

Bulletin # 129

July 24, 2017

To: CHFA Lenders
From: CHFA Single Family Underwriting
Subject: **CHFA HFA Preferred™ Program - Qualifying Income Debt Ratios**

CHFA is committed to providing loan programs that increase opportunities for low-to-moderate income first-time homebuyer individuals and families to achieve the dream of homeownership, while managing credit risk and the overall integrity of the CHFA mortgage loan portfolio.

Fannie Mae (FNMA) has announced the planned release of Desktop Underwriter® (DU®) version 10.1 that will update the debt-to-income (DTI) eligibility for loans with an Approve/Eligible rating up to 50%.

As a result of the expanded eligibility criteria announced by FNMA, CHFA will increase the allowable debt-to-income ratios for our conventional loan products as follows:

This program is for FNMA HFA Preferred and HFA Preferred Uninsured loans without DAP only.

- The loan must receive a DU Accept/Eligible recommendation.
- CHFA will allow the debt-to-income ratios (*front and back*) to be determined by DU up to a maximum total-debt-to-income ratio of 50%.
- All other CHFA eligibility and underwriting guidelines will apply.

CHFA FHLMC - HFA Advantage loan product is not eligible for the expanded DTI ratio.

THIS PROGRAM WILL BEGIN WITH LOAN RESERVATIONS DATED ON AND AFTER AUGUST 1, 2017.

Current loans in the reservation and processing pipelines are not eligible for the increased DTI ratio.

- NO EXCEPTIONS -

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.