



August 19, 2019

summary of changes

The CHFA Seller's Guide was updated to reflect the following changes:

- Added "Lender Communication" section
- Deleted references to the CHFA Advantagesm Program
- Changed term "Minimum Financial Investment" to "Minimum Borrower Financial Contribution"
- Changes to underwriting and CHFA Down Payment Assistance (DPA) options on CHFA Preferredsm Programs
- Specified that CHFA will not fund DPA without purchasing the associated CHFA First Mortgage Loan
- Reminder to comply with any applicable interest rate caps
- Miscellaneous technical updates

lender communication

CHFA issues eNews, which provide information about CHFA Program guideline updates, trainings, and CHFA events. There may be occasion when an update, communicated though an eNews, takes effect immediately. In such case, the Participating Lender must comply with any such update, regardless of whether the conforming update to the Guide has yet been made. (See Section 112.)

Effective date: These changes are effective immediately.

chfa advantage

As of August 19, 2019, the CHFA Advantage Program is no longer available. (Deleted Section 305 and other references to CHFA Advantage throughout the Guide.)

Effective date: These changes are in effect immediately.

minimum borrower financial contribution

The term Minimum Financial Investment has been changed to Minimum Borrower Financial Contribution throughout the Guide. Minimum Borrower Financial Contribution, not to be confused with HUD's Minimum Required Investment, is the amount CHFA requires a borrower to contribute toward the purchase of a Property. The Borrower must use their own funds, which may include gift funds.

Additionally, flood insurance premiums were added as an eligible cost that may be counted toward the Minimum Borrower Financial Contribution. (Term updated throughout the Guide.)

Effective date: These changes are in effect immediately.



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chfa preferred

As of August 19, 2019, CHFA Preferred Programs may not be manually underwritten. Mortgage Loans originated in the CHFA Preferred Programs must comply with HomeReady® or Freddie Mac HFA Advantage® Program guidelines, as applicable. All Borrowers with a credit score must have a decision credit score of 620 or above, and the maximum debt-to-income (DTI) ratio is determined by AUS findings. All loans must receive an Approve/Eligible decision from Desktop Underwriter® or an acceptable Indicator Score from Loan Product Advisor®. (HomeReady® and Desktop Underwriter® are registered trademarks of Fannie Mae.)

In addition, the CHFA DPA Grant option is no longer available when originating a CHFA Preferred Plus loan. The CHFA DPA Silent-Second Mortgage Loan is the only DPA option available with this program. (See Section 305.)

Effective date: These changes are in effect immediately.

funding dpa

CHFA will not fund any CHFA DPA unless CHFA purchases the corresponding First Mortgage Loan. If CHFA does not purchase the First Mortgage Loan, the CHFA DPA will be the responsibility of the Participating Lender. (See Sections 304.A and 304.B.)

Effective date: These changes are effective immediately.

interest rate caps

Participating Lenders are responsible for ensuring any loan locked under a CHFA loan program meets the applicable interest rate cap, if any. For example, Participating Lenders should not lock a USDA-RD guaranteed loan under a CHFA loan program, if its interest rate exceeds USDA-RD's interest rate cap. (See Section 401.)

Effective date: These changes are already in effect.

rate adjustment fee

A rate adjustment fee may be charged if a Lock expires and the Mortgage Loan has not been sold to CHFA, and for which the Participating Lender has accepted four or more payments. The Rate Adjustment Fee will be determined at CHFA's sole discretion and will be based upon market conditions and pricing at the time the subject Mortgage Loan is purchased.

If the Mortgage Loan is closed at the wrong Interest Rate, and the Note Interest Rate is higher than the locked Interest Rate, the Participating Lender must reclose the Mortgage Loan at the correct Interest Rate before CHFA will purchase the Mortgage Loan.

Additionally, Mortgage Loans closed with a Note Interest Rate that is lower than the locked Interest Rate will, if purchased, be subject to a fee at least equal to the cost to buy down the locked Interest Rate to the Note Interest Rate



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over the Mortgage Loan term. CHFA is under no obligation to purchase a Mortgage Loan closed at an Interest Rate that differs from the locked Interest Rate. (See Section 406 for details.)

Effective date: These changes are effective immediately.

miscellaneous updates

- **Section 201.G, Ownership of Other Real Estate**
Added vacant land as property not considered residential.
- **Section 201.H, New Mortgage Loan**
Changed term “bridge loan” to “construction to permanent loan” for clarification purposes.
- **Section 201.N, Trusts**
All Mortgage Loans must close in each Borrowers’ individual name and may not be closed in the name of a trust.
- **Section 202.B, Acreage Limit**
The maximum permissible acreage is the acreage allowed under insurer/guarantor guidelines, or Fannie Mae or Freddie Mac requirements or fifty (50) acres, whichever is less. Under no circumstance may a property exceed 50 acres.
- **Section 607.B and 607.E, Insurance Coverage and Deductible**
If a property is a condominium or located in a PUD that is subject to a blanket or master policy, the policy must meet insurer, guarantor, Fannie Mae, or Freddie Mac guidelines, as applicable.

The maximum deductible of \$5,000 is not applicable for blanket or master policies. Maximum deductibles for blanket or master policies must meet insurer, guarantor, Fannie Mae, or Freddie Mac guidelines, as applicable.

- **Section 700.A.2, DMI Org ID**
Complete a TOS/TOB transfer using both CHFA ORG ID 1008017 and DMI ORG ID 1001484.
- **Various additional technical corrections throughout the Guide**

Effective date: These changes are effective immediately.