

## ***Connecticut Fair Alternative Mortgage Lending Initiative and Education Services (CT FAMLIES) - Brochure***

### ***WHAT IS THE CT FAMLIES PROGRAM?***

The Connecticut Fair Alternative Mortgage Lending Initiative and Education Services (CT FAMLIES) program is a mortgage loan refinance program designed to help homeowners who have a delinquent fixed or adjustable rate mortgage (ARM). The CT FAMLIES loan is a 30-year, fixed rate mortgage. The interest rate for the CT FAMLIES loan is the same as the Homebuyer Mortgage Program rate for Connecticut Housing Finance Authority (CHFA) loans. To find current rate information, visit the CHFA website at: [www.chfa.org](http://www.chfa.org). CT FAMLIES will be available until allocated funding is exhausted.

### ***HOW DO I KNOW IF I AM ELIGIBLE TO REFINANCE MY EXISTING MORTGAGE WITH A CT FAMLIES LOAN?***

You may be eligible to refinance your existing loan into a CT FAMLIES loan if you are delinquent on your fixed rate mortgage, or you are delinquent on your adjustable rate mortgage because of an interest rate adjustment.

### ***HOW DO I KNOW IF MY HOME IS ELIGIBLE FOR REFINANCING?***

- You must own and live in the home you would like to refinance. (NOTE: Under CT FAMLIES, you cannot own more than one residential property.)
- Eligible properties include one-to-four family homes, condominiums or homes located in Planned Unit Developments (PUDs). A participating lender can tell you if your condominium is eligible for CT FAMLIES financing.
- The maximum CT FAMLIES loan amount you can receive is based on the value of your home and your current mortgage balance. The CT FAMLIES first mortgage loan amount cannot exceed the CHFA Sales Price Limits listed on the attached chart.

### ***AM I ELIGIBLE FOR CT FAMLIES IF I HAVE A FIRST AND SECOND MORTGAGE?***

You may be eligible for CT FAMLIES if you have a first and second mortgage. You can discuss the options available to you with a CT FAMLIES lender. (See listing of lenders on page 3.)

### ***WHAT IF MY HOUSE IS WORTH LESS THAN WHAT I OWE ON MY EXISTING MORTGAGE?***

If your home is worth less than your current mortgage balance and the gap between the appraised value and the remaining balance of your mortgage is \$15,000 or less, you may be eligible for a CT FAMLIES second mortgage. A CT FAMLIES second mortgage must be done in conjunction with a CT FAMLIES first mortgage. (NOTE: If your home is worth less than your remaining balance on your first mortgage and you do not meet the requirements for a CT FAMLIES loan, please refer to pages 3 and 4 for additional programs that may provide assistance.)

The maximum amount of a CT FAMLIES second mortgage is \$15,000. In addition to providing funds for an appraisal gap, second mortgage funds can be used toward closing costs, for mortgage delinquency and/or late fees, and to pay off water, sewer or real estate tax liens, if applicable. Please speak to a CT FAMLIES lender to discuss your specific needs.

***ARE THERE INCOME LIMITS ASSOCIATED WITH THE CT FAMLIES PROGRAM?***

Your household income may not exceed CHFA’s income limits based on the location of your home (refer to the attached chart) and the number of individuals in your household. (NOTE: If your income exceeds the CHFA Income Limits, please refer to pages 3 and 4 for additional programs that may provide assistance.)

Income limits do not apply when your home is located in one of the federally targeted census tracts listed below:

Targeted Area	Eligible Census Tracts
Ansonia	1252-1254
Bridgeport	ALL
Danbury	2101, 2102, 2107
Enfield	4801, 4806
Groton	7022.01, 7023, 7025
Hartford	ALL
Meriden	1701-1703, 1709, 1710, 1715
Middletown	5411, 5415-5418
New Britain	4153, 4156, 4159-4163, 4166, 4171-4173
New Haven	ALL
New London	ALL
Norwalk	0434, 0437, 0438, 0440-0442, 0444, 0445
Norwich	6964, 6967, 6968
Rocky Hill	4902
Stamford	0201, 0214-0217, 0221-0223
Torrington	3101-3103, 3108
Waterbury	ALL
Windham	8006

To determine if your home is located in a targeted census tract, visit <http://www.ffiec.gov/Geocode/default.aspx>, select 2009 for the inquiry year, enter your home address, and click the search button. The results will indicate the “Tract Code” or census tract for your home’s location. The first four digits of this number will match those listed above in the event your home is located in a targeted census tract.

