



December 31, 2016

Dear State Representative,

In accordance with **Sec. 8-37bb - Annual report re fair housing choice and racial and economic integration**, I am transmitting the Connecticut Housing Finance Authority's (CHFA) summary of highlights, which analyzes by income group, households served by its housing construction, substantial rehabilitation, purchase and rental assistance programs. This summary covers the period from October 1, 2015 to September 30, 2016.

The full report is available for download on the Authority's website at www.chfa.org or by calling Peg M. Fitzgerald, Legislative Program Officer, at (860) 571-4339.

Sincerely,

A handwritten signature in blue ink, appearing to read "K. Kilduff", with a long horizontal flourish extending to the right.

Karl F. Kilduff
Executive Director

Attachment

Abstract of Report

The report herein, an “Annual report re fair housing choice and racial and economic integration” provides statistics on the Connecticut Housing Finance Authority housing programs, as required by Section 8-37bb of the Connecticut General Statutes. The ensuing synopsis provides an account of CHFA successes during this reporting period of October 1, 2015 to September 30, 2016 while the full report is a detailed data collection of unit production and characteristics of housing programs by income, race and ethnicity.

Single Family Mortgage Loan Programs

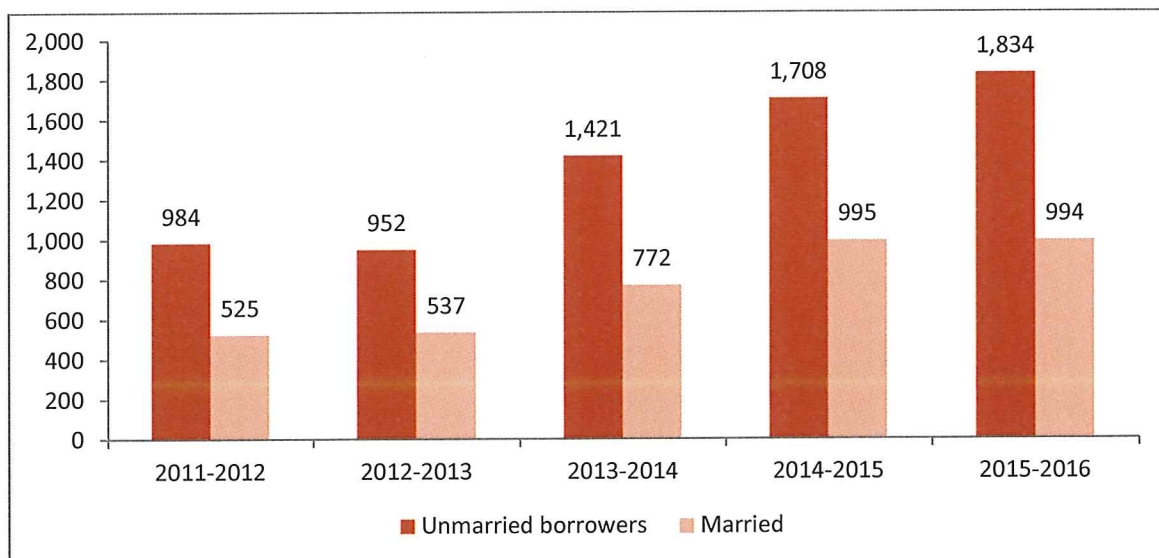
The Connecticut Housing Finance Authority originated \$475 million in mortgage financing through its Homebuyer Mortgage Programs helping 2,828 Connecticut residents become first-time homebuyers in 148 (88%) of Connecticut’s 169 municipalities.

The median household income for a CHFA single-family mortgage loan recipient was \$65,910, compared to the state median income of \$71,346¹. The average loan amount of a mortgage borrower was \$167,987 and the average price they paid for a home was \$180,239.

Demographic Observation of Borrower:

- 65% are unmarried with an average age of 34
- 35% are married with an average age of 36
- 41% are female with an average age of 35

Five Year Historical Trend: Nearly 11,000 Connecticut residents achieved their dream of homeownership through one of CHFA’s single-family mortgage programs – an increase of 87% over the past five years. As shown in the following graph, the unmarried borrower population will likely continue to supersede the number of married borrowers.



