

chfa schools to home[sm]

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disclaimer



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about chfa

financing the places where people live and work®

CHFA was established in 1973 by the Colorado General Assembly.

mission

We strengthen Colorado by investing in affordable housing and community development.

vision

Everyone in Colorado will have the opportunity for housing stability and economic prosperity.

value

We are driven by our mission and focused on our customers. Through trusted partnerships and intentional engagement, we design and deliver products and services that support the long-term success of our beneficiaries.

trusted partner:
responsible, affordable homeownership

- Home mortgage loan programs
- Assistance to help with down payment and/or closing costs
  - Grants
  - Second mortgage loans
- Homebuyer education



financial innovation + social goals

The Colorado General Assembly authorized CHFA to develop and manage a shared appreciation down payment assistance program, funded by an investment from the **Public School Permanent Fund (PSPF)**.



Help **public school employees** access homeownership

Enable employees to live in the community they serve

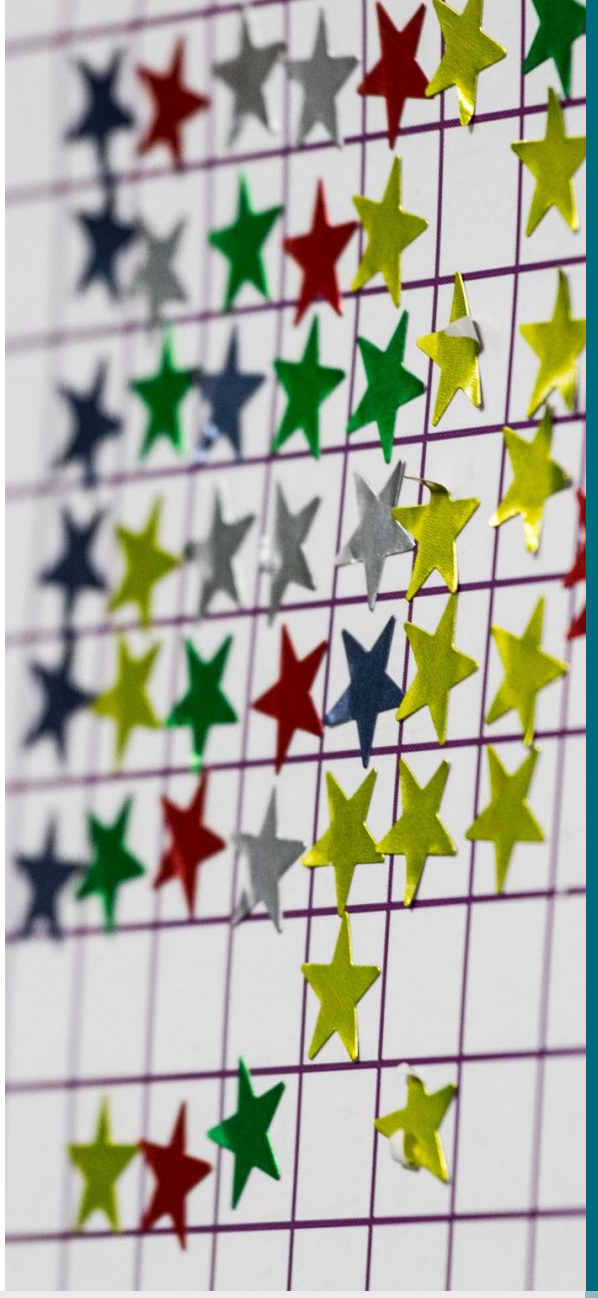
Promote long-term affordability and stability

