Unlocking Solutions, Building Strong Communities.

LOAN PROGRAM

OUTLINES

Revised 10.8.2025

EQUAL HOUSING OPPORTUNITY

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CHFA LOAN PROGRAMS

*****LENDER MUST CHOOSE APPLICABLE PROGRAM TYPE AT RESERVATION*****
✓ **HFA ADVANTAGE® PROGRAM** – *(FHLMC)* Conventional Financing for eligible applicants
✓ **HFA PREFERRED™ PROGRAM** – *(FNMA)* Conventional Financing for eligible applicants
✓ **GOVERNMENT INSURED MORTGAGE PROGRAM** - *(Government Loans Only)* Eligible applicants purchasing a home insured by FHA, VA, USDA
✓ **SPECIAL PROGRAMS – Can be utilized with both Conventional and Government Financing** • Home of Your Own – Applicants who are disabled or who have a disabled member of the household who wish to purchase a home. • Homeownership - Applicants in publicly assisted housing who wish to transition from renting to homeownership • Military - Members of U.S. Military, Reserve or National Guard, U.S. military veterans and qualified widowed military spouses or civil union partners • Police – Municipal Police Officers purchasing in the town in which they work or State Police Officers purchasing anywhere in the State of CT. • Teachers - Certified Public School Teachers in Connecticut who teach in a Priority or Transitional School District or is employed by the Technical Education and Career System in a technical education and career school located in a Priority or Transitional School District and is purchasing their primary residence in that same district; Teach in a Subject Matter Shortage Area; Graduated from a public high school in an Opportunity/Educational Reform District; Graduated from a historically Black college or university or, from a Hispanic-servicing Institution.

Rev 9.15-2025

CHFA reserves the right to request additional information, documentation and/or compensating factors to support any credit package

HFA ADVANTAGE®
FHLMC / Conventional

Maximum LTV / CLTV	Subordinate Financing	Borrower Contribution
1 Unit 97% / 105%	***Eligible*** *Down payment & Closing costs*	*Not Applicable*
2- 4 Unit 95% / 105%	**Eligible**	**3% borrower own funds**
Mortgage Insurance Coverage ≤ 80% AMI **No MI Coverage <= 80% LTV**	**Loan-To-Value**	**MI Coverage (reduced)**
	95.01% - 97%	18%
	90.01% - 95%	16%
	85.01% - 90%	12%
	80.01% - 85%	6%
Mortgage Insurance Coverage > 80% AMI **No MI Coverage <= 80% LTV**	**Loan-To-Value**	**MI Coverage (standard)**
	95.01% - 97%	35%
	90.01% - 95%	30%
	85.01% - 90%	25%
	80.01% - 85%	12%
Servicer/s ***See Commitment Letter*** **See DAP / TTO Matrix for Subordinate Mortgage Servicers**	**Credit Score ≥ 620** **No Credit Score- Must meet FHLMC Guidelines** **Idaho Housing and Finance Association** **IHFA Servicing Guide** **Credit Score < 620** **AmeriNat** **AmeriNat Servicing Guide**	
Hazard and Flood Insurance	**HAZARD INSURANCE**	

All Applicable CHFA, FHLMC and Investor Underwriting Guidelines Apply

PARAMETER	Eligibility Requirements
CHFA /SERVICER ALLOWABLE FEES	Lenders may charge a total of $1,295 as the maximum ancillary/application, processing, underwriting fees to be disclosed in the Origination Box on the LE and CD ○ MERS Fee (IHFA only) $24.95 ○ Tax Service Fee as permitted by agency/investor *Additional third-party allowable fees to the borrower include those fees that are customary, reasonable and necessary to close the mortgage loan*
CHFA INTEREST RATE	**CHFA Interest Rates** **Discounted rates apply for Targeted Area or Special Programs**
AMORTIZATION	▪ 30-Year Term, Fixed Rate Mortgage
ELIGIBLE BORROWERS	▪ First-time homebuyers – *(waived in Targeted Areas)* *(Borrowers may not own any other property at the time of loan closing)*

ELIGIBLE PROPERTY TYPES	**1-4 Unit, Condo, Townhouses, PUDs** **2-4 Unit properties (residential, built over 5 years ago, unless 2 units in targeted area)** ✓ ***Full Appraisal is required on all transactions*** ✓ ***Lender to verify that Condo is FHMLC Warrantable***
ELIGIBLE PURPOSE	▪ Purchases only (refinance not allowed)
AUS RECOMMENDATION	▪ Loan Product Advisor (LPA) is required with Eligible/Accept Findings ▪ Manual Underwrite allowed as per Agency/Investor Guidelines
MINIMUM CREDIT SCORE	▪ CHFA does not have credit score overlays
QUALIFYING RATIOS	▪ Maximum Monthly Housing Expense-to-Income ratio = 50% ▪ Maximum Total Debt-to-Income ratio = 50%
SUBORDINATE FINANCING	▪ FHLMC Approved Community Subordinate Financing *(includes CHFA Down Payment Assistance Program/s)*
INCOME AND SALES PRICE LIMITS	**Income and Sales Price Limits** *Appraised value cannot exceed 105% of the sales price limit*
HOMEBUYER EDUCATION **CHFA Approved Counseling Agencies Only** **CHFA Approved Counseling Agencies**	▪ Pre-Closing Homebuyer Education Certificate required for at least one borrower/ co- borrower. *(An optional Pre-Purchase, in-depth Education Certificate is also accepted)* ▪ Landlord Education Certificate also required if purchasing a 2 – 4 family unit ▪ On-Line Homebuyer counseling is available through FinallyHome!® in partnership with CHFA

