

HFA PREFERRED™

Mortgage Loan Program



The HFA Preferred™ Program will provide first mortgage loan financing to eligible first-time homebuyers in compliance with CHFA and Fannie Mae (FNMA) eligibility requirements. These programs offer a 30-year, fixed rate mortgage with low cost mortgage insurance coverage requirements.

ELIGIBILITY REQUIREMENTS

- You must be a first-time homebuyer or have not owned a home in the past three (3) years unless purchasing in a Targeted Area of the state. You may not own any other property at the time of closing your CHFA mortgage. (see *list of Targeted Areas* at chfa.org)
- The sales price of the home does not exceed CHFA Sales Price Limits. (see *Sales Price Limits* at chfa.org)
- Borrower(s) qualifying gross income cannot exceed the CHFA established eligibility Income Limits based on household size. (see *Income Limits* at chfa.org)
- The interest rate is the CHFA published rate on the day your CHFA- Participating Lender registers your loan. **The interest rate is reduced by .25% if purchasing property in a Targeted Area.** (see *list of Targeted Areas* at chfa.org)

DOWN PAYMENT ASSISTANCE PROGRAMS

CHFA offers down payment and closing cost assistance loans in conjunction with CHFA first mortgage loans. The minimum assistance amount is \$3,000.

MORTGAGE INSURANCE

Mortgage insurance is required when the amount financed exceeds 80% of the appraised value or purchase price, whichever is less. Your lender will review mortgage insurance requirements with you.

HOMEBUYER EDUCATION CLASS

At least one borrower is required to attend a free homebuyer education class prior to closing. Classes are held at several locations or online. Your lender will provide you with information for online counseling when your loan is reserved.

A landlord certificate is also required if purchasing a two to four family home. (see *Counseling Class schedules* at chfa.org)

FEDERAL RECAPTURE TAX

In rare cases, you could be required to pay a Federal Recapture Tax in the future if you sell the house. Your lender will provide you with information at the time of application.

You may be eligible to receive reimbursement from CHFA if you are required to make the Federal Recapture Tax payment.

HOW TO APPLY

To learn more about the program and to apply, contact one of the CHFA-Participating Lenders for guidance. (see *CHFA-Participating Lenders list* at chfa.org) or call us toll free at: 844-CT1-HOME (844-281-4663).

