHFA DAP Loan Amount)
- **Rate and term for CHFA DAP is the same as the first mortgage.**



Structuring Loans with DAP

Conventional Financing

1. If purchasing a single family, condominium or PUD with maximum financing of 97% LTV, borrowers may apply for 3% DAP for down payment. Maximum 100% CLTV.
2. If purchasing a multi-family (2-4 unit) property with maximum financing of 95% LTV, borrowers must contribute 3% of their own funds and can apply for 2% DAP* for down payment. Maximum 97% CLTV.

**HFA Advantage Program – Single Family Only*

Note: If the LTV is less than 97% on SFR or 95% on 2-4 unit, borrower is not eligible for DAP



Structuring Loans with DAP

Government Loans

- FHA – If purchasing a 1-4 unit residence, condominium or PUD with maximum financing of 96.5% LTV, borrower may apply for 3.50% DAP for down payment.
- UFMIP must be included in the first mortgage.
Maximum 100% CLTV.

Effective with Reservations on or after April 1, 2018

DAP is not available for VA or USDA first mortgages



CHFA Second Mortgage Loan (DAP) Underwriting Ratios

- The monthly Housing-To-Income expense ratio is 35%.
- The monthly Total-Debt-To-Income ratio is 43%.

NO EXCEPTIONS

- Income used to calculate housing and debt ratios will be limited to a total of 60-hours of income from either full-time employment combined with over-time earnings; or full-time employment combined with part-time employment earnings.

Delinquent Credit

(Eligibility Requirements For Loans With CHFA DAP)

- CHFA will continue to require payment of all delinquent accounts including collections and charge offs and outstanding judgment accounts as well as any State or Federal past due tax obligation including accounts with established payment arrangements **without exception.**
- Eligibility for 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 the insurer***
(i.e. FHA, VA, USDA or PMI) or investor, (FNMA/FHLMC)

The date of the event will be determined by the discharge or dismissal date of the derogatory credit event



DAP Loan Amount and Asset Limitation

- **All available borrower assets exceeding \$10,000 must be used toward the cost of acquisition of the property.**
- **Retirement funds are not to be included in the asset test calculations.**
- **Liquid assets include all assets of the proposed mortgagor(s) only.**
- **Types of asset accounts include: Checking, Savings, CDs, Money Market Funds, Custodial Accounts, Stocks, bonds, etc.**



2 – 4 Family Unit Reserves Requirement

- CHFA requires Lenders to collect the amount of reserves that is in compliance with the guidelines of the insurer, (*i.e. FHA, VA, USDA or PMI*) or investor (*FNMA/FHLMC*).
- If reserves are required, borrower will be allowed to keep the greater of, the required reserve amount - OR - \$10,000.
- 401k funds may be included to meet the reserve requirement.



Bank Statements

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



Paystubs

- **Deductions**
- **Direct Deposits**
- **CSE Credit Union**



DAP Allowable Closing Costs

- Closing costs on DAP loans may not exceed \$450.*
- CHFA – Approved Lenders may charge a \$200 application fee for processing DAP loans and actual costs for the recording fees.
- Title insurance is not required on a DAP loan, however, Lenders may collect up to a maximum of \$150* for settlement agent expenses associated with closing the second mortgage loan.

**If the lender charges \$200 application fee and the actual recording fees exceed \$100, the maximum settlement agent fee must be decreased for total allowable fees to not exceed \$450.*

If necessary, other fees should also be adjusted to insure that the total allowable fees do not exceed \$450.



IMPORTANT NOTE

The CHFA DAP eligibility and underwriting criteria does not apply to applications when only first mortgage loan financing is applicable.

First mortgage applications will continue to be processed under the eligibility and underwriting criteria described in:

SECTION 3 – ELIGIBILITY; and
SECTION 5 – UNDERWRITING

of the CHFA Home Mortgage Program - Operating Manual

DAP eligibility and underwriting criteria is described in:
SECTION 8 – DOWNPAYMENT ASSISTANCE PROGRAM

NOTE: Files should be fully underwritten and recommended for CHFA approval by the Lender prior to submission to CHFA.