HFA Advantage® Rev 4.3-2025

HFA PREFERRED™
(FNMA)Conventional

Maximum LTV / CLTV	Subordinate Financing	Borrower Contribution
1 Unit **97% / 105%**	***Eligible*** *Down payment & Closing costs*	*Not Applicable*
2- 4 Unit **95% / 105%**	**Eligible**	**3% borrower own funds**
Mortgage Insurance Coverage ≤ 80% AMI **No MI Coverage <= 80% LTV**	**Loan-To-Value**	**MI Coverage (reduced)**
	95.01% - 97%	**18%**
	90.01% - 95%	**16%**
	85.01% - 90%	**12%**
	80.01% - 85%	**6%**
Mortgage Insurance Coverage > 80% AMI **No MI Coverage <= 80% LTV**	**Loan-To-Value**	**MI Coverage (standard)**
	95.01% - 97%	**35%**
	90.01% - 95%	**30%**
	85.01% - 90%	**25%**
	80.01% - 85%	**12%**
Servicer/s ***See Commitment Letter*** **See DAP / TTO Matrix for Subordinate MortgageServicers**	**Credit Score ≥ 620** **No Credit Score- Must meet FNMA Guidelines** **Idaho Housing and Finance Association** **IHFA Servicing Guide** **Credit Score < 620** **AmeriNat** **AmeriNat Servicing Guide**	
Hazard and Flood Insurance	**HAZARD INSURANCE**	
All Applicable CHFA, FNMA and Insurer Underwriting Guidelines Apply		

PARAMETER	Eligibility Requirements
CHFA AND SERVICER ALLOWABLE FEES	Lenders may charge a total of $1,295 as the maximum ancillary/application, processing, underwriting fees to be disclosed in the Origination Box on the LE and CD ○ MERS Fee (IHFA only) $24.95 ○ Tax Service Fee as permitted by agency/investor *Additional third-party allowable fees to the borrower include those fees that are customary, reasonable and necessary to close the mortgage loan*
CHFA INTEREST RATE	**CHFA Interest Rates** **Discounted rates apply for Targeted Area or Special Programs**
AMORTIZATION	▪ 30-Year Term, Fixed Rate Mortgage
ELIGIBLE BORROWERS	▪ First-time homebuyers – *(waived in Targeted Areas)* *(Borrowers may not own any other residential property at the time of loan closing)*

ELIGIBLE PROPERTY TYPES	**1-4 Unit, Condo, Townhouses, PUDs** **2-4 Unit properties (residential, built over 5 years ago, unless 2 unit in targeted area)** ✓ ***Full Appraisal is required on all transactions*** ✓ ***Lender to verify that Condo is FNMA Warrantable***
ELIGIBLE PURPOSE	▪ Purchases only (refinance not allowed)
AUS RECOMMENDATION	▪ Desktop Underwriter (DU) is required with Approve/Eligible findings ▪ Manual Underwrite allowable as per Agency/Investor Guidelines
MINIMUM CREDIT SCORE	▪ CHFA does not have credit score overlays
QUALIFYING RATIOS	▪ Maximum Monthly Housing Expense-to-Income ratio = 50% ▪ Maximum Total Debt-to-Income ratio = 50%
SUBORDINATE FINANCING	▪ FNMA Approved Community Subordinate Financing *(includes CHFA Down Payment Assistance Program/s)*
INCOME AND SALES PRICE LIMITS	**Income and Sales Price Limits** *Appraised value cannot exceed 105% of the sales price limit*
HOMEBUYER EDUCATION **CHFA Approved Counseling Agencies Only** **CHFA Approved Counseling Agencies**	▪ Pre-Closing Homebuyer Education Certificate required for at least one borrower/ co-borrower *(An optional Pre-Purchase, in-depth Education Certificate is also accepted)* ▪ Landlord Education Certificate also required if purchasing a 2 – 4 family unit ▪ On-Line Homebuyer counseling is available through FinallyHome!® in partnership with CHFA

HFA Preferred™ Rev 4.3.2025

GOVERNMENT INSURED FHA and 203(k) Limited
(Lender must have training with Master Servicer for 203(k))

Maximum LTV / CLTV	Subordinate Financing	Borrower Contribution
1 Unit/Condo **96.50/ 105%**	***Eligible*** *Down payment & Closing costs*	*Not Applicable*
2- 4 Unit **96.50%/105%**	***Eligible*** *Down payment & Closing costs*	*Not Applicable*
UFMIP	**Per FHA Guidelines** **LTV/CLTV calculated on base Loan Amount** **LTV < 80% requires LOX from lender explaining why Conventional Financing not obtained**	
Servicer/s ***See Commitment Letter*** **See DAP / TTO Matrix for Subordinate Mortgage Servicers**	**FHA** **Credit Score ≥ 620** **No Credit Score- Must meet FHA Guidelines** **Idaho Housing and Finance Association**: Service Released Lenders **IHFA Servicing Guide** **Credit Score < 620** **AmeriNat**: **Service Released Lenders** **AmeriNat Servicing Guide** **203(K) Limited** **All credit scores** **Idaho Housing and Finance Association:** Service Released Lenders **Service Retained Lenders retain servicing on all Government Insured Loans regardless of credit score**	
Hazard and Flood Insurance	**HAZARD INSURANCE**	

