



House of Representatives

General Assembly

File No. 110

February Session, 2026

House Bill No. 5314

House of Representatives, March 23, 2026

The Committee on Banking reported through REP. DOUCETTE of the 13th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING THE "HOMES FOR CT" LOAN PROGRAM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (2) of section 8-265ccc of the 2026 supplement
2 to the general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective July 1, 2026*):

4 (2) The loan shall (A) be secured by a mortgage deed on the eligible
5 borrower's residential buildings and all related improvements under
6 development by the eligible borrower, (B) be made in accordance with
7 the eligible financial institution's underwriting policy and standards,
8 except that the loan may have a loan-to-value ratio in excess of typical
9 underwriting standards, and (C) bear interest at a rate that does not
10 exceed the [applicable] prime rate [of the Federal Home Loan Bank of
11 Boston for short-term or long-term advances through the New England
12 Fund program. For the purposes of this subdivision, "applicable rate"
13 means the New England Fund rate that (i) is] published [on the Internet
14 web site of the Federal Home Loan Bank of Boston] by The Wall Street
15 Journal as of the date the interest rate is locked in by the eligible

16 borrower and eligible financial institution. [, and (ii) has an advance
17 term that most closely corresponds to the term of the loan being made
18 by the participating eligible financial institution.]

19 Sec. 2. Section 8-265eee of the 2026 supplement to the general statutes
20 is repealed and the following is substituted in lieu thereof (*Effective July*
21 *1, 2026*):

22 Under the program administered by the authority pursuant to
23 subsection (a) of section 8-265bbb, the authority may, within available
24 resources allocated by the State Bond Commission, make loans or issue
25 grants-in-aid to eligible borrowers that are in addition to the loans made
26 to such eligible borrowers by eligible financial institutions pursuant to
27 section 8-265ccc, as amended by this act. The loans made by the
28 authority (1) may be (A) amortizing, (B) deferred, or (C) forgivable as to
29 principal and interest, and (2) shall be [(1)] (A) subordinate to the loans
30 made by eligible financial institutions, and [(2)] (B) subject to such terms
31 as the authority may establish, including, but not limited to, loan
32 amounts, interest rates and terms to maturity. The grants-in-aid issued
33 by the authority shall be subject to such terms as the authority may
34 establish.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2026	8-265ccc(2)
Sec. 2	July 1, 2026	8-265eee

BA Joint Favorable

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Treasurer, Debt Serv.	GF - See Below	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill makes various changes to the Homes for CT program, a portion of which is funded through General Obligation (GO) bonds. Future General Fund debt service costs may be incurred or incurred sooner due to the program changes to the degree that it causes authorized GO bond funds to be expended or to be expended more quickly than they otherwise would have been.

As of March 1, 2026, there is an unallocated bond balance of \$10 million under the authorization. The bill does not change overall GO bond authorization levels.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to any bonds issued.

OLR Bill Analysis**HB 5314*****AN ACT CONCERNING THE "HOMES FOR CT" LOAN PROGRAM.*****SUMMARY**

This bill makes several changes to the "Homes for CT" loan program, a Connecticut Housing Finance Authority (CHFA)-administered program established under the FY 26-27 bond act to help owners and developers get funding to build new residential buildings. Under the program, participating banks and credit unions make loans to eligible borrowers and CHFA guarantees repayment, up to specified amounts. The law also authorizes CHFA, within available resources, to make additional subordinate loans to Homes for CT borrowers subject to any terms it sets, such as interest rates and maturity.

The bill caps the interest rate participating lenders may charge under the program at the Wall Street Journal prime rate on the date the borrower and bank or credit union lock in the rate, rather than a specified Federal Home Loan Bank of Boston (FHLBank Boston) rate on that date, as current law requires. The current cap is the FHLBank Boston's New England Fund rate for short- or long-term advances, based on the advance term that most closely matches the loan's term.

The bill also:

1. specifies that the CHFA loans to Homes for CT borrowers may be amortizing, deferred, or forgivable as to principal and interest;
2. authorizes CHFA to make grants to Homes for CT borrowers, subject to terms it sets; and
3. limits CHFA's authority to provide these loans and grants to available resources allocated by the State Bond Commission.

By law, "Homes for CT" loans must be used for expenses needed to complete residential building construction or build related improvements that CHFA determines are necessary. The program may issue up to \$100 million in loans and pay up to \$10 million to honor loan guarantees. The FY 26-27 bond act authorizes up to \$20 million in state general obligation bonds for FYs 26 and 27 for the program.

EFFECTIVE DATE: July 1, 2026

COMMITTEE ACTION

Banking Committee

Joint Favorable

Yea 13 Nay 0 (03/10/2026)