

SERIES: 2000-2001
CIRCULAR LETTER: C-10

TO: Superintendents of Schools

FROM: Theodore S. Sergi
Commissioner of Education

DATE: October 24, 2000

SUBJECT: Teachers Mortgage Assistance Program

There is a new program available to certain Connecticut certified public school teachers. Public Act 2000-187 establishes a Teachers Mortgage Assistance Program for **certified public school teachers who teach in and purchase a first-time home as their primary residence in a priority or transitional school district. Additionally, the Program shall be available to certified public school teachers who teach in a state-identified subject matter shortage area (Bilingual Education, Pre-K-12; Mathematics, 7-12; Music, Pre-K-12; School Library Media Specialist, Pre-K-12; Spanish, 7-12; Special Education, Pre-K-12; and Technology Education, Pre-K-12.** In the case of certified public school teachers employed by a priority or transitional school district, the house must be located in that district. Teachers who teach in a state-identified subject matter shortage area will be able to purchase statewide.

This Teachers Mortgage Assistance Program is an important tool created to assist in recruiting and retaining public school teachers in Connecticut. The Program will be administered by the Connecticut Housing Finance Authority (CHFA) through their participating lenders beginning October 23, 2000. The Program will feature a fixed rate, 30-year mortgage, with an interest rate currently set at six percent (6%). Down-payment assistance will also be available. Eligible teachers must meet CHFA eligibility requirements, including income and sales price limits.

All eligible teachers seeking a mortgage through this program will be required to have a Statement of Eligibility signed by the Superintendent of Schools. Attached is the Statement of Eligibility that you may copy and distribute to eligible teachers. This signed Statement will be required by the mortgage lender for proof of eligibility. Also enclosed is a program brochure outlining the program specifics.

Any questions or concerns regarding the Teachers Mortgage Assistance Program may be directed to Lou Bolella, Manager, Residential Mortgage Underwriting at CHFA, at (860) 571-4226. Questions concerning state-identified shortage areas may be directed to Abigail L. Hughes, Associate Commissioner, Division of Evaluation and Research, CSDE, at (860) 566-2092.

I am hopeful that this new initiative is only the first of many that will help attract and retain quality teachers in Connecticut. Thank you.

Attachments

Statement of Eligibility
for Participation in the
CHFA Teachers Mortgage Assistance Program

I hereby certify that: _____
(Name of Applicant)

Check only **one** box:

Holds a valid Connecticut certificate, is employed as a teacher in his/her respective endorsement area(s) and is employed as a teacher in a priority school district or transitional school district as designated by the Connecticut School Improvement Initiative.

OR

Holds a valid Connecticut certificate and is employed as a teacher in his/her respective endorsement area(s) in one of the following 2000-2001 identified shortage areas:

- (Check One) Bilingual Education, Pre-K - 12
 Mathematics, 7 - 12
 Music, Pre-K - 12
 School Library Media, Pre-K - 12
 Spanish, 7 - 12
 Special Education, Pre-K - 12
 Technology Education, Pre-K - 12

Signed: _____
(Original Signature of: Superintendent of Schools, Charter School Directors, Principals of Endowed & Incorporated Academies, Executive Directors of Regional Educational Service Centers, Directors of State Approved Non-Public Special Education Facilities)

Typed Name & Title of Signator: _____

School District: _____

Telephone: _____ Date: _____

Connecticut State Department of Education
2000-2001

<u>Priority School Districts</u>	<u>Transitional School Districts</u>
Bloomfield	Ansonia
Bridgeport	Derby
Bristol	Groton
Danbury	Hamden
East Hartford	Killingly
Hartford	Manchester
Meriden	Norwich
Middletown	Putnam
New Britain	Stratford
New Haven	West Hartford
New London	
Norwalk	
Stamford	
Waterbury	
West Haven	
Windham	

Connecticut Housing Finance Authority

Opening Doors to Homeownership

Teachers Mortgage Assistance Program



Are you a certified public school teacher looking to purchase your first home?

Connecticut Housing Finance Authority (CHFA) offers a special, low interest rate mortgage to make the dream of homeownership more affordable for Connecticut certified public school teachers.

If you are a Connecticut certified public school teacher employed by and teaching in your endorsement area in a priority or transitional school district, or are certified to teach and are teaching in a state-identified subject matter shortage area, you may qualify for the Teachers Mortgage Assistance Program.