CHFA DOCUMENTS



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



Assembling the Loan File For CHFA Underwriting



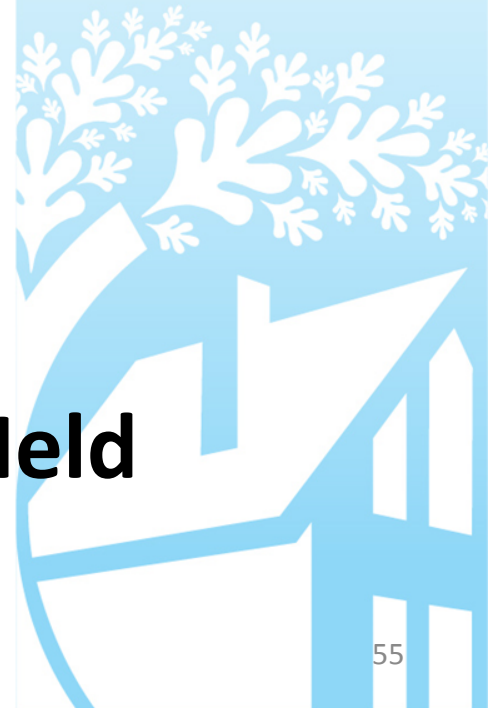
Transmittal

- **Is the transmittal signed?**
- **Subordinate financing?**
- **FHA – EIN 06-1267528**
- **Correct DAP monthly payment?**



1003

- **Complete?**
- **Declarations**
- **Dependents**
- **Manner In Which Title Will Be Held**



AUS Findings

- **Run as HFA Preferred or HFA Advantage?**
- **Match Transmittal**
- **Community Seconds**



CHFA - LOAN FILE SUBMISSION FORM

SERVICER: IDAHO HOUSING AND FINANCE ASSOCIATION

CONVENTIONAL MORTGAGES

(Form for HFA Preferred™ / HFA Advantage® & Uninsured Only)



CHFA LEAN LOAN

Date: _____

All Files Submitted To CHFA Are Required To Be Scanned In Checklist Order

COMPLETE THE FOLLOWING TO SUBMIT LOANS IN CHFA LOS:

- Update All Applicable Fields In LOS - Confirm Program Type & Interest Rate - Including DAP Worksheet (If applicable)
- Complete And Submit CHFA LOS Additional Data Screen
- Upload The Final Loan Application (1003) In CHFA LOS

LENDER / SELLER CONTACT INFORMATION

File Contact Name & Title	Telephone & Ext.	Contacts Email Address
---------------------------	------------------	------------------------

BORROWER INFORMATION

CHFA Loan #	IHFA Loan #	Primary Borrower Name (Last, First)
-------------	-------------	-------------------------------------

LOAN FILE SUBMISSION TO INCLUDE , but is not limited to the following documentation (as applicable). Documentation requirements may differ by program.

CREDIT PACKAGE DOCUMENTS - CHECK ONLY ITEMS APPLICABLE

Commitment / Loan Exceptions / Transmittal

<input type="checkbox"/> 1 File Submission Checklist - CHFA Form 009-1107 - ID	<input type="checkbox"/> 3 Loan Exception Documentation
<input type="checkbox"/> 2 Other Subordinate Financing - Initial Financing Approval Document <i>(i.e. Housing Dev. Fund, Equity Builder, City of HTFD, etc.)</i>	<input type="checkbox"/> 4 Final Transmittal Summary (1008) FNMA (dated/signed by Underwriter)
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

First Mortgage Loan Approval & Application

<input type="checkbox"/> 1 Final/Verified Loan Application (1003)	<input type="checkbox"/> 3 AUS Findings - Final version (DU, LP)
<input type="checkbox"/> 2 Initial Loan Application (1003) (signed by Borrower & Ln Originator)	<input type="checkbox"/> 4 Private Mortgage Insurance Certificate - Copy (if applicable)
<input type="checkbox"/>	<input type="checkbox"/>



Credit & Fraud Checks

1 Credit Supplements (if applicable)	5 Credit Report Inquiry Explanation with Documentation - signed & dated
2 Credit Report - RMCR / Tri-Merge (associated to AUS, if applicable)	6 Divorce Decree / Property Separation Agreements (if applicable)
3 Bankruptcy Report / Discharge (if applicable)	7 Child Support Verification (if applicable)
4 Letter addressing Adverse Credit and/or Discrepancies - signed & dated	

Income / Employment - (Most recent Documentation on Top)

