

Bulletin # 68 - 2014
June 11, 2014

To: CHFA Lenders

From: CHFA Single Family Underwriting

Subject: **Connecticut Housing Finance Authority (CHFA) Announces a "NEW" Veteran Homeownership Pilot Program (VHPP) Featuring 0.00% Interest Rate for DAP**

On Monday, June 16, 2014, CHFA will implement a new Downpayment Assistance Program exclusively for Veterans.

Veterans applying for CHFA first mortgage loan financing may also be eligible to apply for a **zero percent** interest rate Downpayment Assistance loan for up to **\$10,000.00**. VHPP funds may be used for downpayment only, downpayment and closing costs or closing costs only.

Veterans that served in any branch of the U.S. Military, (including the National Guard or Reserves) and were discharged for any reason other than dishonorable will be eligible to participate in this program.

Loans originated with VHPP DAP funds will be subject to all applicable CHFA and Insurer eligibility criteria and underwriting guidelines.

The first mortgage loan rate will be the CHFA regular Homebuyer Program Rate in effect at the time of reservation. The .250% discount off the regular Homebuyer Program rate will apply for properties purchased in targeted areas or targeted census tracts of the State. (Loans originated under the HFA Preferred product are not eligible for the .250% discount in targeted areas) See **Exhibit A** included with this Bulletin for the complete VHPP eligibility and underwriting guidelines.

SPECIAL NOTE: CHFA has allocated \$1,000,000 for this program; the pool will be awarded on a first-come-first-served basis. Reserve your funds while they're available...help CHFA honor Connecticut Veterans and thank them for their service!

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.

EXHIBIT A

TITLE: CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA) VETERAN HOMEOWNERSHIP PILOT PROGRAM (VHPP)

PURPOSE AND OVERVIEW:

The Connecticut Housing Finance Authority (CHFA) Veterans Homeownership Program (VHPP) will assist Veterans in obtaining homeownership in the communities where they live. The program will provide down payment and closing cost assistance for Veterans that are first time homebuyers that meet the eligibility and underwriting guidelines for the program.

PARAMETER	Eligibility Requirements
DESCRIPTION	Fixed Rate / 30 Year Amortization/Second Mortgage
VHPP LOAN AMOUNT	Maximum Loan Amount = \$10,000 (First mortgage must be maximized)
VHPP INTEREST RATE	0.00%
PROGRAM FEES	Application Fee = \$200
ELIGIBLE PRODUCTS	VHPP DAP funds may be used for down payment, down payment and closing cost or closing costs only with all CHFA products <i>including HFA Preferred</i>
CHFA 1ST MORTGAGE LOAN INTEREST RATE	Same as the CHFA Regular Homebuyer Program interest rate in effect tied to the origination fee paid by borrower Targeted area rate discount will apply CHFA Military Program rate discount WILL NOT apply
TARGET GEOGRAPHY	State of Connecticut
ELIGIBLE BORROWERS	Must be a Veteran who served in any branch of the US Military including Guard or Reserves May be a Veteran discharged for any reason other than "dishonorable" (VA Form DD-214 is required) Must be a first-time homebuyer, unless purchasing in a CHFA designated targeted area or census tract in the state.
ELIGIBLE PROPERTY TYPES	1 - 4 unit dwellings Planned Unit Developments Approved Condominiums No manufactured housing, co-ops or <i>mobile homes</i>
ELIGIBLE OCCUPANCY	Owner occupied only
UNDERWRITING GUIDELINES	CHFA 1 st mortgage loan approval is required Subject to Insurer Guidelines Subject to CHFA DAP standard underwriting guidelines
QUALIFYING RATIOS	Maximum Housing Ratio = 33% Maximum Total Debt-to-Income = 43%
MAXIMUM LTV/CLTV	100% / 105%
INCOME REQUIREMENTS	CHFA Income Limits apply.
SALES PRICE LIMIT	CHFA Sales Price Limits apply
SELLER CREDIT	Subject to insurer guidelines; Maximum 6% for loans with LTV ≤ 80%
HOMEBUYER EDUCATION	Required for all borrower(s)
LANDLORD COUNSELING	Required for all borrower(s) if applicable