Eligible Borrowers

- Eligible borrowers need to be Connecticut certified public school teachers employed by and teaching in your endorsement area in a priority or transitional school district, or certified to teach and teaching in a state-identified subject matter shortage area.
- You need to be a first-time home buyer (or not have owned a home during the past 3 years).
- When applying for a loan, you must submit a Statement of Eligibility letter from the school district superintendent where you teach, verifying that you are a certified teacher in either a priority or transitional school district or teach in a state-identified subject matter shortage area.

Priority and Transitional School Districts

In the case of certified public school teachers employed by a priority or transitional school district, the home you are purchasing must be located in that district.

<u>Priority</u>		<u>Transitional</u>
Bloomfield	New London	Ansonia
Bridgeport	Norwalk	Derby
Bristol	Stamford	Groton
Danbury	Waterbury	Hamden
East Hartford	Windham	Killingly
Hartford	West Haven	Manchester
Meriden		Norwich
Middletown		Putnam
New Britain		Stratford
New Haven		West Hartford

State-identified Subject Matter Shortage Areas

Each year the Commissioner of Education determines the subject matter shortage areas. Connecticut certified public school teachers who teach in a state-identified subject matter shortage area will be able to purchase a home statewide. The following state-identified subject matter shortage areas are in effect until June 30, 2001:

Bilingual Education, Pre-K-12
Mathematics, 7-12
Music, Pre-K-12
School Library Media Specialist, Pre-K-12
Spanish, 7-12
Special Education, Pre-K-12
Technology Education, Pre-K-12

Loan Terms (First Mortgage)

- CHFA provides a 30-year, fixed rate mortgage.
- The interest rate is currently 6% (this rate is subject to change).
- An origination fee of one point (1% percent of the loan amount) is charged.
- As a Connecticut certified public school teacher, you will be qualified for a mortgage based on CHFA guidelines that include credit, income and employment history.

Downpayment Requirement

- Loans with less than 20% downpayment must have mortgage insurance or a mortgage guaranty. *(Loans eligible for guarantees from the US Department of Veterans Affairs (VA) or the US Department of Agriculture Rural Development (RD) may not require any downpayment.)*
- The minimum downpayment is determined by the mortgage insurance used.
- Generally, a minimum of only 3% is required for a downpayment.
- Downpayment assistance loans are available through the State Downpayment Assistance Program administered by CHFA.

Downpayment Assistance Loan Terms (Second Mortgage)

- You may request a loan for downpayment assistance through the State Downpayment Assistance Program (DAP), regardless of your current assets. The DAP loan, which is offered at a below-market interest rate of 6%, is secured by a second mortgage on your new home.
- Closing cost assistance is also available.
- Your annual income must be sufficient to support both the CHFA first mortgage and the DAP loan payments.
- If the home you wish to buy meets CHFA's first mortgage property requirement, it will also meet the property requirements for the Downpayment Assistance Program.
- The minimum loan amount is \$3,000.
- There is a \$200 application fee for a DAP loan.
- If you obtain a DAP loan, you will be required to attend a home buyer education class prior to closing your loan.
- Your lender will give you information on Home Buyer Counseling including the Home Buyer Counseling Agencies' class schedules with locations.
- A materials fee of \$25 is charged at the time you attend the class.

- Under the Teachers Mortgage Assistance Program, DAP loans are available to CHFA first mortgage borrowers who are purchasing a home in any of the DAP eligible communities listed below:

Andover	Chaplin	Hamden	Naugatuck	Scotland	Torrington
Ansonia	Colchester	Hampton	New Britain	Seymour	Vernon
Ashford	Danbury	Hartford	New Haven	Southington	Voluntown
Beacon Falls	Derby	Killingly	New London	Sprague	Wallingford
Bloomfield	East Hartford	Lisbon	Norwalk	Stafford	Waterbury
Bridgeport	East Haven	Manchester	Norwich	Stamford	Watertown
Bristol	East Windsor	Meriden	Plainfield	Sterling	West Haven
Brooklyn	Enfield	Middletown	Plainville	Stratford	Winchester
Canaan	Griswold	Milford	Plymouth	Thomaston	Windham
Canterbury	Groton	Montville	Putnam	Thompson	Wolcott

Income and Sales Price Limits

The income and sales price limits under this Program are the same as the income and sales price limits set for the CHFA Home Buyer Mortgage Program.