Help recruit and retain employees

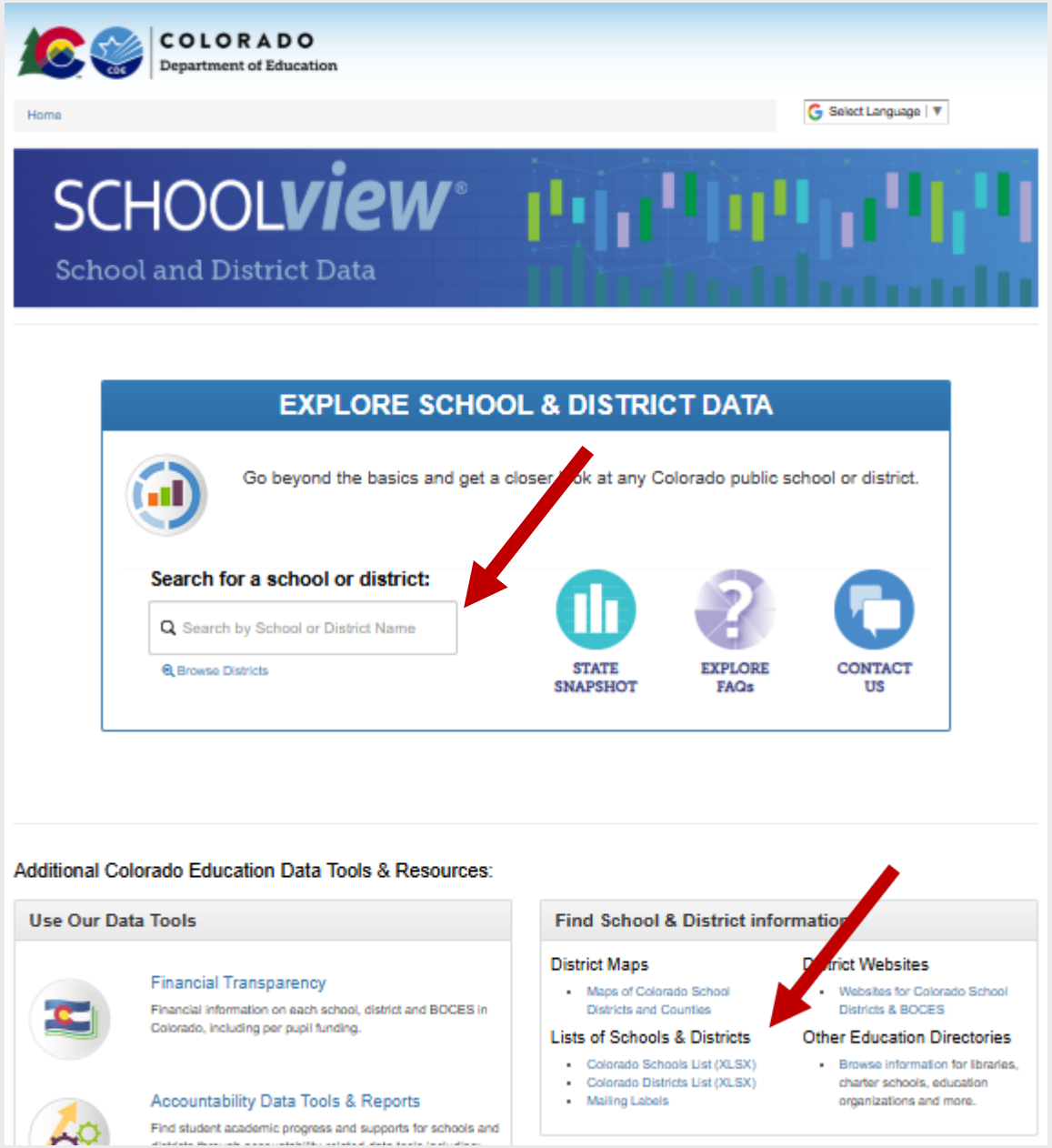
who are “public school employees?”

At least one Borrower must be a full-time employee* of a Colorado pre-K through 12:

- Public school
- School district
- Charter school
- Institute charter school
- Board of cooperative educational services
- Innovation zone



- Must be designated as full-time by employer at time of application and loan closing. No other tenure requirements.



pre-verification

Visit www.cde.state.co.us/schoolview/explore/welcome to verify school or district

If using the Colorado Schools List Excel spreadsheet, confirm that the employer is listed as “Public, Detention Center, 100% Home Option, or Head Start” in the “School Type” column.

