

CHFA SMART RATE PILOT LOAN PROGRAM APPLICANT NOTICE

You are receiving this notice because you are applying for a Connecticut Housing Finance Authority (“CHFA”) Smart Rate 1st mortgage loan from a CHFA Participating Lender.

You must meet all eligibility requirements for a CHFA 1st mortgage in addition to meeting the Smart Rate eligibility requirements, which include, but are not limited to:

- Borrowers’ must have student loan debt incurred for attending an eligible educational institution with at least a \$15,000 unpaid principal balance at the time of final submission of your credit package to CHFA;
 - An eligible educational institution is an accredited public, nonprofit, or proprietary (privately owned profit-making) college, university, vocational school, or other postsecondary educational institution. Also, the institution must be eligible to participate in a student aid program administered by the U.S. Department of Education. (Most accredited postsecondary institutions meet this definition.);
 - CHFA may require documentation that the debt was incurred for educational purposes.
- The student loan debt must be in good standing with no past due amounts;
- The applicant’s income must be at or below 100% of the area median income as determined by Fannie Mae or Freddie Mac, but not to exceed the CHFA limit for first time homebuyers.
- The student loan debt may be in repayment or in deferment status; and
- The student loan debt must be in the applicants’ name(s) and not forgivable within 60 days of closing.

If you are approved, the Smart Rate Pilot loan program provides a 1st mortgage interest rate discount of 1.125% based on the rates in effect at the time your lender has obtained a loan reservation with CHFA. This discount may not be combined with any other rate discounts offered by CHFA on any of its loan programs.

This Smart Rate discount is only available on a CHFA 1st mortgage originated through a CHFA Participating Lender.

This CHFA 1st Mortgage is due and payable:

- When the property ceases to be your principal residence;
- Upon sale or any transfer (by gift or otherwise) of the property to another person, business, or entity;
- At the end of the thirty (30) year term of the mortgage.

Funding for this Pilot program is limited and is subject to CHFA confirming the successful reservation of your CHFA 1st mortgage by your Participating Lender.

Your 1st mortgage application together with this notice constitutes your application for the Smart Rate loan. You represent that you meet the eligibility requirements set forth above and that the information contained in the application is true and complete.

Acknowledged and agreed to by:

Borrower	Date	Borrower	Date
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Lender: _____

NMLS ID: _____

Loan Originator: _____

NMLS ID: _____