The combined annual income of all persons who will occupy the home will be counted as household income. This includes overtime pay, part-time employment, bonuses, income from self-employment, etc. There are exceptions to allow for higher incomes in some towns. *See the Income Limits listed below:*

1. If you earn less than the following statewide income limits, you are eligible for a mortgage under the Teachers Mortgage Assistance Program:

One- or Two-person Household: \$52,000

Three or More in Household: \$59,800

2. If your income exceeds the limit, check the list below to see if the town where you are purchasing property has an exception to allow higher income.

Please note: These limits were in effect as of the date of this publication. However, they are subject to change.

Town	Qualifying Census Tracts	Household Size	
		One or Two	Three or More
Ansonia	§1252, 1253, 1254	\$62,400	\$72,800
Bethel	All	\$63,800	\$73,300
Bridgeport	§All	\$62,400	\$72,800
Bridgewater	All	\$63,800	\$73,300
Brookfield	All	\$63,800	\$73,300
Chester	All	\$52,300	\$60,100
Danbury	§2101, 2102, 2107	\$73,600	\$84,600
	All other census tracts	\$63,800	\$73,300
Darien	All	\$73,600	\$84,600
Deep River	All	\$52,300	\$60,100
Essex	All	\$52,300	\$60,100
Greenwich	All	\$73,600	\$84,600
Groton	§7022, 7023	\$62,400	\$72,800
Hartford	§All	\$62,400	\$72,800
Hartland	All	\$52,300	\$60,100
Meriden	§1701, 1702, 1703, 1709, 1710	\$62,400	\$72,800
Middletown	§5411, 5415, 5416, 5417	\$62,400	\$72,800
New Britain	§4153, 4156, 4159-4163, 4166, 4171, 4172, 4173	\$62,400	\$72,800
New Canaan	All	\$73,600	\$84,600
New Fairfield	All	\$63,800	\$73,300
New Haven	§All	\$62,400	\$72,800
New London	§All	\$62,400	\$72,800
New Milford	All	\$63,800	\$73,300
Newtown	All	\$63,800	\$73,300
Norwalk	§0434, 0437, 0438, 0440, 0441, 0442, 0444, 0445	\$73,600	\$84,600
	All other census tracts	\$73,600	\$84,600
Norwich	§6964, 6967, 6968, 6969	\$62,400	\$72,800
Old Saybrook	All	\$52,300	\$60,100
Redding	All	\$63,800	\$73,300
Ridgefield	All	\$63,800	\$73,300
Sherman	All	\$63,800	\$73,300

Stamford	☞0201, 0214, 0215, 0216, 0217, 0221, 0222, 0223 All other census tracts	\$73,600 \$73,600	\$84,600 \$84,600
Torrington	☞3101, 3102, 3103, 3108	\$62,400	\$72,800
Waterbury	☞All	\$62,400	\$72,800
Weston	All	\$73,600	\$84,600
Westbrook	All	\$52,300	\$60,100
Westport	All	\$73,600	\$84,600
Wilton	All	\$73,600	\$84,600
Windham	☞All	\$62,400	\$72,800

☞ In these targeted areas, over-income applicants may still be eligible for CHFA Home Buyer Mortgages. Also, applicants don't need to be first time home buyers to be eligible for CHFA Home Buyer mortgages in these areas.

Sales price limits are set by county, although there are exceptions for some towns. *See the Sales Price Limits listed below:*

To ensure that CHFA's programs help low- and moderate-income home buyers, there are restrictions on the purchase price of homes financed with CHFA mortgages. The sales price limits are generally set by county, though there are exceptions for some towns.

1. Look to see if there is a specific sales price limit for the town in which you are purchasing a home. If the limit applies to designated census tracts, you may need to call the town hall to determine what census tract your property is in.
2. If the town is not listed, then the limit for "All remaining towns" in your county applies. Please note: These limits are subject to change at any time, without prior notice.

