chfa home finance program comparison

Intended for: CHFA Participating Lenders only. Information pertains only to listed programs. Complete guidelines are available at chfainfo.com/sellers-guide.	30-year fixed conventional loans	30-year fixed government loans		
	Reserve conventional loans as **Fannie Mae** or **Freddie Mac®**.	All CHFA loans have income limits; **cross-reference income limits and program names**.		
	CHFA Preferred℠ and CHFA Preferred Plus℠	CHFA SmartStep℠ and CHFA SmartStep Plus℠	CHFA FirstStep℠ and CHFA FirstStep Plus℠	CHFA FirstGeneration℠ and CHFA FirstGeneration Plus℠
CHFA DPA	Second only	Grant or Second	Second only	Second only (Up to $25k regardless of loan size)
LTV/CLTV	97/105	FHA, VA, USDA-RD guidelines	FHA guidelines	FHA guidelines
Loan Type	Conventional	FHA, VA, USDA-RD	FHA only	FHA only
Mortgage Insurance	PMI required if LTV > 80 charter-level coverage	FHA, VA, USDA-RD guidelines	FHA guidelines	FHA guidelines
Credit Score	620+	620+	620+	620+
AUS	DU Approve/Eligible LPA Accept	DU Approve/Eligible LPA Accept, Manual UW	DU Approve/Eligible LPA Accept, Manual UW	DU Approve/Eligible LPA Accept, Manual UW
Tax Returns	Most recent 2 years transcripts required; follow AUS for returns	Follow AUS and UW requirements	Most recent tax return **or** transcript	Most recent tax return **or** transcript
Income/Purchase Price Limits	$178,920/No	$178,920/No	See website for income limits/Yes	See website for income limits/Yes
Income Calculation	Borrower credit qualifying	Borrower credit qualifying	Gross annual income (See #501 Sellers Guide)	Gross annual income (See #600 Sellers Guide)
First-time Homebuyer	Not required	Not required	Required*	Required*
First-generation Homebuyers	Not required	Not required	Not required	Required**
Review Path	Purchase review (upon loan closing)	Purchase review (upon loan closing)	Compliance review (prior to loan closing)	Compliance review (prior to loan closing)

*Restricted to first-time homebuyers, qualified veterans, or non-first-time homebuyers purchasing in argeted areas. ** See back for first-generation definitions.

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firststep/firstgeneration overlays

- FirstStep: Restricted to first-time homebuyers, qualified veterans, or non-first-time homebuyers purchasing in targeted areas
- FirstGeneration: Restricted to at least one borrower being a first-generation homebuyer (See below)
- FHA only
- Two income calculations required (see income calculations box)
- Purchase price limits
- Most recent year's tax return or transcript
- Completion of additional affidavits required
- CHFA Form 401, Initial Applicant Affidavit
- CHFA Form 402, Final Applicant Affidavit
- Subject to IRS Recapture Tax if certain conditions are not met

chfa dpa grant vs. dpa second

CHFA DPA Grant

- Up to the lesser of $25,000 or 3% of total first mortgage loan amount
- Use for down payment, closing costs, and/or prepaids
- Does not impact DTI

CHFA DPA Second Mortgage Loan

- Up to the lesser of $25,000 or 4% of total first mortgage loan amount
- First-generation Homebuyers can get up to $25,000 regardless of first mortgage loan amount
- Use for down payment, closing costs, and/or prepaids
- Does not impact DTI
- No monthly payments, repayment in full upon certain events

dti, underwriting, and no credit scores

- Maximum debt-to-income (DTI) limits for borrowers on all CHFA Mortgage Loan Programs are:
  - 50% DTI limit with a mid-FICO of 620 to 659, and
  - 55% DTI limit with a mid-FICO of 660 or above.
- CHFA does not supercede Fannie Mae or Freddie Mac results – loans must receive an Approve/Eligible (DU) or Accept (LPA); no manual underwriting allowed
- FHA, VA, USDA-RD: manual underwriting allowed in accordance with respective guidelines
- CHFA allows borrowers with no credit scores.

Information intended only to highlight certain CHFA program requirements. Loans must also meet all applicable FHA, VA, USDA-RD, Fannie Mae, or Freddie Mac requirements, as well as Mortgage Purchase Agreement and Seller's Guide requirements.

first-generation definitions

- A first-generation homebuyer is any borrower who has never owned a home and whose parents or guardians never owned a home during the homebuyer's lifetime.
- Borrowers having lived in the foster care system do not need to be first-generation homebuyers, but must have never owned a home.
- If multiple borrowers are on the loan, only one must be a first-generation homebuyer. All borrowers must be first-time homebuyers.
- An affidavit verifing that the definition is met is required.

income calculations

(Refer to Chapter 6, CHFA Seller's Guide)

- CHFA uses borrower's qualifying income, as calculated by the participating lender's underwriter (FirstStep/Plus, FirstGeneration/Plus excluded)
- CHFA uses gross annual income for FirstStep/Plus and FirstGeneration/Plus, which includes income from all borrowers and any spouse or civil union partner who wil reside in the home.

homebuyer education requirements

- Required for all borrowers; each borrower must take class independently
- CHFA-approved providers only (chfainfo.com/hbe)
- Online, interactive webinar, and in-person options
  - Online: borrower must complete follow-up session via phone
- Certificates good for 12 months prior to purchase contract date
- Certificates issued by provider (not CHFA) upon completion

chfa overlays/requirements: all programs

- Max total loan amount (including insurance or funding fees): Lesser of $832,750 or limit required by loan type.
- Only borrowers on CHFA loan may take title.
- A $1,000 minimum borrower contribution is required (own funds or gift).
- Borrowers may have only one CHFA-financed property at a time.
- The property must be one living unit.
- The property must be owner-occupied as the primary residence.

With respect to its programs, services, activities, and employment practices, Colorado Housing and Finance Authority prohibits unlawful discrimination against applicants or employees on the basis of age 40 years and over, race, sex, sexual orientation, gender identity, gender expression, color, religion, national origin, disability, military status, genetic information, marital status or any other status protected by applicable federal, state or local law.

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