1 Income Analysis Worksheet - Lender or CHFA Form 064-0309 (Repayment)	7 Academic Student Transcript - for full-time student (or pay stub) if DAP LN
2 Income Analysis Worksheet - Lender or CHFA Form 064-0309 (Income Limit)	8 IRS Tax Return Transcripts - 3 most recent - 1 yr if targeted area
3 Verification of Employment (past 2 yrs with start/end dates)	~ or ~
4 Current paystubs (reflecting 30 days & YTD income)	8 Fed. Tax Return- <i>Personal</i> Signed 3 most recent - 1 yr if target area - all schedules
5 Verif. of Supplemental Income - Soc Sec, Pension Award (or per AUS)	8 Fed. Tax Return- <i>Business</i> Signed 3 most recent - 2 yrs if target area - all schedules
6 W-2's, 1099's - Most recent 2 yrs	9 Income Letter(s) of Explanation (if applicable)

Assets - (Most recent Documentation on Top)

1 Cleared Earnest Money Check (copy) with source of funds (if applicable)	4 Any Additional Supporting Asset Documentation (if applicable)
2 Gift Documentation per FNMA guidelines	5 Asset Statements (Bank name & ownership) most recent 3 mths - all accounts
3 DAPS: Document source of deposit & withdrawals >10% of mnthly income	

Property / Appraisal

1 Appraisal Report (include Photos, Street View, Comparables)	6 Flood Hazard Notice
2 Final / Repair Inspection with Photos - FNMA 1004D (if applicable)	7 Verification of Property Census Tract - FFIEC Geocoding print-out or Other
3 Certificate of Occupancy (if applicable)	8 Purchase Agreement - short sale agreement, probate approval...(fully executed)
4 Evidence Condo is FNMA Eligible - CHFA Form 013-490 - or - Equivalent	9 Purchase Agreement - All Addendums & Counter Offers (fully executed)
5 Flood Life of Loan Determination Certificate	



IHFA Conventional Mtg - Continued

CHFA REQUIRED DOCUMENTS (if applicable)

1	Federal Recapture Tax Notice - Potential Tax - 051-0597	10	Police Statement of Eligibility - 031-027
2	Federal Recapture Tax Notice - Understanding Tax - 050-0597	11	Teacher Statement of Eligibility - 031-030
3	Federal Recapture Tax Notice - Method to Compute (LEAN Only)	12	Military Form DD214 Separation Documents (Honorable Discharge)
4	IRS Form 4506-T - Copy (completed & signed for each Borrower)		
5	Borrower Eligibility Certificate - 014-1107	Homeownership Counseling	
6	DAP - Application for Downpayment Only - DAPAppOnly	13	Pre-Closing Homebuyer Education Certificate (3Hr)
7	DAP - Borrower's Certificate - DAP 95-05	13	Pre-Purchase Homebuyer Education Certificate (8Hr)
8	Loan Estimate (LE) Initial Disclosure (1st Mtg & DAP if applicable)	13	Online Homebuyer Education (e-Home America) Certificate
9	Landlord Verif. of Tenant Address - 060-1005 or Lease, or Recertification	14	Financial Fitness Certificate
		15	Landlord Certificate (if multifamily)

CLOSING DOCUMENTS - IDAHO HOUSING AND FINANCE ASSOC.

	Final FNMA 1003 uploaded in "Lender Connection" Web Portal		Documents Delivered Electronically in "Lender Connection"
	"Lender Connection" Loan Information Completed Online		Original/Final Documents Mailed To: Idaho Housing and Finance Association - 565 W. Myrtle St. - Boise, ID 83702
	Detail Purchase Advice Funding Sheet - CHFA Form 066-0408		Participating Lender Certification - CHFA Form 019-1101
1	LEAN Lender Commitment Letter - Fully Executed	15	New Construction Exhibits (if applicable)
2	Commitment Letter - (CHFA) - Fully Executed	16	UCDP - Submission Summary Report
3	CHFA DAP (Subordinate Financing) - Copy Executed Commitment Letter Only	17	UCD - (<i>Uniform Closing Dataset</i>) - Final Submission Report - Eff. 9/25/2017
4	Other Subordinate Financing - Copy Second Mortgage Note & Deed	18	Private Mtg Insurance Certificate
5	IHFA - Certif. of Accelerated Delivery Form 1040 (see Lender Connection)	19	Private Mtg Insurance Cancellation Disclosures - Assigned to HomeLoanServ
6	Flood Life of Loan Determination - Certificate Transferred to HomeLoanServ	20	Servicing Transfer Discl. - "Goodbye Letter" Borrower notified of HmLnServ info.
7	Flood Insurance Policy (if applicable) HomeLoanServ listed loss payee w/LN#	21	Original Note (First Mtg) - Endorsed to IHFA
8	Hazard Ins. Policy/Binder - HomeLoanServ listed loss payee with LN #	22	Mtg Deed/Sec. Instr., Applicable Riders, Legal Descrip - Copy (First Mtg)
9	Hazard Ins. - Condo Master Insurance Policy (if applicable)	23	Immigration & Naturalization Services (INS) Card - Copy
10	Hazard Ins. - Condo "Walls In" Binder - H-06 policy (if applicable)	24	Legal Address matches Note, Deed, 1003 App'l, AUS, Flood Cert., Ins. etc.
11	Mortgage Assignment to IHFA - ISAOA ATIMA -Copy (if not utilizing MERS)	25	Borrower Signature Affidavit - 014-0718 - S
12	Title Ins. Policy - Final with Chain of Title & Property Tax Info.	26	Closing Discl. (CD) Initial & Final with Settlement Agent disbursement sheet
13	Initial Escrow Account Disclosure	27	Loan Estimate (LE) Revised - Change of Circumstance Form, if applicable
14	Well, Septic Inspections (if applicable)		