All Applicable CHFA, FHA and Investor Underwriting Guidelines Apply

PARAMETER	Eligibility Requirements
CHFA AND SERVICER ALLOWABLE FEES	FHA - Lenders may charge a total of $1,295 as the maximum ancillary/ application, processing, underwriting fees to be disclosed in the Origination Box on the LE and CD 203k Limited – 1.50 Origination Fee Supplemental Origination Fee as per FHA Guidelines ○ MERS Fee (IHFA only) $24.95 ○ Tax Service Fee as permitted by agency/investor *Additional third-party allowable fees to the borrower include those fees that are customary, reasonable and necessary to close the mortgage loan*
CHFA INTEREST RATE	**CHFA Interest Rates** **Discounted rates apply for Targeted Area or Special Programs**
AMORTIZATION	▪ 30-Year Term, Fixed Rate Mortgage (FRM)
ELIGIBLE BORROWERS	▪ First-time homebuyers – *(waived in Targeted Areas)* *(Borrowers may not own any other property at the time of loan closing)*
ELIGIBLE PROPERTY TYPES	**1 Unit, Condo, Townhouses, PUDs** **2–4 Unit properties (residential, built over 5 years ago, unless 2 unit in targeted area)** ✓ ***Full Appraisal is required on all transactions***

ELIGIBLE PURPOSE	▪ Purchases only (refinance not allowed)
AUS RECOMMENDATION	▪ AUS Total Scorecard Approval or manual underwrite allowed
MINIMUM CREDIT SCORE	▪ CHFA does not have credit score overlays
QUALIFYING RATIOS	Maximum Total Debt-to-Income Ratio: ▪ 660 and above credit score = 50% ▪ Below 660 credit score = 45%
SUBORDINATE FINANCING	▪ FHA Approved Community Subordinate Financing *(includes CHFA Down Payment Assistance Program/s)*
INCOME AND SALES PRICE LIMITS	**Income and Sales Price Limits** *Appraised value cannot exceed 105% of the sales price limit*
HOMEBUYER EDUCATION CHFA Approved Counseling Agencies Only **CHFA Approved Counseling Agencies**	▪ Pre-Closing Homebuyer Education Certificate required for at least one borrower/ co- borrower *(An optional Pre-Purchase, in-depth Education Certificate is also accepted)* ▪ Landlord Education Certificate also required if purchasing a 2 - 4 family unit ▪ On-Line Homebuyer counseling is available through FinallyHome!® in partnership with CHFA

FHA and 203k Limited Mortgages - Rev 7.14.2025

GOVERNMENT INSURED USDA and VA

Maximum LTV / CLTV	Subordinate Financing	Borrower Contribution
1 Unit/Condo **100%/105%**	***Eligible*** *Down payment & Closing costs*	*Not Applicable*
2- 4 Unit **100%/105%** **VA only**	***Eligible*** *Down payment & Closing costs*	*Not Applicable*
Guarantee Fee **Funding Fee**	**Per USDA/VA Guidelines** **LTV / CLTV calculated on base loan amount** **LTV < 80% requires LOX from lender explaining why Conventional Financing not obtained**	
Servicer/s ***See Commitment Letter*** **See DAP / TTO Matrix for Subordinate Mortgage Servicers**	**Credit Score ≥ 620** **No Credit Score must Agency/Investor Guidelines** **Idaho Housing and Finance Association: Service Released Lenders** **IHFA Servicing Guide** **Credit Score < 620** **AmeriNat: Service Released Lenders** **AmeriNat Servicing Guide** **Service Retained Lenders retain servicing on all Government Insured Loans regardless of credit score**	
Hazard and Flood Insurance	**HAZARD INSURANCE**	

All Applicable CHFA, VA/USDA and Insurer Underwriting Guidelines Apply

PARAMETER	Eligibility Requirements
CHFA AND SERVICER ALLOWABLE FEES	Lenders may charge a total of $1,295 as the maximum ancillary/ application/processing\ underwriting fees/origination charge to be disclosed in the Origination Box on the LE and CD ○ MERS Fee (IHFA only) $24.95 ○ Tax Service Fee as permitted by agency/investor Additional third-party allowable fees to the borrower include those fees that are customary, reasonable and necessary to close the mortgage loan
CHFA INTEREST RATE	**CHFA Interest Rates** **Discounted rates apply for Targeted Area or Special Programs**
AMORTIZATION	▪ 30-Year Term, Fixed Rate Mortgage (FRM)
ELIGIBLE BORROWERS	▪ First-time homebuyers – *(waived in Targeted Areas)* *(Borrowers may not own any other property at the time of loan closing)*

