



CHFA FirstStep is
CHFA's lowest-rate mortgage loan program
for your customers,
helping them save thousands of dollars
over the life of the loan!

**Low interest rate ➔ Additional guidelines ➔
Pre-closing program compliance review required**

FirstStep is funded with proceeds from tax-exempt bonds issued by CHFA, which allows CHFA to offer a lower interest rate; however, bond funding requires borrowers meet additional IRS requirements.

CHFA's team of experts is on-hand, ready to help you deliver the best option for your customer by helping you meet the requirements.

**whose income
is counted?**

View an income calculation
example on the reverse side.

888.320.3688
800.659.2656 tdd www.chfainfo.com

With respect to its programs, services, activities, and employment practices, Colorado Housing and Finance Authority does not discriminate on the basis of race, color, religion, sex, age, national origin, disability, or any other protected classification under federal, state, or local law. Requests for reasonable accommodation, the provision of auxiliary aids, or any complaints alleging violation of this nondiscrimination policy should be directed to the Nondiscrimination Coordinator, 1.800.877.2432, TDD/TTY 800.659.2656, CHFA 1981 Blake Street, Denver CO 80202-1272, available weekdays 8:00am to 5:00pm.



chfa overlays

- Restricted to first-time homebuyers, qualified veterans, or non-first-time buyers purchasing in **targeted areas** (see [CHFA Seller's Guide](#) for definitions)
- FHA only
- Down payment assistance second mortgage loan only; no CHFA grant
- **Purchase price limits**
- **Income limits** vary by county, household size, and targeted area (two separate income calculations required; see below for more details)
- Most recent year's tax return or transcript
- Completion of additional affidavits required (*CHFA Form 401, Initial Applicant affidavit*, and *CHFA Form 402, Final Applicant Affidavit*)
- Subject to IRS **Recapture Tax** if certain criteria are met: [see website for details](#)



The Apple family found the perfect property for their multi-generational family. The home is comprised of the following occupants:

- Jim** Borrower, earns \$65K/year and has received \$10K in overtime
- Debra** Non-borrowing Spouse, earns \$50K/year
- Nancy** Daughter, earns \$25K/year
- Steve** Son, non-earning dependent
- Grandma Josie** Coborrower, earns \$35K/year

most common obstacle for approval: income calculations

To qualify for the program, your borrower must meet two income qualifications:

1. Lender underwriter's Credit Qualifying Income: calculation of income for FHA loan-qualifying purposes; includes all borrowers' income who will be on the loan
2. CHFA's Gross Annual Income: calculation of income to determine if income meets CHFA income limits; includes all borrowers' income, plus income from any spouse or civil union partner who will reside in the home. **CHFA income limits** vary by county, household size, and **targeted area**.

It is important to understand that you will have two separate incomes calculations, which rarely match. Each calculation is required for different reasons. CHFA's Gross Annual Income calculation is usually higher than the FHA Credit Qualifying Income.

Whose income is counted towards CHFA's Gross Annual Income?	Why?	Whose income is not counted?	Why?
Jim	He is the Borrower; include overtime in calculation.	Nancy	She is not a Borrower, Coborrower, or the spouse or civil union partner of any Borrower.
Grandma Josie	She is the Coborrower.	Steve	He is not a Borrower, Coborrower, or the spouse or civil union partner of any Borrower. And, he has no income!
Debra	While not listed as a Borrower, she is Jim's spouse and is an occupant. If she was not an occupant, her income would not be counted.		

ace the program compliance review and speed through to closing

Remember, this program requires the pre-closing program compliance review. Ace this process by attending a training.

Visit chfainfo.com/single-family-participating-lenders/training to learn about options.

For additional information, please visit www.chfainfo.com/chfa-firststep.



financing the places where people live and work