¹ 2015 American Community Survey 1-Year Estimate

² Navigate to www.chfa.org for full program guidelines



During this reporting period, seventy-three percent (73%) of the 2,828 single family mortgage loans went to households above 81% AMI, 24% between 51% and 80% AMI, 3% between 26% and 50% AMI, and less than 1% of households at or below 25% AMI. Minority households made up 32% (916 loans) during this reporting period.

Five Year Historical Trend: There has been a fluctuation in the Area Median Income (AMI) bands of single-family mortgage borrowers having incomes below 25% AMI, between 26% and 80%, and between 51% and 80%. The percentage of borrowers with incomes above 81% AMI rose during this reporting period, possibly attributed to stringent industry standards in requirements to a borrowers' debt-to-income ratio.

Income Distribution of Loans Purchased	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
< 25% AMI	0.2%	0.1%	0.3%	0.7%	0.2%
26% - 50% AMI	7.1%	4.4%	4.6%	6.0%	2.9%
51% - 80% AMI	32.4%	23.2%	29.7%	35.5%	23.6%
> 81% AMI	60.3%	72.3%	65.4%	57.8%	73.3%



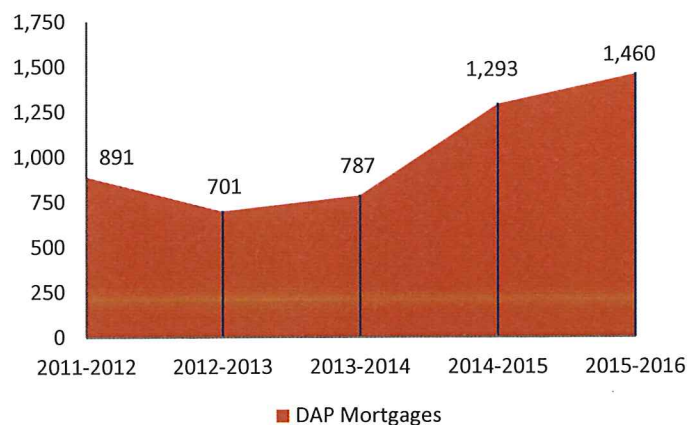
The **Single Family Downpayment Assistance Program (DAP)** provided \$16.1 million in funds to 1,460 borrowers purchasing homes in 79% (133) of Connecticut's 169 communities. Of the 2,828 homebuyers obtaining a mortgage through CHFA's regular homebuyer programs, fifty-two percent (1,460) took advantage of CHFA's DAP financing – providing them the necessary funding gap they lacked for a downpayment.

Demographic Observation of Borrower:

- 64% are unmarried
- Average FICO score of 704
- Average DAP loan of \$11,023
- Average borrower income \$67,406

Successfully, the DAP program helped 571 female heads-of household – 43% with minor children, with a downpayment on their first home.

Seventy-five percent (75%) of the 1,460 single family DAP mortgage loans went to households above 81%AMI, 22% between 51% and 80% AMI, 2% between 26% and 50% AMI, and less than 1% of households at or below 25% AMI. Minority homebuyers made up 37% (541 loans) of all DAP second mortgages during this reporting period.