***WILL I BE REQUIRED TO TAKE A COUNSELING CLASS BEFORE I CAN CLOSE ON MY CT FAMLIES LOAN?***

All homeowners must attend a 3-hour financial fitness counseling class prior to closing on a CT FAMLIES loan. In addition, you will be required to attend at least one counseling session within the first six (6) months of the closing of your CT FAMLIES loan. Your lender will direct you where to call for counseling.

***WHAT FEES DO I HAVE TO PAY WITH MY LOAN APPLICATION?***

Your lender may charge you an application fee when you apply for CT FAMLIES. In addition, you will be required to pay points which represent 1.5% of the total mortgage amount for the CT FAMLIES loan. This is a one-time fee that can be financed through your CT FAMLIES loan.

The CT FAMLIES loan will be insured by CHFA. As such, you may be required to pay mortgage insurance on this loan. Mortgage insurance is protection for CHFA in the event

you default on your loan. You are responsible for paying mortgage insurance which will be included in the monthly mortgage payment amount that you pay to your lender. Your lender will discuss mortgage insurance premiums with you as well as any additional fees associated with a CT FAMLIES loan.

### ***WHAT INFORMATION SHOULD I PROVIDE THE LENDER?***

Before scheduling an appointment to meet with a lender, it is helpful for you to have the following items readily available in order for the lender to determine if you are eligible for the program:

1. Copies of your most recent paycheck stubs covering one month of pay.
2. Copies of your two (2) most recent federal income tax returns with all schedules and W2's.
3. A copy of the Note(s) for your existing mortgage(s).
4. Copies of your three (3) most recent bank statements for checking and savings accounts, etc.
5. Copies of statements from all other outstanding debts including second mortgage loans (if applicable), equity lines of credit (if applicable), credit card statements, car loans, etc.
6. Compose a detailed letter explaining the reason for your delinquency.
7. Please also include copies of your mortgage statement(s).

### ***HOW DO I APPLY FOR A CT FAMLIES LOAN?***

Homeowners may contact one of the following approved CT FAMLIES Participating Lenders:

**\*Liberty Bank**  
888-570-0773

**McCue Mortgage**  
800-382-0017

**New Alliance Bank**  
800-892-2096

**People's United Bank**  
800-772-1090

**Webster Bank**  
888-681-7788

*\* Liberty Bank does not lend in Litchfield or Fairfield Counties.*

### ***WHAT IF I DON'T QUALIFY FOR A CT FAMLIES LOAN?***

If you do not meet the CT FAMLIES eligibility requirements, we encourage you to read about the following federal programs:

- **Home Affordable Refinance Program**

Many homeowners pay their mortgage on time, but are unable to refinance their current mortgage due to a decrease in the value of their home. A Home Affordable Refinance Program Loan will help borrowers whose loans are held by Fannie Mae or Freddie Mac refinance into a more affordable mortgage. The new loan cannot exceed 125% of the current market value of the property.

The federal government has established a website to allow homeowners to determine if their mortgage is held by Fannie Mae or Freddie Mac. You can find out if your mortgage is eligible for this federal refinancing program by visiting the following website:

<http://www.makinghomeaffordable.gov/>

- **Home Affordable Modification Program**

Many homeowners are struggling to make their mortgage payments because their interest rate has increased or they have less income. A Home Affordable Modification may be available from your current lender to provide mortgage payments that are more affordable. Your lender may modify the current interest rate on your mortgage to a lower rate and/or extend the term of your mortgage. You can find out if your lender is participating in this federal modification program by visiting the following website: <http://www.makinghomeaffordable.gov/>

For questions or additional information, please contact CHFA's Customer Call Center at 860-571-3500 or Toll Free at 877-571-CHFA [2432].



Connecticut Housing Finance Authority  
999 West Street • Rocky Hill, CT 06067  
Customer Call Center at 860-571-3500 or Toll Free at 877-571-CHFA [2432].  
[www.CHFA.org](http://www.CHFA.org)

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