****Recorded Mtg & Assignment, Title Policy and FHA MIC/VA LGC/USDA-RD LNG must be delivered within 90 days of loan purchase****

CHFA DAP Closing Documents (if applicable)

Homeowners insurance policy to include second mortgagee clause as follows:

Connecticut Housing Finance Authority C/O HomeLoanServ, its successors and/or assigns as their interests may appear: P.O. Box 7899-Boise, ID 83707

1	Executed Commitment Letter - Copy (CHFA DAP subordinate financing)	4	DAP Loan Estimate (LE)
2	Original DAP Note (closed in the name of CHFA)	5	DAP Closing Disclosure (CD)
3	Original DAP Deed		

Miscellaneous Documents (if applicable)

1		4	
2		5	
3		6	

CHFA - LOAN FILE SUBMISSION FORM

SERVICER: IDAHO HOUSING AND FINANCE ASSOCIATION

GOVERNMENT MORTGAGES

(Form for FHA, USDA-RD, VA Only)



CHFA LEAN LOAN

Date: _____

All Files Submitted To CHFA Are Required To Be Scanned In Checklist Order

COMPLETE THE FOLLOWING TO SUBMIT LOANS IN CHFA LOS:

Update All Applicable Fields In LOS - Confirm Program Type & Interest Rate - Including DAP Worksheet (If applicable)

Complete And Submit CHFA LOS Additional Data Screen

Upload The Final Loan Application (1003) In CHFA LOS

LENDER / SELLER CONTACT INFORMATION

File Contact Name & Title

Telephone & Ext.

Contacts Email Address

BORROWER INFORMATION

CHFA Loan #

IHFA Loan #

Primary Borrower Name (Last, First)

LOAN FILE SUBMISSION TO INCLUDE, but is not limited to the following documentation (as applicable). Documentation requirements may differ by program.

CREDIT PACKAGE DOCUMENTS - CHECK ONLY ITEMS APPLICABLE

Commitment / Loan Exceptions / Transmittal

<input type="checkbox"/> 1	File Submission Checklist - CHFA Form 009-1107 - ID	<input type="checkbox"/> 5	USDA-RD Form 3555-18 Conditional Commitment for S/Fam Ln Guarantee
<input type="checkbox"/> 2	Other Subordinate Financing - Initial Financing Approval Document	<input type="checkbox"/> 6	HUD 92900LT - Final Underwriting & Transmittal Summary (signed by UW & dated)
<input type="checkbox"/> 3	Loan Exception Documentation	<input type="checkbox"/> 7	VA Form 26-6393 Loan Analysis (signed by UW & dated)
<input type="checkbox"/> 4	Final Transmittal Summary (1008) FNMA (USDA Loans ONLY - signed by UW & dated)	<input type="checkbox"/>	
<input type="checkbox"/>		<input type="checkbox"/>	

First Mortgage Loan Approval & Application

<input type="checkbox"/> 1	Final/Verified Loan Application (1003)	<input type="checkbox"/> 3	AUS Findings - Final version (DU, LP, GUS)
<input type="checkbox"/> 2	Initial Loan Application (1003) (signed by Borrower & Ln Originator)	<input type="checkbox"/>	
<input type="checkbox"/>		<input type="checkbox"/>	