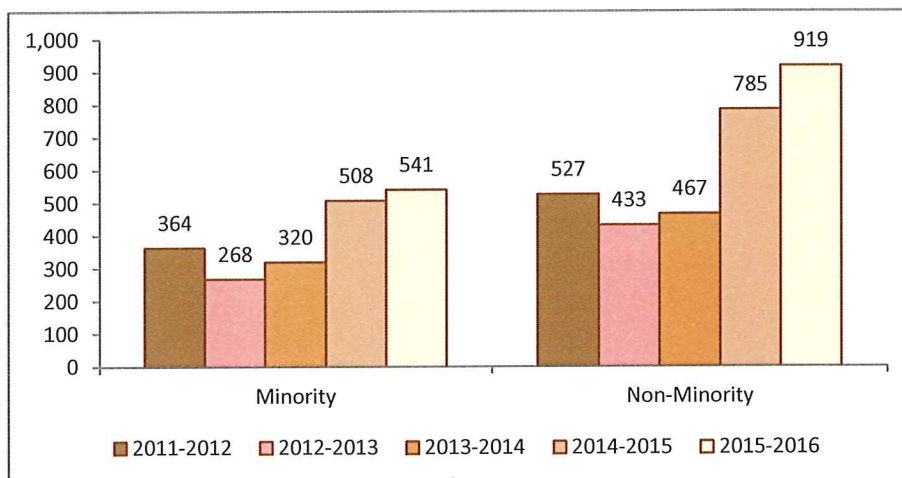
Five Year Historical Trend:

Above: The number of DAP mortgage loans increased 64% (891 to 1,460) over the last five years.

¹ 2015 American Community Survey 1-Year Estimate

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Right: The DAP population of minority borrowers grew by 49% over the last five years while the number of non-minority DAP homebuyers increased 74%.



The **Home-of-Your-Own (HOYO) Program**, offering an affordable mortgage to individuals having a disability in addition to prior homeowners seeking to relocate to a targeted area of the state, helped four individuals with an average annual household income of \$51,176 achieve their dream of homeownership. With an average loan amount of \$75,840 and an average home sale of \$83,575, these loans totaled \$303,361.

Demographic Observation of Borrower:

- 100% are male
- 75% are married
- Average age of 57

Two of the four home-of-your-own mortgage recipients obtained a second mortgage loan through CHFA's Downpayment Assistance Program (DAP).

¹ 2015 American Community Survey 1-Year Estimate

² Navigate to www.chfa.org for full program guidelines

Twenty-four teachers became new homeowners by utilizing the **Teacher's Mortgage Assistance Program**, designed to help teachers purchase a home in a Priority or Transitional school district. Priority or Transitional districts during this reporting period are: Ansonia, Bridgeport, Bristol, Danbury, Derby, East Hartford, East Haven, Hamden, Hartford, Killingly, Manchester, Meriden, Middletown, Naugatuck, New Britain, New Haven, New London, Norwalk, Norwich, Putnam, Stamford, Stratford, Vernon, Waterbury, West Haven, Windham. (See activity map next page)

This unique program also helps teachers with specific academic certifications obtain a mortgage at a reduced interest rate to live and teach in a Subject Matter Shortage Area (listed in the table below and determined by the Commissioner of Education on a yearly basis).

Subject Matter Shortage Areas	October 1, 2015 to June 30, 2016	July 1, 2016 to September 30, 2016
Bilingual Education PK-12	x	x
Comprehensive Special Education K-12	x	x
Intermediate Administrator		x
Intermediate Administrator, Science 7-12	x	
Mathematics 7-12	x	x
School Library and Media Specialist	x	x
Science 7-12		x
School Psychologist		x
Speech and Language Pathologist	x	x
Technology Education PK-12	x	x
TESOL PK-12	x	
World Languages 7-12	x	x

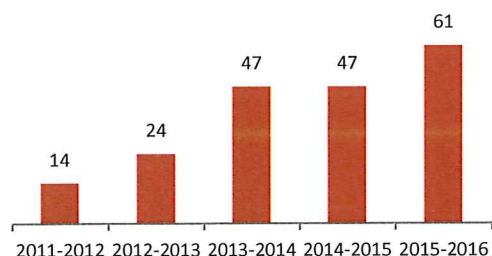
Demographic Observation of Borrower:

- 71% are unmarried females with an average age of 31
- 29% are married males with an average age of 33

Having an average annual household income of \$75,196, these teachers purchased a home having an average sale price of \$221,150. With an average loan amount of \$202,634, these first mortgage loans totaled \$4.9 million. Fourteen

of these twenty-four teacher mortgage recipients obtained a second mortgage loan through CHFA's Downpayment Assistance Program (DAP).

