



 glossary

**Non-liquid asset**

An asset that cannot easily be converted to cash.

*Source: Federal Trade Commission*

 did you know?

**64.7%**

Colorado's homeownership rate is 64.7%.

*Source: U.S. Census Bureau*

 interactive intersection

**True or False?**

A borrower should review the annual percentage rate (APR) when comparing mortgage loans.

[Click here for answer.](#)

## decoding common acronyms

Communication with any professional who is helping you with your home purchase is likely to involve the use of acronyms-and lots of them. To help you familiarize yourself with some common acronyms in mortgage lending and real estate, here are a few, what they stand for and what they mean:

- **APR (annual percentage rate):** The cost of a loan or other financing as an annual rate. The APR includes the interest rate, points, broker fees, and certain other credit charges a borrower is required to pay.
- **CFPB (Consumer Financial Protection Bureau):** A U.S. government agency that makes sure banks, lenders, and other financial companies treat consumers fairly.
- **DPA (down payment assistance):** Programs to help qualified homebuyers with their down payment on a home purchase. These programs may be in the form of a grant or a second mortgage loan.
- **DTI ratio (debt-to-income):** The percentage of gross monthly income that goes toward paying for your monthly housing expense, alimony, child support, car payments, and other installment debts, and payments on revolving or open-ended accounts, such as credit cards.
- **FHA (Federal Housing Administration):** An agency within the U.S. Department of Housing and Urban Development (HUD) that insures mortgages and loans made by private lenders.
- **HOA (homeowners' association):** An organization of homeowners residing within a particular area whose principal purpose is to ensure the provision and maintenance of community facilities and services for the common benefit of residents.
- **LTV ratio (loan-to-value):** The relationship between the loan amount and the value of the property (the lower of appraised value or sales price), expressed as a percentage of the property's value. For example, a \$100,000 home with an \$80,000 mortgage has an LTV of 80 percent.
- **MLS (multiple listing service):** A clearinghouse through which member real estate brokerage firms regularly and systematically exchange information on listings of real estate properties and share commissions with members who locate purchasers. The MLS for an area is usually operated by the local, private real estate association as a joint venture among its members designed to foster real estate

brokerage services.

- **PMI / MI (private mortgage insurance/mortgage insurance):** Insurance for mortgage loans that protects the lender from loss in the event of default by the borrower. MI is typically required if the borrower's down payment is less than 20 percent of the purchase price.

Sources (with the exception of the DPA-down payment assistance definition): Federal Trade Commission and Consumer Financial Protection Bureau.

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## your road home celebrates 50th issue!

In September 2015, CHFA launched this monthly eNewsletter to help prospective homebuyers on their journey towards homeownership. Your Road Home is based on CHFA-sponsored homebuyer education curriculum, and has explored a myriad of topics related to pre-purchase preparedness, the lending process and shopping for a home. This month, we celebrate our 50th issue!

To celebrate, we invite our readers to tell us how Your Road Home has been helpful to them on their homeownership journey, or has helped them build and share knowledge to help others become homeowners. Eligible participants will have a chance to win one of three \$50 VISA® gift cards! CHFA will randomly select three winners on November 1, 2019.

Click here to [participate](#). See [Official Rules](#) for full Sweepstakes details.

*To be eligible to win, requirements include the following: participants must be a Colorado resident, be 18 years or older, and if a CHFA home mortgage customer, must be current on CHFA mortgage loan payments. Directors, officers, board members and employees of CHFA, of its contractors and of its vendors, including immediate family members of such individuals, are not eligible to enter. See Official Rules for full details.*

*Sweepstakes entrant consents to use by CHFA, at any time, in any CHFA publications, and in any medium including but not limited to electronic, hard copy or social media platforms, their entire submittal or any part of their submittal including, but not limited to, their first name and first initial of their last name and/or words submitted as part of this Sweepstakes. CHFA may use such information at any time, including to announce the winner, but has no obligation to use any submittal including those of the winners.*

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