ELIGIBLE / INELIGIBLE PROPERTY TYPES	**1 Unit, Condo, Townhouses, PUDs** **2–4 Unit properties VA only (residential, built over 5 years ago, unless 2 unit in targeted area)** ✓ **Property type must meet 1st mortgage agency/insurer guidelines** ✓ ***Full Appraisal is required on all transactions***
ELIGIBLE PURPOSE	▪ Purchases only (refinance not allowed)
AUS RECOMMENDATION	▪ AUS approval or manual underwrite allowed
MINIMUM CREDIT SCORE	▪ CHFA does not have credit score overlays
QUALIFYING RATIOS	**USDA** Maximum Total Debt-to-Income Ratio: ▪ 660 and above credit score = 50% ▪ Below 660 credit score = 45% **VA** ▪ Maximum Monthly Housing Expense-to-Income ratio=55% ▪ Maximum Total Debt-to-Income ratio=55%
SUBORDINATE FINANCING	▪ USDA / VA Approved Community Subordinate Financing *(includes CHFA Down Payment Assistance Program/s)*
INCOME AND SALES PRICE LIMITS	**Income and Sales Price Limits** *Appraised value cannot exceed 105% of the sales price limit*
HOMEBUYER EDUCATION **CHFA Approved Counseling Agencies Only** **CHFA Approved Counseling Agencies**	▪ Pre-Closing Homebuyer Education Certificate required for at least one borrower/ co- borrower *(An optional Pre-Purchase, in-depth Education Certificate is also accepted)* ▪ Landlord Education Certificate also required if purchasing a 2 – 4 family unit ▪ On-Line Homebuyer counseling is available through FinallyHome!® in partnership with CHFA
VA Due on Sale	▪ Required on all VA Loans **Veterans Statement Due on Sale**

SPECIAL PROGRAMS

CHFA may require additional documentation specific to a Special Program or Pilot Initiative. Refer to the Program Specific product description and eligibility requirements for the program.

All Applicable First Mortgage Agency/ Insurer Underwriting Guidelines Apply
Follow Matrix for Applicable Government or Conventional Program

Program	Eligibility Requirements
Home of Your Own	✓ Applicants who are disabled or who have a disabled member of the household who wish to purchase a home Required Documentation: Disability within ADA guidelines *Home of Your Own*
Homeownership	✓ Tenants of Publicly Assisted Housing who wish to transition from renting to homeownership Required Documentation: *Homeownership Program Statement of Eligibility* *Homeownership*
Military Homeownership	✓ Members of the U.S. military, Reserve or National Guard, U.S. military veterans, and qualified widowed military spouses or civil union partners. This program is available with Government and Conventional Financing Required Documentation: Military Paystub, COE or DD214 *Military Homeownership*
Police Homeownership	✓ Municipal Police Officers purchasing in the town they are employed ✓ State Police Officers purchasing anywhere in Connecticut Required Documentation: Will be verified with paystub
Teachers Mortgage Assistance	➢ Applicant must hold a valid Connecticut certificate; o Teach in a Priority or Transitional School District or is employed by the Technical Education and Career System in a technical education and career school located in a Priority or Transitional School District and is purchasing their primary residence in that same district; or o Teach in a state-identified Subject Matter Shortage Area; or ➢ To help recruit and retain (*R&R) minority teachers in our communities, additional incentives are available for Teachers who: o Graduated from a public high school in an Opportunity/Educational Reform District; or o Graduated from a historically Black college or university or a Hispanic- serving institution *Teachers Statement of Eligibility* *Teachers Mortgage Assistance*
CHFA INTEREST RATE	▪ Discounted rates of .125% applies to all Specialty Programs ▪ Teachers applying under Recruit and Retain will receive a .25% discount ▪ Discounts cannot be combined. Higher discounts will prevail, including Targeted Area and Smart Rate *CHFA Interest Rate*
QUALIFYING RATIOS	▪ Follow CHFA first mortgage agency/investor guidelines ▪ Teachers with Student Loans in repayment max 50% DTI, regardless of program

Rev 9.15-2025

CHFA HAZARD INSURANCE - REFERENCE GUIDES

Lenders are reminded that CHFA insurance requirements are published in the CHFA Home Mortgage Programs Operating Manual. To the extent there are discrepancies between the "Manual" and the limits set forth by investors or mortgage insurers i.e. FNMA, FHLMC, FHA, VA, USDA or PMI, CHFA requirements will govern.

Lenders are encouraged to reach out to CHFA Single Family Underwriting if they are unsure or have questions.

CHFA LIMITS

Type of Coverage	Maximum Deductible
Homeowners	**Sales Price ≤$250,000, up to $2,500** **Sales Price ≤$400,000, up to $3,500** **Sales Price ≤$550,000, up to $4,500** **Sales Price >$550,000, up to $5,000**
Wind / Hail / Hurricane	**Over 2,600 feet from the coast - hurricane deductible ≤ 2%**
	Within 2,600 feet from the coast - hurricane deductible ≤ 5%
Deductibles must follow the State of CT Insurance Dept. requirements as well as the agency and investor guidelines up to a maximum of 5%	
Flood	**NFIP Min & Max Limits**

FLOOD INSURANCE

NFIP - MINIMUM DEDUCTIBLES (No Maximum)

Program Type	Rating	Minimum Deductible for coverage of $100,000 or less	Minimum Deductible for coverage over $100,000
Emergency	All	$1,500	$2,000
Regular	All Pre-FIRM* Subsidized zones: A, AE, A1-A30, AH, AO, V, VE, V1-V30, AR/AR Dual zone without Elevation	$1,500	$2,000
	All Full-Risk zones: A, AE, A1-A30, AH, AO,V, VE, V1-V30, AR/AR Dual zone with Elevation B, C, X, A99, D	$1,000	$1,250
	Tentative and Provisional	$1,000	$1,250

HAZARD INSURANCE - MORTGAGEE CLAUSE GUIDE

Idaho Housing and Finance Association =
HomeLoanServ, its successors and/or assigns as their interests may appear:
P.O. Box 818007 – Cleveland, OH 44181