The Authority's **Military Homeownership Program**, instituted for U.S. Veterans, active duty members of the U.S. Military and National Guard, or an unmarried widowed military spouse or civil union partner of a service member², helped sixty-one individuals with an average annual household income of \$67,414 become a homeowner. The average loan amount of these borrowers was \$186,876 and the average price they paid for a home was \$185,652. These sixty-one loans totaled \$11.4 million. (See activity map next page)



Demographic Observation of Borrower:

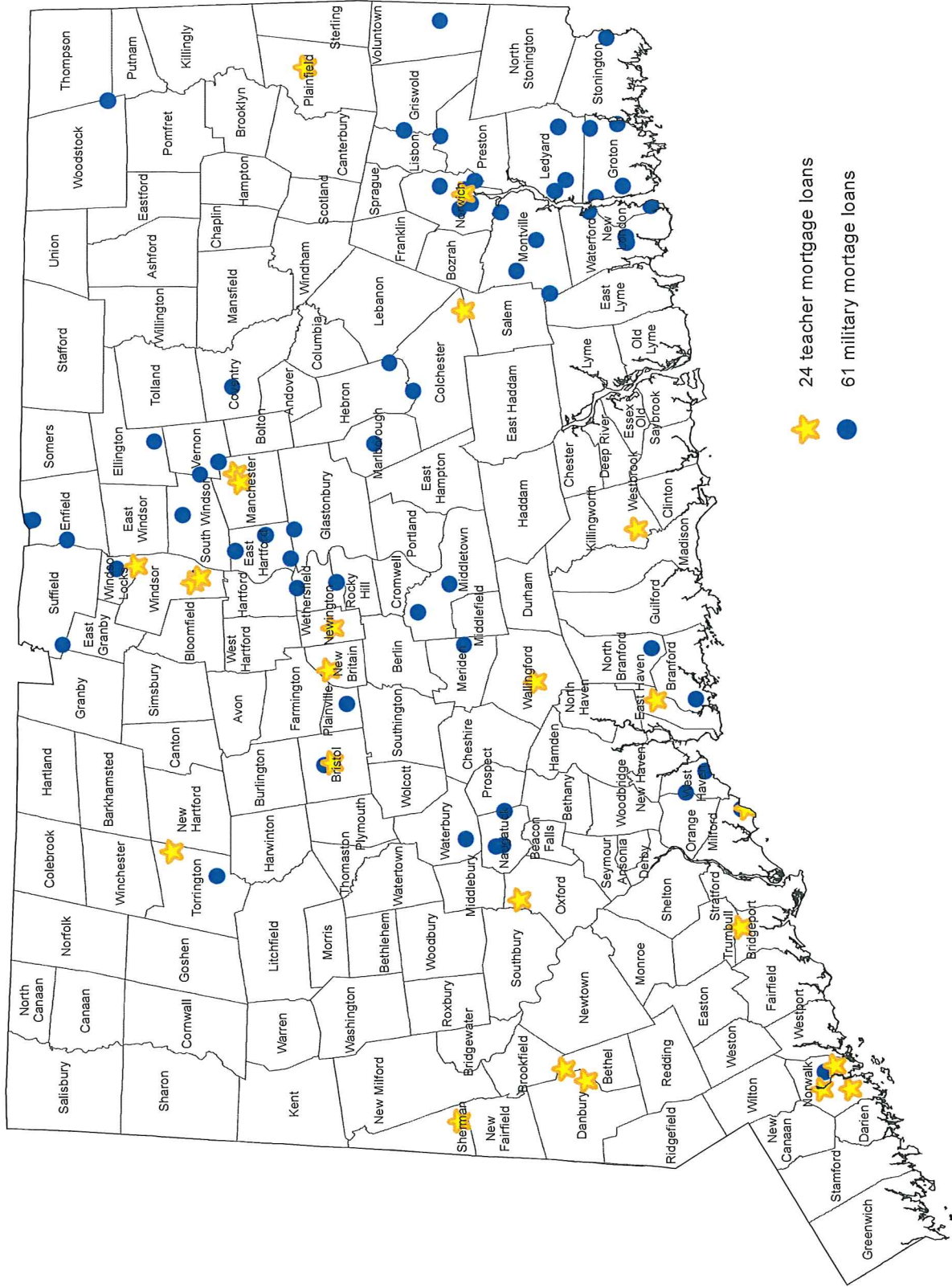
- 59% are unmarried with an average age of 35
- 41% are married with an average age of 30
- 15% are female with an average age of 32

Twenty-four of these 61 new military homeowners took advantage of CHFA's Downpayment Assistance Program (DAP).