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pre-verification note

- “100% Home Option” or “Head Start” employers
  - Employee *may* be eligible
  - Not all employees of 100% Home Option or Head Start school type are part of a public school district
  - Participating Lender must perform additional verification to confirm the employee is employed by an eligible employer per the definition above.
- In all cases, Participating Lenders must document the employee’s eligibility with appropriate supporting documentation (i.e., current paystub, written VOE, etc.)
  - It must confirm at least one borrower is a full-time employee of an eligible employer per the eligibility definition above.

additional borrower requirements

CHFA Schools To Home[sm]



- Minimum mid-credit score of 620
- Income at or below $178,920
- Complete a CHFA-approved homebuyer education class
- Contribute at least $1,000 toward home purchase*
- Qualify according to the underwriting guidelines as determined by a CHFA Participating Lender

- Complete the CHFA-offered “Understand Your Financial Commitment” course

*Contribution is in addition to any remaining closing costs or down payment requirements. The contribution can be counted as part of the down payment or toward closing costs required for the loan.



Required Course – "Understanding Your Financial Commitment"

This course will help you understand program requirements and your financial obligation.

If you would like a sneak peek or would like to save a copy or the presentation, click here to view a PDF of the "Understanding Your Financial Commitment" webinar slides.

This course and related quiz, along with a CHFA-approved homebuyer education class, are required to use the CHFA Schools To Home program.