AmeriNat
Connecticut Housing Finance Authority C/O AmeriNat, its successors and/or assigns as their interests may appear:
PO Box 123 – Downey, CA 90241

***Service Retained:* Lender/Servicer**
Connecticut Housing Finance Authority C/O *(Lender/Servicer Name),* its successors and/or assigns as their interests may appear: ***(Lender/Servicer Address)***

CHFA Subordinate Mortgage/s – Down Payment Assistance Program/s
Capital for Change, Inc. (C4C) = **Connecticut Housing Finance Authority C/O Capital For Change, Inc. (C4C),**
Its successors and/or assigns as their interests may appear: **10 Alexander Drive – Wallingford, CT 06492**

DOWN PAYMENT ASSISTANCE PROGRAM (DAP)
Subordinate Financing
Cannot be subordinated in the case of refinance

Maximum LTV / CLTV	Subordinate Financing	Borrower Contribution
1 Unit/Condo **First Mortgage Guidelines/ 105%**	***Eligible*** *Down payment &* *Closing costs*	**First Mortgage Guidelines**
2- 4 Unit **First Mortgage Guidelines/ 105%**	***Eligible*** *Down payment &* *Closing costs*	**First Mortgage Guidelines**
	• Any cash back to borrower at closing is limited to Earnest Money Deposit (EMD), and POC items verified as paid • Up to a $1,000 principal curtailment to the DAP (only) is permitted at closing to avoid adjusting the DAP loan amount • Maximum loan amount = the lesser of 4% (of the lower of sales price or appraised value) or $15,000 • Minimum $3,000 loan amount	
Servicer/s ***See Commitment Letter***	**Capital For Change, Inc. (C4C)** Attn: New Loans, Loan Servicing Operations 10 Alexander Drive - Wallingford, CT 06492 **Email:** newloans@capitalforchange.org Fax (860) 920-2041 Phone (860) 233-5165 ext. 2041	
Hazard / Flood Insurance	**HAZARD INSURANCE**	
All Applicable CHFA and First Mortgage Agency/Investor Underwriting Guidelines Apply		

PARAMETER	Eligibility Requirements
ALLOWABLE FEES	Fees are limited to the following: • Maximum Application Fee - $600.00 (retained by lender) • Maximum Settlement Agent Fee - $200.00 • Actual costs for Recording Fees • Actual Pre-Paid Interest *Title Insurance is not required on DAP loans*
CHFA INTEREST RATE	**CHFA Interest Rates** **The DAP loan interest rate will be equal to:** **(i.) The first mortgage interest rate in effect or,** **(ii.) 5.00% (5.10%-5.50% APR), whichever isless**
AMORTIZATION	▪ 30 - Year Term, Fixed Rate Mortgage
ELIGIBLE BORROWERS	First-time homebuyers - *(waived in Targeted Areas)* *(Borrowers may not own any other residential property at the time of loan closing)*

ELIGIBLE PROPERTY TYPES	**1 Unit, Condo, Townhouses, PUDs** **2–4 Unit properties (residential, built over 5 years ago, unless 2 unit in targeted area)** ✓ ***Full Appraisal is required on all transactions***
ELIGIBLE PURPOSE	▪ Purchases only (refinance not allowed)
AUS RECOMMENDATION	▪ Follow First Mortgage Program Guidelines
MINIMUM CREDIT SCORE	▪ CHFA does not have credit score overlays
QUALIFYING RATIOS	▪ Monthly Housing Expense-to-Income ratio – Follow First Mortgage Program Guidelines ▪ Maximum Total Debt-to-Income ratio – Follow First Mortgage Program Guidelines
PROGRAM INFORMATION	▪ Must be utilized in conjunction with a CHFA First Mortgage ▪ Must be recorded in 2nd lien position unless authorized by CHFA, in which case CHFA DAP can be in 3rd lien position
INCOME AND SALES PRICE LIMITS	**Income and Sales Price Limits** *Appraised value cannot exceed 105% of the sales price limit*
REQUIRED DOCUMENTATION	- ○ Down Payment Assistance Program/s Worksheet (DAPappcc) ○ DAP - Note (CHFA form DAP07NOT) ○ DAP - Deed (CHFA form DAP08MD) ○ DAP - Borrower Certificate (CHFA form DAP95-05) ○ DAP - Applicant Notice (CHFA form DAPDiscl)
MAXIMUM DOWN PAYMENT	**Program Maximum Down Payment** ▪ FHA Loan = **3.50**% (*plus Closing Cost*) ▪ CHFA Conventional; HFA Preferred, HFA Advantage = **3.00**% (plus Closing Costs) ▪ 2-4 Unit – CHFA Conventional; HFA Preferred, HFA Advantage = **2.00**% (plus Closing Costs) ▪ VA, USDA = Closing Costs Only

Time To Own (TTO)
Forgivable Down Payment Assistance Program
Cannot be subordinated in the case of refinance

Maximum LTV / CLTV	Subordinate Financing	Borrower Contribution
1 Unit/Condo First Mortgage Guidelines/105%	**Eligible** *Down payment & Closing costs*	**First Mortgage Guidelines**
2- 4 Unit First Mortgage Guidelines/105%	**Eligible** *Down payment & Closing costs*	**First Mortgage Guidelines**
	▪ Any cash back to borrower at closing is limited to Earnest Money Deposit (EMD), and POC items verified as paid ▪ Principal curtailment is NOT allowed. Please verify accurate closing costs prior to submission ▪ TTO loan amount may be adjusted by seller contribution	
Servicer/s ***See Commitment Letter***	**Capital For Change, Inc. (C4C) Attn:** New Loans, Loan Servicing Operations 10 Alexander Drive - Wallingford, CT 06492 Email: newloans@capitalforchange.org Fax (860) 920-2041 Phone (860) 233-5165 ext. 2041	
Hazard Insurance	**HAZARD INSURANCE**	