Five Year Historical Trend: The number of military loans has increased dramatically in the past five reporting years.

¹ 2015 American Community Survey 1-Year Estimate

² Navigate to www.chfa.org for full program guidelines



Single Family Outreach / Marketing Efforts

CHFA seeks innovative ways to improve customer relations and awareness of our products. During this reporting period, staff participated in over 135 outreach activities across the state to educate prospective homebuyers. Events included hosting homebuyer seminars and housing forums as well as ongoing networking to identify new lenders to collaborate with CHFA. Staff offered outreach events geared towards realtors to keep them abreast of updates to programs offered by CHFA. Outreach events that CHFA staff participated in during this reporting period are: the Connecticut Mortgage Bankers Association (CMBA) Housing Symposium, the 16th Annual Latino Exposition, the Connecticut Veterans Stand Down, and a Community Resource Fair attended by Congresswomen Elizabeth Esty.

It is essential to note that CHFA holds our participating lenders to high standards and closely monitors how well they serve our customers. The “lenders’ scorecard”, implemented to help improve communication and relations with our existing lenders, collects information on lender-specific statistics pertaining to activity, performance, and the length of time taken to process a loan. Data integrity of loan records continues to take precedence for staff.

Scorecard 'results' are then compiled and forwarded to the lenders' management team, and improvements made, if deemed necessary. Lender scorecards also identify opportunities and weaknesses within targeted audiences.

Single Family Foreclosure Prevention Outreach

Nine foreclosure prevention seminars were held throughout the state (eight geared towards the military/veteran population) to inform Connecticut residents of the Emergency Mortgage Assistance Program (EMAP). CHFA is committed to helping Connecticut's homeowners who are facing financial hardship because of circumstances beyond their control. Under this program and during this reporting period, CHFA closed on 152 EMAP loans, providing temporary monthly mortgage assistance to eligible homeowners who were delinquent or anticipated becoming delinquent helping to avert the possible loss of a home.

Demographic Observation of Borrower:

