

CONNECTICUT HOUSING FINANCE AUTHORITY
Reverse Annuity Mortgage Loans (RAMs)
In Connection with Long Term Care (LTC)
F A C T S H E E T

Program Description:	CHFA offers a first mortgage loan that allows senior citizens with long term care needs to use equity in their homes to collect a monthly tax-free cash payment for five (5) or ten (10) years. It is repaid in one payment after the death of the borrower or when permanent occupancy ceases.
Interest Rate:	7% fixed rate (7.1% APR)
Borrower Eligibility:	All borrowers must be 70 years or older and at least one borrower must have costs associated with Long Term Care. (Please see Long Term Care explanation below.)
Income Limit:	Borrower's household income must not exceed the income limit of \$52,000.
Home Eligibility:	There is no limit on the value of the home, but the home must be located in Connecticut and be owner-occupied. Single family houses and condominium are eligible.
Loan Amount:	The loan amount may be up to 70% of the appraised value of the home. The maximum loan amount is \$207,000 which is 70% of a home valued at \$295,000.
Monthly Payment:	It is approximately .9% of the lesser of \$295,800 or the appraised value of the home; i.e., \$2,706 payment per month on a loan of \$207,000 for a 5 year term. The monthly payment increases 3% annually and must be direct-deposited to the borrower's bank account.
Payment Term:	Five (5) years or ten (10) years.
Repayment of Loan:	At the end of the five (5) years or ten (10) years, monthly payments stop. However, interest would continue to accrue on the loan balance at 7% per year until the the loan balance is is repaid in full. There is no prepayment penalty. The loan balance is due in full at the time the borrower moves out.
Lump Sum Payment:	Borrowers may choose to receive at the loan closing a one-time lump sum payment of up to \$5,000 to be used for any purpose, thereby reducing the monthly payment by approximately \$19 for each \$1,000 of lump sum payment. If medical or supportive services are required, the lump sum payment may be increased up to \$25,000.
What is Long Term Care (LTC)?	LTC describes a wide range of medical and supportive services provided to individuals who have lost some or all capacity to function on their own due to a chronic illness or condition and who are expected to require these services for an extended period of time, usually more than six months.
Who assesses the need for LTC?	A representative from an independent social services agency.

What LTC costs are considered by CHFA to be coverable?

The costs associated with: hospitals; convalescent nursing homes, homes for the aged, or rest homes with nursing supervision (at least one borrower must occupy the primary residence); in-home care, including nursing, personal care attendants, homemaker and chore services, nutrition services, transportation, counseling, physical therapy, and other support services; adult day care; durable medical equipment, medically-indicated home alternations; LTC insurance premiums; uninsured recurring or catastrophic medical expenses and prescription drugs.

Fees and Costs:
(to be financed)

\$600 Loan origination fee
\$900 Appraisal fee, Long Term Care (LTC) assessment fee, title search, title insurance, legal fee, recording costs.

Borrowers must be represented, at their own expense, by their own attorney at the closing.

Applications:

Available from the State of Connecticut Department of Social Services, Attn: Elderly Services Division, 25 Sigourney Street, 10th Floor, Hartford, CT 06106-2055 telephone (860) 424-5280 or toll-free 1-800-443-9946, which will screen applications and then forward qualified applications to the Connecticut Housing Finance Authority (CHFA).

RAMLTC.WP10/96

CHFA

CONNECTICUT HOUSING FINANCE AUTHORITY

999 WEST STREET, P. O. BOX 4005

ROCKY HILL, CT 06067-4005

(860) 571-3502



An Equal Housing Lender

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