All Applicable CHFA and First Mortgage Agency/Insurer Underwriting Guidelines Apply

PARAMETER	Eligibility Requirements
ALLOWABLE FEES	Fees are limited to the following: • Maximum Application Fee - $600.00 (retained by lender) • Maximum Settlement Agent Fee - $200.00 • Actual costs for Recording Fees *Title Insurance is not required on a TTO loan*
CHFA INTEREST RATE	**CHFA Interest Rates** **Interest Rate = 0.00% (Non-amortizing loan)**
AMORTIZATION	• Ten (10) year term, 0%, Non-amortizing loan • Ten percent (10%) of the principal amount will be forgiven annually on the anniversary date of the mortgage loan closing, until the loan is fully forgiven
ELIGIBLE BORROWERS	First-time homebuyers - *(waived in Targeted Areas)* *(Borrowers may not own any other property at the time of loan closing)*
ELIGIBLE PROPERTY TYPES	**1 Unit, Condo, Townhouses, PUDs** **2–4-Unit properties (residential, built over 5 years ago, unless 2 unit in targeted area)** ✓ ***Full Appraisal is required on all transactions***
ELIGIBLE PURPOSE	▪ Purchases only (refinance not allowed)

AUS RECOMMENDATION	▪ AUS Approval or manual underwrite allowed per First Mortgage Agency/Insurer Guidelines
MINIMUM CREDIT SCORE	▪ CHFA does not have credit score overlays
QUALIFYING RATIOS	▪ Monthly Housing Expense-to-Income ratio – **MINIMUM 30%- Maximum Follow First Mortgage CHFA Guidelines** ▪ Maximum Total Debt-to-Income ratio – Follow First Mortgage CHFA Guidelines ▪ ***Over-insured properties (hazard or MI) to meet ratio requirements will not be tolerated***
PROGRAM INFORMATION	▪ Must be utilized in conjunction with a CHFA First Mortgage ▪ The Time To Own loan shall be junior to the CHFA first mortgage and may be junior to other liens ▪ Up to 20% toward down payment and up to 5% toward closing costs. Loan amounts are based on Area Median Income (AMI) ✓ Maximum Time To Own loan amount = $25,000 ✓ Minimum Time To Own loan amount = $3,000 ▪ 80% or less Area Median Income (AMI): up to $25,000 ▪ Greater than 80% up to 100% AMI: up to $18,750 ▪ Over 100% AMI- Program not available ▪ Most recent 3 years signed Federal Tax Returns or Transcripts required to verify all borrowers are and have been Connecticut residents consecutively over the past 3 years from date of closing. Any residence address discrepancies contained in the file must be addressed and may render the file ineligible ▪ First Mortgage CHFA Income Limits cannot be exceeded: ✓ CHFA - **Income and Sales Price Limits** ✓ Time To Own **– Program Area Median Income (AMI)Limits** **Intentional impoverishment is not permitted and there will be a look-back period of 3 months from the date of application or contract date, whichever is sooner, when calculating qualifying income**
INCOME CALCULATION	CHFA Limits and TTO Eligibility Income Guide
SALES PRICE LIMITS	▪ The Sales Price Limit cannot exceed the CHFA "Sales Price Limits" for the city/town where the property is located ▪ Transactions are not eligible for the Time to Own Program when the subject property appraised value exceeds the sales price by 20% or more ▪ No gift of equity transactions allowed *Appraised value cannot exceed 105% of the sales price limit*
REQUIRED DOCUMENTATION	○ Down Payment Assistance Program Worksheet (DAPappcc) ○ Time To Own - Note (CHFA Form/s TTONote) ○ Time To Own - Deed (CHFA Form/s TTODeed) ○ Time To Own - Borrower Certificate (CHFA FormTTO95-05) ○ Time To Own - Applicant Notice (CHFA FormTTODiscl.)

See: Frequently Asked Questions next page

- **CAN TTO BE ADDED TO AN EXISTING RESERVATION?** *Yes, as long as the TTO program has available funding and is open for reservations, Lenders may add TTO to already existing reservations.*

- **DO ALL BORROWERS NEED TO BE 3 -YEAR RESIDENTS OF CT?** *Yes, this requirement applies to all borrowers.*

- **CAN BORROWERS CONTRIBUTE THEIR OWN FUNDS INTO THE TRANSACTION WHEN USING THE TTO PROGRAM FUNDS?** *Yes, borrowers can utilize their own funds.*

- **IF THE PROPERTY APPRAISED VALUE IS LESS THAN THE SALES PRICE, CAN THE BORROWER CONTRIBUTE THEIR OWN FUNDS TO MOVE AHEAD WITH THE TRANSACTION?** *Yes, the borrower can fund the shortfall so long as the funds used meet agency guidelines and the transaction makes sense.*

- **CAN A BORROWER APPLY FOR TTO WITH A NON-ARM'S LENGTH TRANSACTION?** Yes, so long as the transaction meets first mortgage agency/insurer guidelines and appraised value does not exceed the sales price by over 20%. No Gift of Equity Allowed.

