

Bulletin #95
September 11, 2015

To: CHFA Lenders
From: CHFA Single Family Underwriting
Subject: Connecticut Housing Finance Authority (CHFA) Announces:

- *Expanded Eligibility for HFA Preferred™ Loan Product*
- *CHFA Second Mortgage Deed for DAP Loans Revised*
- *FHA UFMIP Financed in CHFA 1st Mortgage Amount*

Expanded Eligibility for HFA Preferred™ and HFA Preferred™ Uninsured Loans

Effective with the release of this Bulletin, CHFA will expand the HFA Preferred™ and HFA Preferred™ Uninsured loan products to allow over income borrower(s) in designated Targeted Areas and Targeted Census Tracts. The CHFA income limit will be waived for eligible applicants that **are not** applying for CHFA Downpayment Assistance (DAP). In compliance with HFA Preferred™ guidelines, eligible applicants may not have an ownership interest in any other property at the time of closing. The loan transaction must comply with all other applicable HFA Preferred™ and CHFA eligibility and underwriting guidelines for approval.

CHFA Second Mortgage Deed Downpayment Assistance Program Document Revised

The CHFA DAP Mortgage Deed document, Page 2, #3 has been amended to include the following language:

“...In the event that title to the premises is transferred by a foreclosure or deed in lieu of foreclosure of a mortgage which is insured by the Secretary of Housing and Urban Development or such mortgage is assigned to the Secretary of Housing and Urban Development, then any provision in this Section 3 or any other agreement between Grantor and Grantee requiring the Grantor to continue to be an owner-occupant of the premises or otherwise restricting the Grantor’s ability to sell the premises shall automatically terminate and have no further force or effect.”

The new document replaces CHFA Form # DAP08MD 6-14; the revised form has been published on the CHFA website under **CHFA Form # DAP08MD 9-15** and is available for immediate use.

Calculating the FHA UFMIP Financed in the CHFA 1st Mortgage Loan Amount

Effective with FHA Case Number Assignments obtained on or after September 14, 2015, FHA will require the UFMIP to be rounded down to the nearest whole dollar amount when the UFMIP is financed in the first mortgage loan. The CHFA LOS will be updated to calculate the UFMIP following FHA’s rule for rounding.

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.