

Bulletin # 137
March 2, 2018

To: CHFA Lenders
From: Single Family Underwriting
Subject: CHFA Downpayment Assistance Program (DAP) Revision

The CHFA Downpayment Assistance Loan Program (DAP) is being revised. Effective with loan reservations dated on and after **APRIL 1, 2018**, **Lenders will be required to maximize the first mortgage LTV for all transactions and the CLTV may not exceed 100%.**

CURRENT CHFA DOWNPAYMENT ASSISTANCE PROGRAM

Current CHFA underwriting guidelines allow for a maximum CLTV of 105% for a CHFA DAP loan. CHFA currently offers three (3) DAP program options for eligible borrowers:

- Downpayment Assistance Only
- Closing Costs Only (*discontinued*)
- Downpayment Assistance and Closing Costs (*discontinued*)
- Maximum CLTV of 105% (*discontinued*)

REVISED CHFA DOWNPAYMENT ASSISTANCE PROGRAM

CHFA DAP will be limited to funding down payment assistance only *and* the maximum CLTV may not exceed 100%. **Closing costs are no longer eligible for inclusion in the CHFA total DAP Loan Amount.**

Eligible borrowers may obtain secondary financing from “other” CHFA approved providers to assist with financing closing costs. The maximum CLTV may not exceed 105% and must meet the guidelines of the insurer and/or investor for the loan program.

The chart below reflects updated LTV/CLTV eligibility for CHFA DAP by Program:

Program Type	Required First Mortgage LTV	Maximum CLTV	Maximum DAP Allowed
FHA	96.50%*	100.00%*	3.50%
HFA Advantage	97.00%	100.00%	3.00%
HFA Preferred (Single Family, Condo, PUD)	97.00%	100.00%	3.00%
HFA Preferred (2-4 Unit)	95.00%	97.00%	2.00%
VA	100.00% *	100.00%*	Not Allowed
USDA	100.00%*	100.00%*	Not Allowed

**LTV/CLTV for FHA, VA and USDA may exceed 100% when the UFMP, VA Funding Fee or USDA Guarantee Fee is financed in the first mortgage loan amount as required by CHFA.*

PROGRAM REVISION IS EFFECTIVE WITH LOAN RESERVATIONS DATED ON AND AFTER APRIL 1, 2018

All questions regarding this Bulletin should be directed to Valencia Taft-Jackson at (860) 571-4224 or valencia.taft-jackson@chfa.org or Norbert J. Deslauriers at (860)571-4374 or norbert.deslauriers@chfa.org.