- **CAN THE SALES PRICE BE ADJUSTED WHEN THE APPRAISED VALUE EXCEEDS THE PURCHASE PRICE BY 20%?** *No*

- **CAN THE AMOUNT OF THE SELLER CREDIT FOR CLOSING COSTS BE AMENDED?** *No, seller contributions cannot be reduced or eliminated unless actual closing costs do not equal/exceed the seller's contribution.*

- **CAN A PRINCIPAL CURTAILMENT BE USED IF BORROWER IS RECEIVING TOO MUCH CASH BACK AT CLOSING?** *No, the TTO loan amount will need to be reduced. A principal curtailment of up to $1,000 can only be used with CHFA Down Payment Assistance Program {DAP}.*

- **DOES CHFA REQUIRE THE BOND COMPLIANCE INCOME LIMITS CALCULATION FOR TTO?** *Yes, CHFA Bond Compliance Income Limit calculation is required to determine program eligibility for all CHFA borrowers. This is the same calculation that will be used for the TTO housing ratio calculation and TTO AMI calculation.*

- **HOW IS THE TTO PAYMENT CALCULATED FOR QUALIFYING?** *The TTO Program does not have a P&I payment. It is a 0% interest, non-amortizing loan.*

- **IF A BORROWER RECEIVES VARIABLE INCOME *(overtime, bonus, shift differential, commission, etc.)* MUST IT BE INCLUDED IN DETERMINING THE HOUSING DEBT RATIO?** *Yes, see the CHFA Limits and TTO Eligibility Income Guide.*

- **DOES RENTAL INCOME NEED TO BE INCLUDED WHEN DETERMINING TTO HOUSING RATIO?** *Yes, income calculated per agency guidelines must be included in TTO repayment income.*

- **CAN LENDERS COLLECT FEES FOR TTO?** *Yes, fees up to a maximum of $800; Application fee $600 and Settlement Agent fee $200.*

- **HOW SHOULD THE TTO FEES BE DISCLOSED?** *Disclosure of TTO is the Lender's responsibility, consult your Compliance Dept. for guidance.*

- **CAN THE TTO BE SUBORDINATED TO A NEW FIRST MORTGAGE?** *No, at this time CHFA down payment assistance programs cannot be subordinated.*

CHFA LOS - RESERVATION TIPS

- ✓ **COMPLETE TIME TO OWN CALCULATION SHEET PRIOR TO COMPLETING TTO RESERVATION.**
- ✓ **TIME TO OWN IS NOT A SEPARATE PROGRAM - IT IS LISTED UNDER "ADDITIONAL SUBORDINATE FINANCING".**
- ✓ **FIRST MORTGAGE AMOUNT MUST BE COMPLETED.**
- ✓ **COMPLETE THE TIME TO OWN SECTION PRIOR TO ACCESSING THE DOWN PAYMENT ASSISTANCE WORKSHEET.**
- ✓ **MAKE SURE YOUR REPAYMENT INCOME DATA IS ACCURATE - PROGRAM AMI WILL BE CALCULATED FROM THIS FIELD.**
- ✓ **REMEMBER TO "SAVE" WHEN YOU MAKE CHANGES OR SWITCH BACK AND FORTH FROM THE DOWN PAYMENT WORKSHEET.**
- ✓ **DOUBLE CHECK THE RESERVATION TO ENSURE TTO INFORMATION IS CORRECT AFTER RESERVATION IS COMPLETED AND SUBMITTED.**

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CHFA LOAN PROCESSING SUCCESS TIPS

ALL FILES MUST BE FULLY UNDERWRITTEN & CLEARED TO CLOSE BY THE LENDER'S UNDERWRITER PRIOR TO SUBMISSION TO CHFA

1. There are CHFA overlays that apply to all loans:
   1. Income Limits
   2. Sales Price Limits
   3. First-time Homebuyer Eligibility *(waived in Targeted Areas)*
   4. Maximum Total Debt Ratio = Conventional Loans 50% / Government Loans- VA 55%, FHA & USDA 55% credit score ≥ 660; 45% credit score < 660

2. Two Income Calculation Worksheets must be provided for all files and include both repayment and CHFA income limit calculations. CHFA Limits and TTO Eligibility Income Guide

3. CHFA Borrower Eligibility Certificate is required for all loans and MUST BE COMPLETED IN FULL. The borrower(s) must be listed in line #24 of form in addition to, all other occupying household members.

4. FFIEC.gov census tract validation to be provided in all files and verified in LOS.

5. Follow Insurer i.e. FHA, VA, USDA or PMI or Investor i.e. FNMA, FHLMC guidelines for first mortgage loan.

6. Follow AUS Findings. Make sure all Conventional Loans are entered into AUS under HFA Preferred™ or HFA Advantage® as applicable.

