



The Mortgage Profession At Its Best

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Senate Bill 845, An Act Increasing Access to Affordable Housing

Housing Committee

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The Connecticut Mortgage Association represents mortgage professionals in the residential financing industry across the state. It is the only organization that represents the interests of everyone in the mortgage origination process. CMA advocates for all persons involved in making real estate financing available, affordable and responsible.

CMA **supports** Senate Bill 845, An Act Increasing Access to Affordable Housing. The bill increases, from \$1.5 billion to \$2.25 billion, the maximum amount of uninsured mortgage purchases and loans that the Connecticut Housing Finance Authority (CHFA) can make that are not insured or guaranteed by a federal or state agency; congressionally-chartered public corporation; Connecticut-licensed mortgage insurance company; or CHFA.

Senate Bill 845, which would implement the Governor's budget for CHFA, has been approved by the Housing Committee and is on the Senate calendar. (See File Copy 149; Cal. No. 171.)

In recent years, CHFA has been financing uninsured mortgages for multifamily properties to expand affordable housing opportunities statewide. These multifamily housing loans are not required to have insurance and, in most cases, a requirement of mortgage insurance is not appropriate due to its higher cost, which could impact the affordability of a development and limit the number of developments that would be viable.

As a result, CHFA is approaching the statutory limit of \$1.5 billion and is simply seeking authority to raise the cap to \$2.25 billion in order for the agency to continue financing uninsured mortgages for single and multifamily housing across the state.

By increasing the aggregate amount of mortgage purchases and loans that CHFA can make, the legislature would help facilitate the Governor's policy that has made housing more affordable and accessible to more families across the state. In recent years, CHFA has helped finance a number of mortgages for single-family housing units and affordable apartments. By making housing more affordable, the state can foster development and facilitate a continued economic recovery while helping to finance housing for those who will help drive the economy.

The legislature has increased the cap several times, most recently in 2008, when it was increased from \$1 billion to the present \$1.5 billion.

For additional information or any questions concerning Senate Bill 845, please contact Matthew Hallisey, Legislative Counsel to the Connecticut Mortgage Association, at (860) 978-7346, or Vincent M. Valvo, Executive Director of CMA, at (860) 719-1991.