Credit & Fraud Checks

1 Credit Supplements (if applicable)	5 Credit Report Inquiry Explanation with Documentation - signed & dated
2 Credit Report - RMCR / Tri-Merge (associated to AUS, if applicable)	6 Divorce Decree / Property Separation Agreements (if applicable)
3 Bankruptcy Report / Discharge (if applicable)	7 Child Support Verification (if applicable)
4 Letter addressing Adverse Credit and/or Discrepancies - signed & dated	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

Income / Employment - (Most recent Documentation on Top)

1 Income Analysis Worksheet - Lender or CHFA Form 064-0309 (Repayment)	7 Academic Student Transcript - for full-time student (or pay stub) if DAP LN
2 Income Analysis Worksheet - Lender or CHFA Form 064-0309 (Income Limit)	8 IRS Tax Return Transcripts - 3 most recent - 1 yr if targeted area
3 Verification of Employment (past 2 yrs with start/end dates)	~ or ~
4 Current paystubs (reflecting 30 days & YTD income)	8 Fed. Tax Return- <i>Personal</i> Signed 3 most recent - 1 yr if target area - all schedules
5 Verif. of Supplemental Income - Soc Sec, Pension Award (or per AUS)	8 Fed. Tax Return- <i>Business</i> Signed 3 most recent - 2 yrs if target area - all schedules
6 W-2's, 1099's - Most recent 2 yrs	9 Income Letter(s) of Explanation (if applicable)
<input type="checkbox"/>	<input type="checkbox"/>

Assets - (Most recent Documentation on Top)

1 Cleared Earnest Money Check (copy) with source of funds (if applicable)	4 Any Additional Supporting Asset Documentation (if applicable)
2 Gift Documentation per FNMA guidelines	5 Asset Statements (Bank name & ownership) most recent 3 mths - all accounts
3 DAPS: Document source of deposit & withdrawals >10% of mnthly income	<input type="checkbox"/>

Property / Appraisal

1 Appraisal Report (include Photos, Street View, Comparables)	10 Escrow Holdback Agreement (if applicable)
2 Final / Repair Inspection with Photos - FNMA 1004D (if applicable)	203(K) Rehabilitation Loans
3 Certificate of Occupancy (if applicable)	1 HUD 92700 - Maximum Mtg Worksheet
4 Evidence Condo is VA / FHA approved	2 HUD Consultant Report (if applicable)
5 Flood Life of Loan Determination Certificate	3 Work Estimates - Fully Executed - Copy
6 Flood Hazard Notice	4 Work Write-up and signed Contract - Copy
7 Verification of Property Census Tract - FFIEC Geocoding print-out or Other	5 Contractor Licenses - Copy
8 Purchase Agreement - short sale agreement, probate approval...(fully executed)	6 Contractor Liability Insurance - Copy
9 Purchase Agreement - All Addendums & Counter Offers (fully executed)	<input type="checkbox"/>



IHFA Government Mtg - Continued

CHFA REQUIRED DOCUMENTS (if applicable)

1	Federal Recapture Tax Notice - Potential Tax - 051-0597
2	Federal Recapture Tax Notice - Understanding Tax - 050-0597
3	Federal Recapture Tax Notice - Method to Compute (LEAN Only)
4	IRS Form 4506-T - Copy (completed & signed for each Borrower)
5	Borrower Eligibility Certificate - 014-1107
6	DAP - Application for Downpayment Only - DAPappONLY
7	DAP - Borrower's Certificate - DAP 95-05
8	Loan Estimate (LE) Initial Disclosure (1st Mtg & DAP if applicable)
9	Landlord Verif. of Tenant Address - 060-1005 or Lease, or Recertification
10	Police Statement of Eligibility - 031-027
11	Teacher Statement of Eligibility - 031-030

12	Veterans Statement - Due on Sale - 018-0296
13	VA Eligibility Certificate - or - Automated Certificate of Eligibility
14	Military Form DD214 Separation Documents (Honorable Discharge)

Homeownership Counseling

15	Pre-Closing Homebuyer Education Certificate (3Hr)
15	Pre-Purchase Homebuyer Education Certificate (8Hr)
15	Online Homebuyer Education (e-Home America) Certificate
16	Financial Fitness Certificate
17	Landlord Certificate (if multifamily)

CLOSING DOCUMENTS - IDAHO HOUSING AND FINANCE ASSOC.

