



# did you know?



## Calculating Gross Annual Income for FirstStep<sup>sm</sup>

FirstStep<sup>sm</sup> programs use Gross Annual Income, not Qualifying Income.\*

Only the individuals' incomes listed below need to be calculated to determine Gross Annual Income and program eligibility:

1. The current total gross annual income for all borrower(s) and co-borrower(s); and
2. any spouse or civil union partner of any borrower or co-borrower who will reside in the home; and
3. any other individual who is expected to both live in the home **and** to be secondarily liable (e.g. co-signors, which CHFA currently does not allow) on the loan.

### example

You are working with a household of three: a couple and their son. Both spouses work, and their son has a part-time job.

Even though the son will be living in the home, he does not meet the definition above. He is not a borrower, spouse, civil union partner, or secondarily liable on the loan. Therefore, you would not use his income when determining eligibility for the FirstStep programs.

You would only use the two spouses' income to determine eligibility, provided one or both spouses are borrowers and both intend to live in the home.

\*Qualifying income is used to determine program eligibility for the CHFA Advantage<sup>sm</sup>, CHFA Preferred<sup>sm</sup>, SmartStep<sup>sm</sup>, and HomeOpener<sup>sm</sup> programs. Qualifying Income is the income utilized by the lender to determine borrower eligibility for the loan.

## Key takeaway: FirstStep programs use Gross Annual Income, not Qualifying Income.

### CHFA home finance

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