County	Town	Census Tracts	Existing Housing	Newly Constructed Housing
Fairfield				
	Bridgeport	☞All	\$192,000	\$219,000
	Danbury	☞2101, 2102, 2107	\$235,000	\$253,000
	Darien	All	\$253,000	\$253,000
	Easton	All	\$192,000	\$219,000
	Fairfield	All	\$192,000	\$219,000
	Greenwich	All	\$253,000	\$253,000
	Monroe	All	\$192,000	\$219,000
	New Canaan	All	\$253,000	\$253,000
	Norwalk	☞0434, 0437, 0438, 0440, 0441, 0442, 0444, 0445 All other census tracts in Norwalk	\$253,000 \$253,000	\$253,000 \$253,000
	Shelton	All	\$192,000	\$219,000
	Stamford	☞0201, 0214, 0215, 0216, 0217, 0221, 0222, 0223 All other census tracts in Stamford	\$253,000 \$253,000	\$253,000 \$253,000
	Stratford	All	\$192,000	\$219,000
	Trumbull	All	\$192,000	\$219,000
	Weston	All	\$253,000	\$253,000

Westport	All	\$253,000	\$253,000
Wilton	All	\$253,000	\$253,000
All remaining towns in Fairfield County		\$192,000	\$253,000
Hartford			
Hartford	All	\$168,000	\$197,000
Hartland	All	\$145,000	\$145,000
New Britain	All	\$168,000	\$197,000
All remaining towns in Hartford County		\$137,000	\$161,000
Litchfield			
Barkhamsted	All	\$137,000	\$161,000
Bridgewater	All	\$192,000	\$253,000
New Hartford	All	\$137,000	\$161,000
New Milford	All	\$192,000	\$253,000
Plymouth	All	\$137,000	\$161,000
Torrington	All	\$156,000	\$178,000
All remaining towns in Litchfield County		\$145,000	\$145,000
Middlesex			
Chester	All	\$145,000	\$145,000
Clinton	All	\$170,000	\$173,000
Deep River	All	\$145,000	\$145,000
Essex	All	\$145,000	\$145,000
Killingworth	All	\$170,000	\$173,000
Middletown	All	\$168,000	\$197,000
Old Saybrook	All	\$127,000	\$145,000
Westbrook	All	\$145,000	\$145,000
All remaining towns in Middlesex County		\$137,000	\$161,000
New Haven			
Ansonia	All	\$192,000	\$219,000
	All other census tracts in Ansonia	\$192,000	\$219,000
Beacon Falls	All	\$192,000	\$219,000
Derby	All	\$192,000	\$219,000
Meriden	All	\$170,000	\$178,000
Middlebury	All	\$145,000	\$145,000
Milford	All	\$192,000	\$219,000
Naugatuck	All	\$145,000	\$145,000
New Haven	All	\$170,000	\$178,000
Oxford	All	\$192,000	\$219,000
Prospect	All	\$145,000	\$145,000
Seymour	All	\$192,000	\$219,000
Southbury	All	\$145,000	\$145,000
Waterbury	All	\$156,000	\$178,000
Wolcott	All	\$145,000	\$145,000
All remaining towns in New Haven County		\$170,000	\$173,000
New London			
Colchester	All	\$137,000	\$161,000
Groton	All	\$156,000	\$178,000
Lebanon	All	\$137,000	\$161,000

	Lyme	All	\$145,000	\$145,000
	New London	☒All	\$156,000	\$178,000
	Norwich	☒6964, 6967, 6968, 6969	\$156,000	\$178,000
	Voluntown	All	\$145,000	\$145,000
	All remaining towns in New London County		\$127,000	\$145,000
Tolland	Union	All	\$145,000	\$145,000
	All remaining towns in Tolland County		\$137,000	\$161,000
Windham				
	Ashford	All	\$137,000	\$161,000
	Canterbury	All	\$127,000	\$145,000
	Chaplin	All	\$137,000	\$161,000
	Plainfield	All	\$127,000	\$145,000
	Thompson	All	\$121,000	\$145,000
	Windham	☒All	\$156,000	\$178,000
	All remaining towns in Windham County		\$145,000	\$145,000

Please note: In most towns, CHFA may only finance newly constructed houses if they are 1-family homes. In targeted areas (☒), newly constructed 2-family homes are also eligible.

Property Requirements

Eligible properties must be in Connecticut and include:

- Existing and new single family homes, townhouses, and Planned Unit Developments (PUD's);
- Approved condominiums;
- Two- to four-family homes that have been used as residences for the past five years;
- Newly constructed two-family homes in CHFA targeted areas. A Participating Lender can assist you in identifying these areas.

