

OFFICE OF FISCAL ANALYSIS

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EMERGENCY CERTIFICATION

HB-7004

AN ACT CONCERNING ELIGIBILITY FOR THE SUPPLEMENTAL
COLLAPSING FOUNDATION LOAN PROGRAM.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 21 \$	FY 22 \$
Resources of the General Fund	GF - Potential Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill expands eligibility to include condominiums and homes in common interest communities under the existing Supplemental Collapsing Foundation Loan Program¹ (SCFLP). This potentially increases costs to the General Fund, as issuing more loans may result in more bad loans under the SCFLP. Current law requires the State Comptroller to pay out claims from the resources of the General Fund to honor loan guarantees up to an aggregate of \$2 million.

The Out Years

The potentially higher costs for the state will continue until the \$2 million cap is reached.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the

¹ SCFLP is administered by the Connecticut Housing Finance Association (CHFA), a quasi-public state agency. The total amount of loans available is capped at \$20 million, of which less than \$800,000 were made and filed with CHFA by September 28, 2020.

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.

Sources: Connecticut Housing Finance Authority Website