7. Review Commitment for Mortgage Purchase for accuracy of terms as soon as received from CHFA.

TIPS FOR SUBMITTING LOANS FOR CHFA REVIEW

1. Follow CHFA Processing and File Submission order Checklists. There are three (3)types:
   CHFA Checklist File Submission - Compliance

   a. *CHFA Checklist File Submission - Compliance* ***(Conventional - or - Government), as applicable.***
   b. *CHFA Checklist File Submission Amerinat - or - Service Retained*
   c. ***CHFA Subordinate Mortgage Program/s (CHFA DAP & TTO) Servicer: Capital For Change Inc. (C4C).***

2. Confirm the interest rate, and program type in LOS and on Loan Documents BEFORE submission to CHFA. *NOTE: The CHFA LOS Administrator or Sr. Processor in your organization can edit loan information in LOS.*

3. The Loan Transmittal must be signed and dated by Lender's Underwriter and must match the AUS Findings.

4. LOS must be updated with accurate information which matches the final signed Transmittal and 1003.

5. Additional Data Screen must be submitted in CHFA LOS and 1003 must be uploaded and "submitted" in CHFA LOS priorto submitting loan files for review. (*The 1003 submission is under "X" Government Monitoring.)*

6. Documents to be uploaded via ShareFile, accessed through the LOS system.

SPECIAL NOTE: All Missing Exhibit Letters from CHFA must be reviewed by the Lender's UNDERWRITER to ensure requested items will clear conditions upon CHFA second review of file for approval.

CHFA LOAN RESERVATION LOCK POLICIES

~ FREQUENTLY ASKED QUESTIONS ~

- **WHAT IS THE RESERVATION/LOCK TERM FOR CHFA LOANS?** *The reservation/lock period is 90 days from the date of reservation. Compensation bonus is paid for those delivered/purchased within 75 days of reservation.*
- **IS THE EXPIRATION DATE THE DATE FOR WHICH THE LOAN MUST CLOSE?** *No, the expiration date is the date the loan must be delivered and purchased by. The 60 day lock expiration date is provided for lender pipeline management only. This date is not extended, as the true expiration date is the 90 day date.*
- **HOW FAR IN ADVANCE OF THE CLOSING DATE SHOULD I RESERVE MY LOAN?** *CHFA recommends not reserving a loan until you are within 45 days of the anticipated closing date to allow sufficient time for delivery and purchase.*
- **CAN I EXTEND THE DELIVERY/PURCHASE EXPIRATION DATE?** *Yes, lock may be extended twice for 30 days at a cost of .25% point each.*
- **HOW DO I REQUEST AN EXTENSION?** *Please email your request to reschanges@chfa.org.*
- **WHAT HAPPENS IF I NEED ANOTHER EXTENSION AFTER I HAVE ALREADY EXTENDED TWICE?** *CHFA may not purchase the loan if not delivered/purchased within 150 days. (90 day reservation plus 2 extensions = 150 days). No lender compensation will be paid for loans purchased after 150 days.*
- **CAN THE EXTENSION FEE BE PAID BY THE BORROWER?** *The borrower may be charged one extension fee of 0.25 point for the lender to retain if the loan does not close within 60 days of reservation due to no fault of the lender (this is to help offset for the compensation bonus that the lender will likely not be entitled to due to delays) . Any extension fees beyond the 90-day delivery will be netted from the lender's compensation. On a case-by-case basis with CHFA's prior approval, the lender may be permitted to charge the seller for extensions if the seller was the cause of the delay.*
- **HOW DOES THE EXTENSION FEE GET PAID?** *The cost of the extension(s) will be net funded from the lender compensation at the time of loan purchase.*
- **WHAT HAPPENS IF MY LOCK EXPIRES, AND I DID NOT REQUEST AN EXTENSION PRIOR TO THE EXPIRATION DATE?** *Once your lock expires, you are subject to worst case, current market or locked rate. Extension fees will still be charged.*
- **WHAT HAPPENS IF MY BORROWER CHANGES PROPERTIES? CAN WE USE THE SAME RESERVATION AND INTEREST RATE?** *No, the reservation/lock is for the borrower and attached to the property. A new property requires a new reservation/lock based on market at that time. Please email reschanges@chfa.org so that an administrator may override the system to allow a new lock for the borrower.*
- **WHAT DO I DO IF I NEED TO CANCEL A RESERVATION?** *Please email reschanges@chfa.org and state the reason for the cancellation. (contract release, borrower does not qualify for program, etc.)*
- **WHAT HAPPENS IF I CANCEL A RESERVATION/LOCK AND THEN NEED TO RE-RESERVE IT?** *If more than 30 days has passed since the loan was cancelled, you would re-reserve the loan at current market rates.*
- **WHAT HAPPENS IF MY BORROWER IS ALREADY RESERVED WITH ANOTHER LENDER?** *Depending upon the time elapsed from original reservation, the new lender may use the existing reservation or may need a new reservation, which would be based on worst case pricing. Borrower must provide written request to change lender.*
- **WHO SHOULD I CONTACT WITH RESERVATION CHANGES, CANCELLATIONS?** All *questions concerning reservations/locks should be emailed to reschages@chfa.org.*

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HOMEOWNERSHIP PROGRAMS CONTACTS

CHFA UNDERWRITING & GENERAL PROGRAM QUESTIONS

Email: *sfaminquiry@chfa.org*

Phone: (860)571-3541   Fax: (860)571-3550

EXISTING RESERVATION

EXTENSIONS, CANCELLATIONS, CHANGE REQUESTS (LENDER OR PROPERTY)

Email: *Reschanges@chfa.org*

POST-CLOSING & DELIVERY

Email: *Postclosinginquiry@chfa.org*

CHFA PROGRAM – LENDER TRAINING

Click here for: *Lender Training Calendar*

- or -

Email: *sfamtraining@chfa.org*

To discuss and schedule your organizations training needs or to request off-site training at your location.