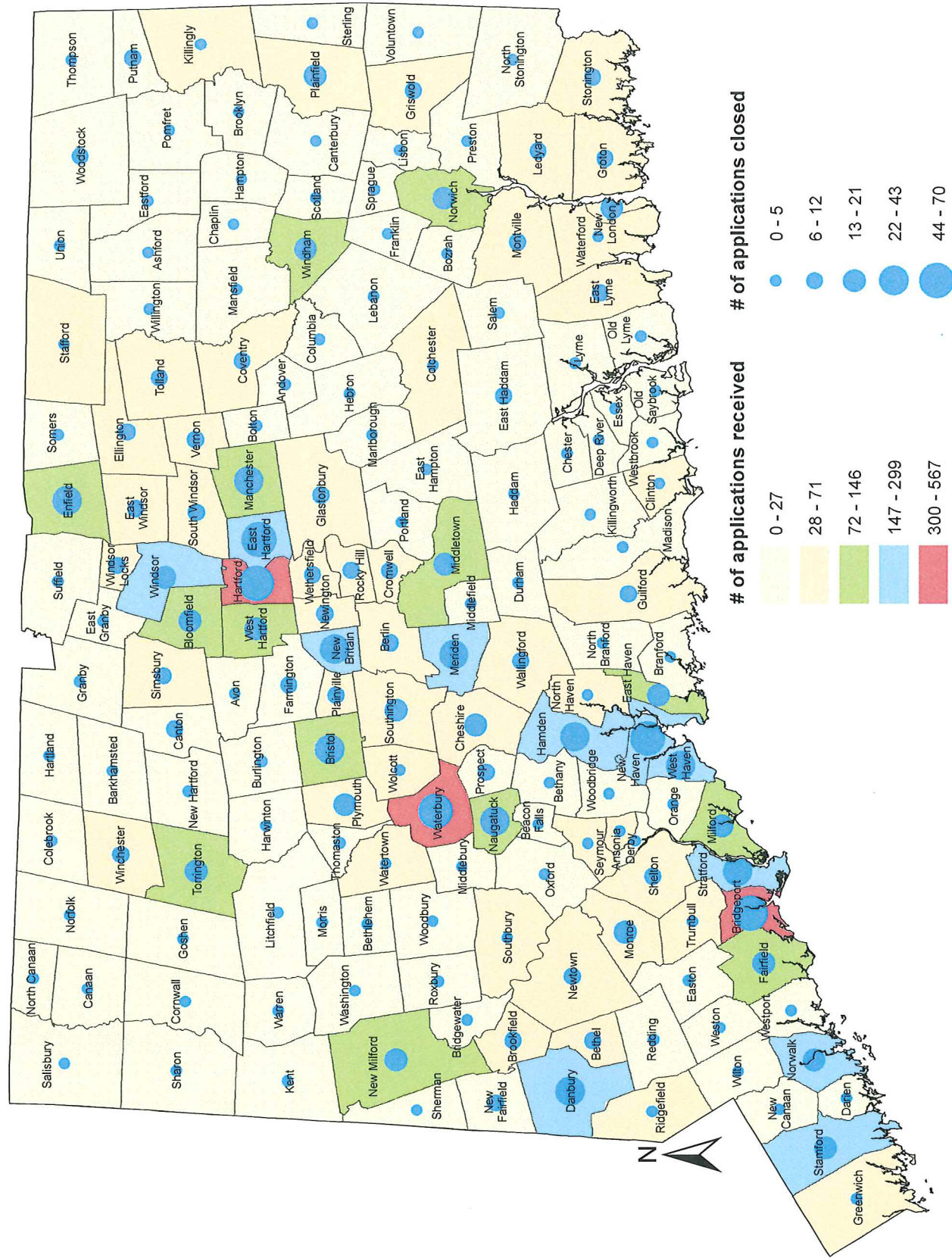
- 43% are minority
- 71 are female; all are heads- of-household, and 69% (49) are unmarried

The map on the following page illustrates that since the program's inception in January 2008, and through December 2015, over 8,400 EMAP applications were received and 17 percent (slightly over 1,400) of these applications were closed upon. Data shows that of these applicants, a borrower is predominately unmarried having minor children living at home. Additionally, minority homeowners tend to be more apt to apply for assistance under this program.

CHFA's Call Center made 250 referrals to housing counseling agencies that involved guidance, support, and financial counseling. CHFA's network of counseling agencies served 3,609 clients: 2,644 for pre-purchase counseling and 965 for foreclosure prevention counseling. Fifty percent (1,333) of pre-purchase counseling attendees partook in CHFA's on-line education course.

¹ 2015 American Community Survey 1-Year Estimate

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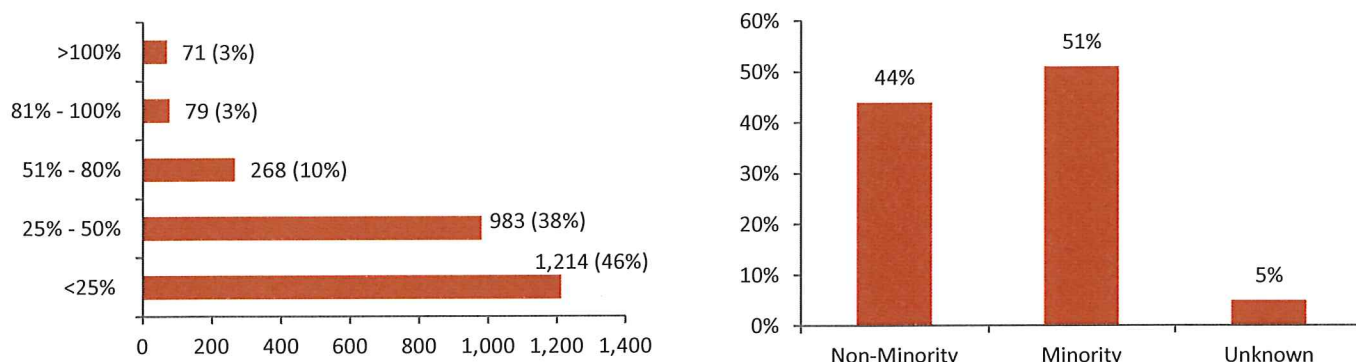
Reporting period: January 2008 to December 2015