Understanding Your Financial Commitment course

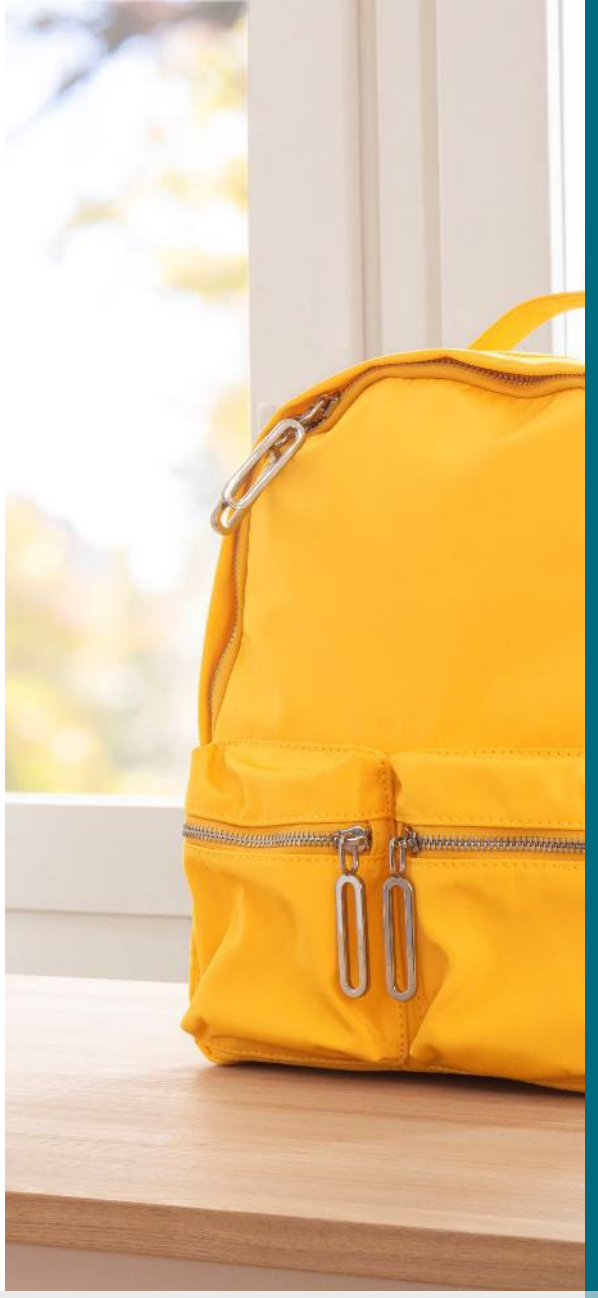
CHFA-approved Homebuyer Education class

understand your financial commitment

- Course created by CHFA; available at www.chfainfo.com/homeownership/chfa-schools-to-home-program
- All Borrowers must also take this course
- Helps Borrowers understand the program and the financial obligation
- CHFA's goals are transparency, clarity, and helping you be an informed homebuyer
- Certificate of completion issued and sent to Borrower
- Required with CHFA Program Purchase Review Package

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- Fixed interest rate first mortgage loan
  - Fannie Mae loans only
    - DU = HFA Preferred
  - Must receive a Approve/Eligible result
  - Interest rate buydowns not allowed
- Downpayment assistance (DPA): CHFA DPA Second Mortgage Loan up to 25% **of the First Mortgage Loan Amount**
- Shared appreciation component: borrower shares appreciation gained with PSPF at the time of repayment



CHFA Schools To Home cannot be combined with any other program.

chfa dpa second mortgage loan

- Up to 25% **of the CHFA First Mortgage Loan** (do not have to use full amount)
- May be used toward:
  - down payment,
  - closing costs,
  - prepaids, and/or
  - principal reductions
- No monthly payments required; no prepayment penalty if paid off early
- Full repayment upon:
  - payoff of first mortgage loan,
  - sale/refinance of home, or
  - if home is no longer borrower's primary residence

what does shared appreciation mean?

The increase in the home's value is shared between the homeowner and PSPF to provide continuous program availability for future homebuyers.

To calculate Shared Appreciation:

1. Determine appreciation:
   - Subtract the original purchase price from the contract sales price at time of sale
2. Determine percentage of appreciation
   - Divide the original CHFA DPA Second Mortgage Loan amount by the original purchase price
3. Determine Shared Appreciation Owed
   - Multiply appreciation amount (1) by the calculated percentage of appreciation (2)



The appraised or fair market value is used in the event of a refinance, payoff of the CHFA First or DPA Second Mortgage Loan, or other maturity event.

calculating shared appreciation

Purchase Price	CHFA First and DPA Second Mortgage Loan Amounts	Percentage of Appreciation*	Appreciation	Shared Appreciation Owed
$437,500	CHFA First Mortgage Loan = **$350,000** CHFA DPA Second Mortgage Loan = **$87,500**	($87,500 ÷ $437,500) x 100 = **20%**	$480,000 - $437,500 = **$42,500**	$42,500 x 20% = **$8,500**

For illustrative purposes only. Appreciation is not guaranteed and any negative appreciation will be considered 0% appreciation.

*Percentage of appreciation is calculated by dividing the original CHFA DPA Second Mortgage Loan amount by the original purchase price.

