

Bulletin # 110
August 22, 2016

To: CHFA Lenders
From: CHFA Single Family Underwriting
Subject: CHFA HFA Preferred™ Product Update

The CHFA Single Family department is committed to providing loan products consistent with mortgage industry standards and designed with “*ease-of-use*” to encourage Lender/Partners to advocate CHFA programs as the “*product-of-choice*” for eligible first-time homebuyers in the state.

To help accomplish this goal, Single Family is eliminating some of the ambiguity in the underwriting guidelines for the CHFA HFA Preferred™ and HFA Preferred™ Uninsured loan products.

**The following Program changes are effective with loan reservations dated on or after
September 1, 2016**

HFA PREFERRED™ (Private Mortgage Insurance Required) 1 UNIT AND CONDOMINIUMS

- The minimum credit score for all 1 Unit or Condominium property type = **620**
- The maximum LTV for all 1 Unit or Condominium property type = **97%**
- All 1 Unit or Condominium transactions with LTV's of **95% - 97%** are eligible to receive CHFA Downpayment Assistance (**DAP**) for a **maximum of 3%** for down payment (*plus closing costs if applicable*)
- FNMA Desktop Underwriter (DU) Approve/Eligible rating is required
- **Manual underwrites are not allowed except for loans without credit scores that are eligible following FNMA underwriting guidelines.**
- Maximum Housing Expense Debt ratio = 45% (DAP = 35%)
- Maximum Total Debt to Income ratio = 45% (DAP = 43%)
- Loan Servicer = Idaho Housing and Finance Association (IHFA)

HFA PREFERRED™ (Private Mortgage Insurance Required) 2 – 4 UNITS

- The minimum credit score for all 2 – 4 Units property type = **620**
- The maximum LTV for all 2 – 4 Units property type = **95%**
- Eligible to receive CHFA Down payment Assistance (**DAP**) for a **maximum of 2%** for down payment (*plus closing costs if applicable*)
- FNMA Desktop Underwriter (DU) Approve/Eligible rating is required
- **Manual underwrites are not allowed except for loans without credit scores that are eligible following FNMA underwriting guidelines.**
- Maximum Housing Expense Debt ratio = 45% (DAP = 35%)
- Maximum Total Debt to Income ratio = 45% (DAP = 43%)
- Loan Servicer = Idaho Housing and Finance Association (IHFA)

HFA PREFERRED™ Uninsured 1 – 4 UNITS AND CONDOMINIUMS

- The minimum credit for all property types = **620**
- The maximum LTV for all property types = **≤ 80%**
- Eligible to receive CHFA Down payment Assistance (**DAP**) for closing costs only
- FNMA Desktop Underwriter (DU) Approve/Eligible rating is required
- **Manual underwrites are not allowed except for loans without credit scores that are eligible following FNMA underwriting guidelines.**
- Maximum Housing Expense Debt ratio = 45% (DAP = 35%)
- Maximum Total Debt to Income ratio = 45% (DAP = 43%)
- Loan Servicer = Idaho Housing and Finance Association (IHFA)

HFA PREFERRED™ Uninsured 1 – 4 UNITS AND CONDOMINIUMS CREDIT SCORES ≤ 619

- Credit Score ≤ 619
- The maximum LTV for all property types = **≤ 80%**
- Down payment must come from borrower own funds or a Personal Gift from a FNMA Acceptable Donor only
- Eligible to receive CHFA Down payment Assistance for closing costs only
- **FNMA Desktop Underwriter (DU) Approve/Eligible rating or Manual underwrite allowed**
- Maximum Housing Expense Debt ratio = 45% (DAP = 35%)
- Maximum Total Debt to Income ratio = 45% (DAP = 43%)
- Loan Servicer = AmeriNational Community Services, LLC

For complete eligibility and underwriting guidelines refer to the CHFA “Loan Program Outlines and Underwriting Guide Manual” included with this announcement and published on the CHFA website at www.chfa.org.

There are no changes to the eligibility and underwriting guidelines for the CHFA government loan programs, i.e. FHA, VA or USDA - RD.

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.