



For Immediate Release

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CHFA TO SELL \$118 MILLION IN FIXED-RATE BONDS

Bond issuance expected to finance 695 mortgages for first-time homebuyers

Rocky Hill, Conn., April 20, 2018 – The [Connecticut Housing Finance Authority](#) (CHFA) will be offering \$118 million in bonds on April 24, 2018. The Tax-Exempt Bonds (TEBs) are expected to be rated AAA and Aaa by S&P Global and Moody’s Investor Service. CHFA is a self-funded, quasi-public agency that utilizes bond proceeds for the benefit of first-time homebuyers. “Sales of tax-exempt bonds are the mechanism that allows CHFA to offer below-market interest rates,” said Karl Kilduff, CHFA’s Executive Director. “TEBs funded nearly 3,000 mortgages for first-time homebuyers in Connecticut, which was a boost to the state’s economy.”

CHFA’s current mortgage interest rates are 3.625 – 3.825%, for the 1 point option, well below the current average conventional rate. According to Freddie Mac (as of 4/19/18), the average conventional rate is 4.47%, up from 3.95% in the first week of January.

This issuance will support increasing demand from first-time homebuyers. The Authority’s definition of a first-time homebuyer is a borrower who has not owned a home in the last three years. With rising prices, up 3.7% year over year according to the Federal Housing Finance Agency (FHFA) and tight inventory, buyers face a challenging housing market this spring. “For first-time homebuyers, CHFA’s below-market rate can be the difference between buying and not buying a home, or enable a first-time buyer to purchase a larger home than they could afford with higher interest rates,” Kilduff added. For example, with a \$200,000 mortgage, every 0.10% decrease in interest rate will increase the purchasing power of a borrower by \$2,370.

Home buying is an economic engine in the state, and first-time home purchases drive the market, by allowing current homeowners to sell and move up to their next home, creating a ripple effect in the market. Beyond the jobs generated during construction and the buying process, new homeowners purchase furniture, appliances, lighting and many other household items as part of a move.

The Senior Manager on the sale is Morgan Stanley. Co-Bond Counsels are Hawkins Delafield & Wood, Kutak Rock, and Lewis & Munday. The Financial Advisor is Lamont Financial Services Corporation.

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The Connecticut Housing Finance Authority (CHFA) was created in 1969 by the Connecticut Legislature as a self-supporting quasi-public housing agency charged with expanding affordable housing opportunities for the state’s low- and moderate-income families and individuals. CHFA has helped more than 139,000 Connecticut individuals and families become homeowners through its low-interest single-family mortgage programs. In addition, CHFA has financed the creation of more nearly 50,000 affordable, rental units throughout the state. To date, the combined mortgage financing for CHFA’s single- and multifamily housing programs exceeds \$11 billion. For more information: <http://www.chfa.org>



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