

**TESTIMONY SUBMITTED TO THE HOUSING COMMITTEE**  
**February 28, 2013**

*Eric Chatman, President-Executive Director  
Connecticut Housing Finance Authority*

---

Senator Bartolomeo, Representative Butler and members of the Housing Committee, my name is Eric Chatman, President-Executive Director of the Connecticut Housing Finance Authority (CHFA). On behalf of CHFA, I am providing my comments on legislation before the Housing Committee.

**Governor's Bill 845 An Act Increasing Access To Affordable Housing**

The Governor's bill increases, from \$1.5 billion to \$2.25 billion, the aggregate amount of mortgage purchases and loans that the Connecticut Housing Finance Authority (CHFA) can make that are not insured or guaranteed by certain state and federal entities. CHFA strongly supports this legislation.

CHFA is a self-supporting quasi-public housing agency that provides financing for buyers of single-family homes and the development of affordable multifamily housing. Under current law, CHFA is authorized to make commitments of up to \$1.5 billion to purchase mortgages, provided the underlying mortgage loans are not directly or indirectly insured, in order to provide additional construction mortgages and permanent financing for housing in the state.

CHFA's 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. In addition, while most of CHFA's single family mortgages are insured and do not apply to the uninsured cap, they serve a number of homebuyers who provide a 20% down payment, and, therefore, do not need insurance. These loans are included in the statutory cap, which limits the number of these types of mortgages that CHFA can make.

Currently, CHFA is approaching the statutory cap of \$1.5 billion and is requesting the cap to be raised to \$2.25 billion in order for the authority to continue its financing of uninsured mortgages, both single and multifamily, in the state.

The Governor's bill will allow CHFA to continue its significant contributions to the creation of affordable housing opportunities for both families and individuals in the state. Without an increase in the statutory cap, CHFA will be unable to go forward with this work. Last year, CHFA financed 1,445 single family mortgages and 2,025 new/rehabilitated affordable apartments. In addition to providing homes for individuals and families, this financing created over 1,200 new jobs, \$166 million in new economic activity, and \$13 million in additional state revenue.

Thank you for the opportunity to provide this testimony to the Housing Committee.