Multifamily Portfolio Activity

Private Housing Portfolio of 309 developments and 24,609 apartments

State Sponsored Housing Portfolio of 296 developments and 11,957 apartments

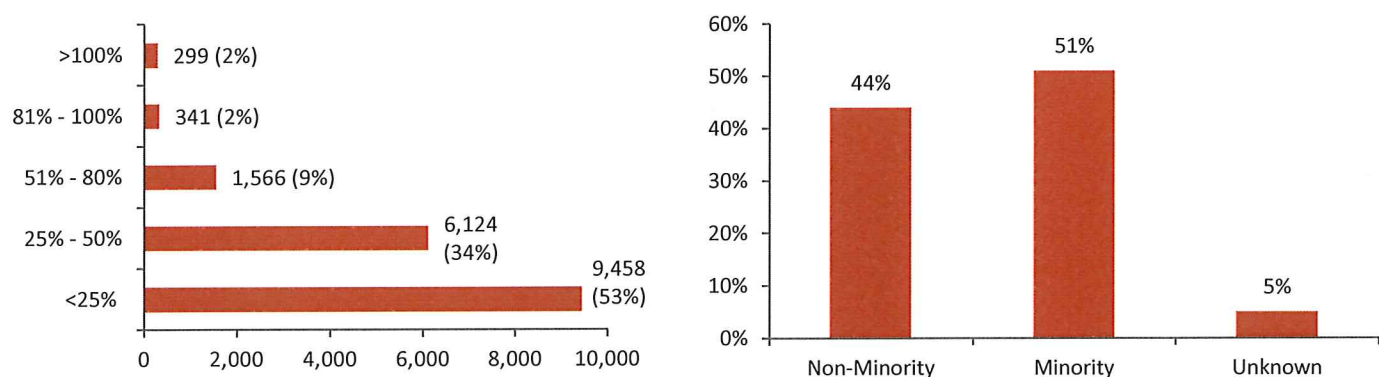
Private Housing Portfolio - Persons Entering Residence (new residents) – Section 6A of full report



Left: Of the 2,615 residents that moved into a CHFA Private Housing development, six percent (6%) were above 81% AMI, 10% between 51% and 80% AMI, 38% between 25% and 50% AMI, and 46% of households at or below 25% AMI.

Right: Fifty-one percent of these new residents were of minority descent.

Private Housing Portfolio - Persons in Residence (existing residents) – Section 6B of full report



