



General Assembly

February Session, 2026

Raised Bill No. 5314

LCO No. 1900



Referred to Committee on BANKING

Introduced by:
(BA)

AN ACT CONCERNING THE "HOMES FOR CT" LOAN PROGRAM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (2) of section 8-265ccc of the 2026 supplement
2 to the general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective July 1, 2026*):

4 (2) The loan shall (A) be secured by a mortgage deed on the eligible
5 borrower's residential buildings and all related improvements under
6 development by the eligible borrower, (B) be made in accordance with
7 the eligible financial institution's underwriting policy and standards,
8 except that the loan may have a loan-to-value ratio in excess of typical
9 underwriting standards, and (C) bear interest at a rate that does not
10 exceed the [applicable] prime rate [of the Federal Home Loan Bank of
11 Boston for short-term or long-term advances through the New England
12 Fund program. For the purposes of this subdivision, "applicable rate"
13 means the New England Fund rate that (i) is] published [on the Internet
14 web site of the Federal Home Loan Bank of Boston] by The Wall Street
15 Journal as of the date the interest rate is locked in by the eligible
16 borrower and eligible financial institution. [, and (ii) has an advance

17 term that most closely corresponds to the term of the loan being made
18 by the participating eligible financial institution.]

19 Sec. 2. Section 8-265eee of the 2026 supplement to the general statutes
20 is repealed and the following is substituted in lieu thereof (*Effective July*
21 *1, 2026*):

22 Under the program administered by the authority pursuant to
23 subsection (a) of section 8-265bbb, the authority may, within available
24 resources allocated by the State Bond Commission, make loans or issue
25 grants-in-aid to eligible borrowers that are in addition to the loans made
26 to such eligible borrowers by eligible financial institutions pursuant to
27 section 8-265ccc, as amended by this act. The loans made by the
28 authority (1) may be (A) amortizing, (B) deferred, or (C) forgivable as to
29 principal and interest, and (2) shall be [(1)] (A) subordinate to the loans
30 made by eligible financial institutions, and [(2)] (B) subject to such terms
31 as the authority may establish, including, but not limited to, loan
32 amounts, interest rates and terms to maturity. The grants-in-aid issued
33 by the authority shall be subject to such terms as the authority may
34 establish.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2026</i>	8-265ccc(2)
Sec. 2	<i>July 1, 2026</i>	8-265eee

Statement of Purpose:
To (1) establish that loans made by eligible financial institutions participating in the "Homes for CT" loan program shall bear interest at a rate that does not exceed the prime rate published by The Wall Street Journal, and (2) revise provisions relating to loans and grants-in-aid that are made or issued by the Connecticut Housing Finance Authority under said loan program.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]