Recapture Tax

Under certain circumstances, CHFA mortgage loans may be subject to federal recapture tax. The payment of federal recapture tax occurs at the time the property is sold, **only if all three of the following conditions apply**:

1. Your home is sold or disposed of within 9 years of being purchased for reasons other than your death;
2. There is a capital gain on the sale of the home; and
3. Your household income exceeds federal recapture tax limits at the time of the sale.

Your Participating Lender will provide you with a statement regarding the federal recapture tax. You will be required to sign a disclosure at application.

How to Apply

- Teachers Mortgage Assistance Program mortgages are offered through Participating Lenders statewide. You will need to contact a Participating Lender in order to apply. *See the Participating Lenders listed at the end.*
- If you have additional questions on the Teachers Mortgage Assistance Program, or would like further information, please contact a Participating Lender or call CHFA at (860) 571-3502.

We look forward to opening the door to homeownership for you.

**Connecticut Housing Finance Authority
999 West Street
Rocky Hill, CT 06067
(860) 721-9501**

Participating Lenders

* Spanish-speaking personnel

American Savings Bank (800) 378-5115

Banknorth Mortgage/First Massachusetts Bank, N.A.(860) 652-6931

Cargill Bank (860) 963-2265

Cendant Mortgage Corporation (800) 272-8347

Chase Manhattan Mortgage Corporation (800) 452-2768

Chelsea Groton Savings Bank (860) 823-4800

CitiMortgage, Inc. (314) 275-1325

Citizens Mortgage Corp. (800) 852-5577

Columbia National, Inc. (800) 303-9257

* Countrywide Home Loans, Incorporated (800) 669-6655

CTX Mortgage Co. (800) 526-2006

DeWolfe Mortgage Services, Incorporated (800) 793-5626

The Diamond Mortgage Group (888) 387-8884

Dime Savings Bank of Norwich (860) 889-2317

Farmington Savings Bank (860) 676-4380

First County Bank (800) 537-9693

* First Eastern Mortgage Corporation (800) 955-5022

First Financial (800) 836-0768

First Union Mortgage Corporation (800) 845-7471

First World Mortgage (860) 677-5242

* Fleet Mortgage Corp. (800) 942-5104

Freedom Choice Mortgage (860) 677-0127

* GMAC Mortgage Corp. (800) 766-4622

Guilford Mortgage (800) 472-3781

Homestead Funding Corp. (518) 464-1100

* Hudson United Bank (201) 818-6075

Liberty Bank (800) 433-3656

Litchfield Bancorp (800) 670-3456

Market Street Mortgage Corporation (860) 571-9170

* The McCue Mortgage Company (800) 382-0017

Medallion Mortgage Company, Incorporated (860) 456-9117

Metro Mortgage (203) 757-4596

Mortgage Service Center of New England (800) 447-1872

NORCOM Mortgage (860) 676-8003

National City Mortgage Company (800) 934-4027

Naugatuck Valley Savings & Loan Assn. (203) 720-5000
New Haven Savings Bank (800) 842-6226
* New Milford Savings Bank (860) 355-7600
North American Bank & Trust Company (203) 573-4949
Northwest Community Bank (860) 379-7561
Nutmeg Federal Savings & Loan Association (203) 792-3332
Old Kent Mortgage Company (860) 677-9311
* PNC Mortgage Corporation of America (800) 995-5015
* People's Bank (800) 772-1090
Putnam Savings Bank (860) 928-6501
Putnam Trust Company (914) 899-6908
Republic Banc Mortgage Corporation (800) 767-4787
* Ridgefield Bank (800) 776-6518
Roslyn National Mortgage (860) 521-4585
Sanborn Corporation Mortgage Bankers (860) 561-1677
The Savings Bank of Manchester (800) 569-1419
The Savings Bank of Rockville (860) 871-1858
The Savings Institute (860) 456-6552
Society Financial Corp. (800) 246-4990
Sovereign Bank (877) 396-3618
Summit Bank (800) 867-7684
Thomaston Savings Bank (860) 283-4373
Tolland Bank (860) 875-2500
Village Mortgage (860) 482-7378
* Webster Bank (888) 681-7788
Wells Fargo Home Mortgage, Inc. (800) 545-4681
Windsor Federal Savings & Loan Association (860) 688-8511