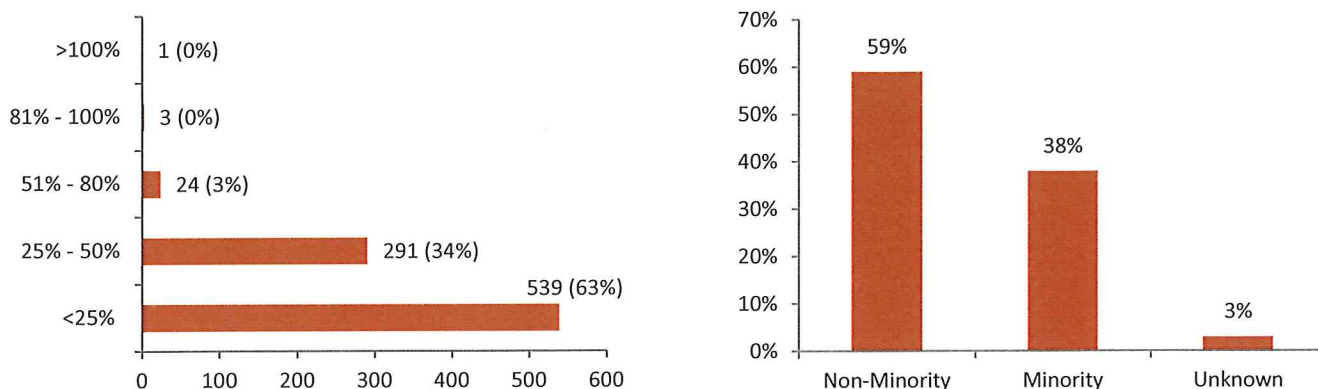
Left: 4% of households residing in CHFA's Private Housing development had incomes above 81% AMI, 9% between 51% and 80% AMI, 34% between 25% and 50%, and 53% of the households at or below 25% AMI.

Right: Fifty-one percent of these new residents were of minority descent.

The number of persons totaled 14,677 on the wait list to enter a CHFA private housing portfolio development apartment, of which fifty percent are minority.

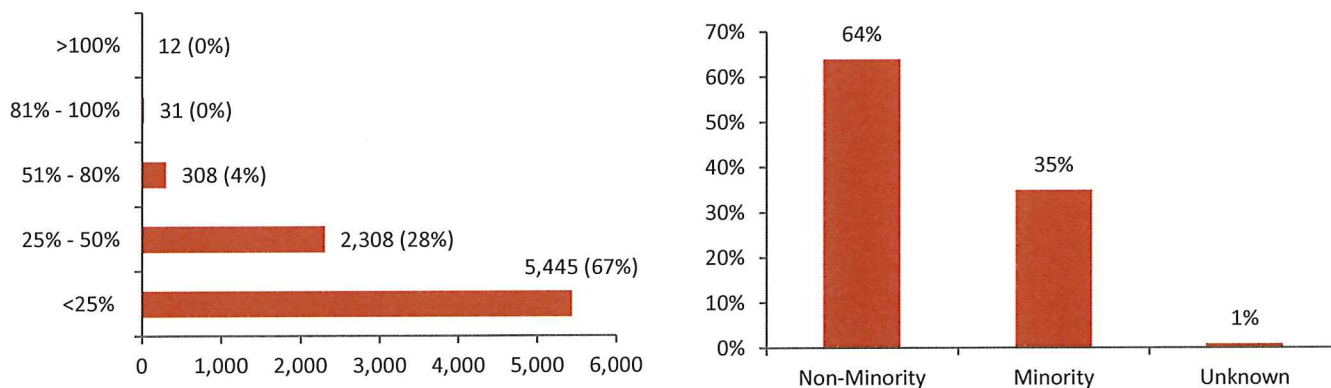
¹ 2015 American Community Survey 1-Year Estimate

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State Sponsored Housing Portfolio - Persons Entering Residence (new residents) - Section 7A of full report


Left: Of the 858 residents that moved into a CHFA State Sponsored Housing development, four residents (less than 1%) were above 81% AMI. Three percent were between 51% and 80% AMI, 34% between 25% and 50% AMI, and 63% of households at or below 25% AMI.

Right: Thirty-eight percent of these new residents are of minority descent.

State Sponsored Housing Portfolio - Persons in Residence (existing residents) - Section 7B of full report


Left: Of the 8,104 persons residing in a CHFA State Sponsored Housing development forty-three residents (less than 1%) had incomes above 81% AMI. Four percent had income between 51% and 80% AMI, 28% between 25% and 50%, and 67% of the households at or below 25% AMI.

Right: Thirty-five percent of existing residents are of minority descent.

The number of persons totaled 8,250 on the wait list to enter a CHFA State Sponsored Housing development apartment, of which forty percent are minority.

¹ 2015 American Community Survey 1-Year Estimate

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