

# OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200  
Hartford, CT 06106 ◊ (860) 240-0200  
<http://www.cga.ct.gov/ofa>

sHB-6688

AN ACT CONCERNING MORTGAGES, THE RESIDENTIAL HEATING EQUIPMENT FINANCING PROGRAM, THE CONNECTICUT HOUSING FINANCE AUTHORITY AND MOBILE MANUFACTURED HOMES.

## AMENDMENT

LCO No.: 7191

File Copy No.: 184

House Calendar No.: 146

### ***OFA Fiscal Note***

#### ***State Impact:***

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
CHFA	Resources of CHFA - Potential Cost	See Below	See Below
Treasurer, Debt Serv.	GF - Potential Cost	See Below	See Below

Note: SF=Special Fund (Non-appropriated); GF=General Fund

***Municipal Impact:*** None

#### ***Explanation***

The amendment strikes the underlying bill and its associated fiscal impact, resulting in the fiscal impact described below.

The amendment makes changes pertaining to housing-related financing that result in the following fiscal impacts, as described by section.

**Sections 1-3** make certain requirements of mortgagees, not anticipated to result in a fiscal impact to the state or municipalities.

**Section 4** has no fiscal impact as it expands the types of devices that

can be used within the existing energy savings infrastructure program to include geothermal heating and cooling systems and heat pump dryers.

**Sections 5-9** make changes to the Down Payment Assistance Program (DAP) and establish a small multifamily lending program, both administered by the Connecticut Housing Finance Authority (CHFA). These sections could result in increased or more rapid use of previously-authorized bond funds. DAP is funded through CHFA's resources and may be recapitalized through General Obligation (GO) bond funds. Future General Fund debt service costs may be incurred sooner under the bill to the degree that it causes authorized GO bond funds to be expended or to be expended more rapidly than they otherwise would have been.

As of March 1, 2023, there is an unallocated bond balance of \$9 million available under the relevant authorization for DAP. The amendment does not change any GO bond authorizations.

These sections also result in potential administrative costs to CHFA associated with operating the small multifamily lending program.<sup>1</sup>

**Section 10** establishes a working group to study ways to provide greater access to loans for homeownership of mobile manufactured homes. This has no fiscal impact as the working group is anticipated to have sufficient expertise to meet the amendment's requirements.

*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 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.*

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<sup>1</sup> CHFA is a quasi-public authority that issues its own federally tax-exempt and taxable mortgage revenue bonds. The authority pays its operating expenses using funds derived from the excess of interest income from loans over bond interest expenses.