1	Final FNMA 1003 uploaded in "Lender Connection" Web Portal
2	"Lender Connection" Loan Information Completed Online
3	Detail Purchase Advice Funding Sheet - CHFA Form 066-0408

1	Documents Delivered Electronically in "Lender Connection"
2	Original/Final Documents Mailed To: Idaho Housing and Finance Association - 565 W. Myrtle St. - Boise, ID 83702
3	Participating Lender Certification - CHFA Form 019-1101

1	LEAN Lender Commitment Letter - Fully Executed
2	Commitment Letter - (CHFA)
3	CHFA DAP (Subordinate Financing) - Copy Executed Commitment Letter Only
4	Other Subordinate Financing - Copy Second Mortgage Note & Deed
5	IHFA - Certif. of Accelerated Delivery Form 1040 (see Lender Connection)
6	Flood Life of Loan Determination - Certificate Transferred to HomeLoanServ
7	Flood Insurance Policy (if applicable) HomeLoanServ listed loss payee w/LN#
8	Hazard Ins. Policy/Binder - HomeLoanServ listed loss payee with LN #
9	Hazard Ins. - Condo Master Insurance Policy (if applicable)
10	Hazard Ins. - Condo "Walls In" Binder - H-06 policy (if applicable)
11	Mortgage Assignment to IHFA - ISAOA ATIMA -Copy (if not utilizing MERS)
12	Title Ins. Policy - Final with Chain of Title & Property Tax Info.
13	Initial Escrow Account Disclosure
14	Engineers Certification of foundation, required on Manufactured Homes

15	Copy - Deactivated Title for Manuf. Home showing Property as Real Property
16	Well, Septic Inspections (if applicable)
17	New Construction Exhibits (if applicable)
18	UCDP - Submission Summary Report
19	Private Mtg Insurance Certificate
20	Private Mtg Insurance Cancellation Disclosures - Assigned to HomeLoanServ
21	Servicing Transfer Discl. - "Goodbye Letter" Borrower notified of HmLnServ info
22	Original Note (First Mtg) - Endorsed to IHFA
23	Mtg Deed/Sec. Instr., Applicable Riders, Legal Descrip - Copy (First Mtg)
24	Immigration & Naturalization Services (INS) Card - Copy
25	Legal Address matches Note, Deed, 1003 App'l, AUS, Flood Cert., Ins. etc.
26	Borrower Signature Affidavit - 014-0718 - S
27	Closing Discl. (CD) Initial & Final with Settlement Agent disbursement sheet
28	Loan Estimate (LE) Revised - Change of Circumstance Form (if applicable)



CHFA DAP CLOSING DOCUMENTS (if applicable)

Homeowners insurance policy to include second mortgagee clause as follows:

Connecticut Housing Finance Authority C/O HomeLoanServ, its successors and/or assigns as their interests may appear: P.O. Box 7899-Boise, ID 83707

1	Executed Commitment Letter - Copy (CHFA DAP subordinate financing)	4	DAP Loan Estimate (LE)
2	Original DAP Note (closed in the name of CHFA)	5	DAP Closing Disclosure (CD)
3	Original DAP Deed		

FHA, VA, USDA-RD SPECIFIC DOCUMENTS

FHA Documents (if applicable)

1	HUD 92900A - Addendum to Initial Loan Application	3	FHA Amendatory Clause/ RE Certification - signed & dated by all parties
2	FHA Connection Case # Assignment	4	HUD 92800.5B - Conditional Commitment Stmtnt of Appraised Value

VA Documents (if applicable)

1	Form 26-1802a /HUD Form 92900A - Addendum to Initial Ln Application	3	Notice of Value (NOV) or Master Certificate of Eligibility
2	VA Form 26-1866 Cert. of Commitment - if prior aprvd, must be unexpired		

USDA-RD Documents (if applicable)

1	Form 1980-19 Guaranteed Ln Closing Report - Proof Upfront Ln Fee Paid	3	Form 3555-17 Loan Note Guarantee
2	Form 3555-11 Guaranteed Rural Housing Lender Record Change	4	Form 3555-21 Request for S/Fam Housing Loan Guarantee

****Recorded Mtg & Assignment, Title Policy and FHA MIC/VA LGC/USDA-RD LNG must be delivered within 90 days of loan purchase****



Success Tips



Questions



SFAMinquiry@CHFA.org



LOAN ORIGINATION SYSTEM (LOS)

