

your road home

— chfa homeownership enews



glossary

Offer

A formal bid from the homebuyer to the home seller to purchase a home.

Source: Federal Trade Commission



did you know?

71%

71% of prospective homebuyers say they'll need help saving for a down payment.

Source: Bank of America 2020 Homebuyer Insights



interactive intersection

Homebuyer quiz

Are you ready? Take realtor.com®'s 10-question homebuyer readiness quiz.

what to know about insurance and fees

When it comes to different types of insurance and fees associated with homebuying—things can get confusing. What are they, what do they cover, and how do they affect you? Below are common insurance types and the associated fees required for various home mortgage loan programs.

Homeowners insurance

Homeowners insurance or “hazard insurance” protects your property by paying for losses and damages if something unexpected happens, such as a fire or other damage. Lenders require homeowners insurance to be maintained throughout the life of the loan, however, you may choose your insurance provider. The insurance premium is generally included in your monthly mortgage payment through an escrow account. If you ever decide to switch providers, make sure that the new insurance carries the necessary coverage required by your lender and you inform your lender/servicer of the change.

If you do not maintain the required insurance, your lender may select and purchase insurance for you and charge you for it. If your lender purchases insurance on your home because you did not maintain your homeowners insurance, the insurance they select may only cover the lender, and not you. It also may be more expensive than what you could buy on your own.

Mortgage insurance

Mortgage insurance (MI) covers the lender—not the borrower—against default or foreclosure on the loan. It is typically required if you make a down payment of less than 20 percent. There are different types of MI programs depending on what type of loan you get. More specifically:

- **Conventional Loans** On conventional loans, mortgage insurance is generally arranged by the lender and provided by a private insurance company. Also known as Private Mortgage Insurance or PMI. PMI can be paid as an upfront cost paid at

closing, ongoing monthly premiums included in your mortgage payment, or a combination of both.

- **Federal Housing Administration (FHA) Loans** FHA mortgage insurance premiums are paid to the Federal Housing Administration and are required on all FHA loans. The premiums paid include both an upfront cost paid at closing and ongoing monthly premiums included in your mortgage payment.
- **US Department of Agriculture (USDA) Loans** USDA loans are similar to FHA loans where the premiums paid include both an upfront cost paid at closing known as a Guarantee Fee and monthly premiums included in your mortgage payment.
- **Department of Veterans' Affairs (VA) Loans** VA loans include a VA guarantee or "funding fee" that replaces mortgage insurance. The fee is a one-time, upfront cost paid at closing. VA loans do not include a monthly premium.

chfa donates \$6,095 to the piñon project following social media campaign

CHFA recently donated \$6,095 to The Piñon Project, a Colorado nonprofit that provides comprehensive services to strengthen children and families in southwest Colorado.

The donation was the result of [Like It Forward](#), CHFA's annual Corporate Giving social media campaign. Over the course of three weeks, CHFA invited the public to visit CHFA's social media channels to like and share posts featuring information about The Piñon Project. For each like and share the posts received, CHFA donated \$5 to The Piñon Project.

The \$6,095 donation will help The Piñon Project in its work to provide comprehensive, evidence-based family, youth and early childhood programs, as well as emergency services for those experiencing one-time housing and/or utility emergencies, and other challenges.

Read the [news release](#) to learn more.



find a chfa
participating lender
Get started on your road home



homebuyer education
Sign up for a free or low-cost
homebuyer education course

Colorado Housing and Finance Authority

www.chfainfo.com



Click here to sign
up for this eNews



imply any endorsement of the third party material, the website, its content or any association with the third party or website's operators by CHFA. Third-party websites or materials may be governed by their own privacy policy and terms of use, and the third party is solely responsible for the content and offerings presented on its website or in its materials. CHFA makes no representation and accepts no responsibility or liability regarding the accuracy, quality, safety, suitability or reliability of any third party material(s), external website or the content or materials of such websites. Use of linked sites is strictly at your own risk.

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, Colorado 80202-1272, available weekdays 8:00am to 5:00pm.