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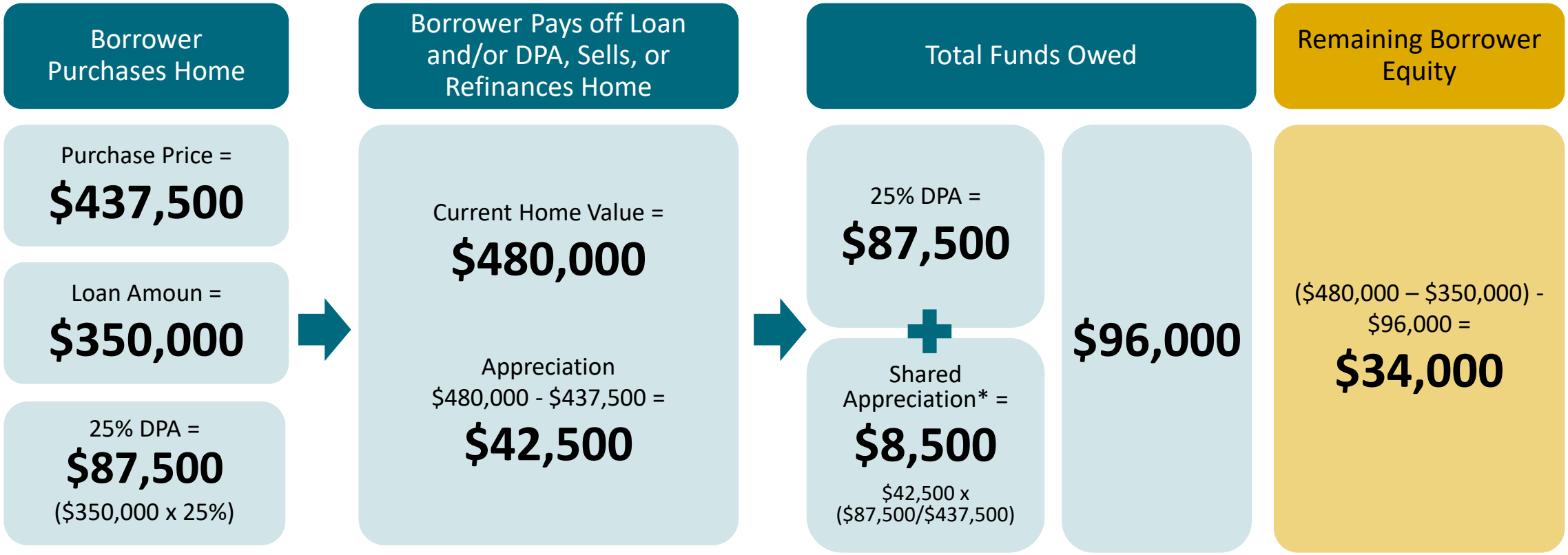
total repayment

CHFA DPA Second Mortgage Loan

+

Shared Appreciation

total payment example



For illustrative purposes only. Appreciation is not guaranteed and any negative appreciation will be considered 0% appreciation.

*Percentage of appreciation is calculated by dividing the original CHFA DPA Second Mortgage Loan amount by the original purchase price.

additional total payment examples

Purchase Price	CHFA First Mortgage Loan Amount	Percent of DPA	CHFA DPA Second Mortgage Loan Amount	Home Value at Time of Payoff, Sale, or Refinance	Amount of Appreciation	DPA Owed	Shared Appreciation Owed	Total Owed	Remaining Borrower Equity
$437,500	$350,000	25%	$87,500	$480,000	$42,500 ($480,000 - $437,500)	$87,500	$8,500 (20%* x $42,500)	**$96,000**	**$34,000**
$437,500	$350,000	15%	$52,500	$500,000	$62,500 ($500,000 - $437,500)	$52,500	$7,500 (12%* x $62,500)	**$60,000**	**$90,000**
$437,500	$350,000	20%	$70,000	$437,500	$0 ($437,500 - $437,500)	$70,000	$0 (16%* x $0)	**$70,000**	**$17,500**
$437,500	$350,000	25%	$87,500	$425,000	-$12,500 ($425,000 - $437,500)	$87,500	$0 (20%*x $0)	**$87,500**	**$-12,500**

For illustrative purposes only. Appreciation is not guaranteed and any negative appreciation will be considered 0% appreciation.

*Percentage of appreciation is calculated by dividing the original CHFA DPA Second Mortgage Loan amount by the original purchase price.

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payoff process

Borrower is ready to pay off the loan and/or DPA, sells/refinances the home, or the home is no longer the primary residence.

Borrower contacts CHFA for payoff guidance.

CHFA calculates total repayment: calculated shared appreciation and CHFA DPA Second Mortgage Loan.

Borrower sends total repayment to CHFA.

CHFA sends total repayment to PSPF for reinvestment.

responsibilities as a borrower

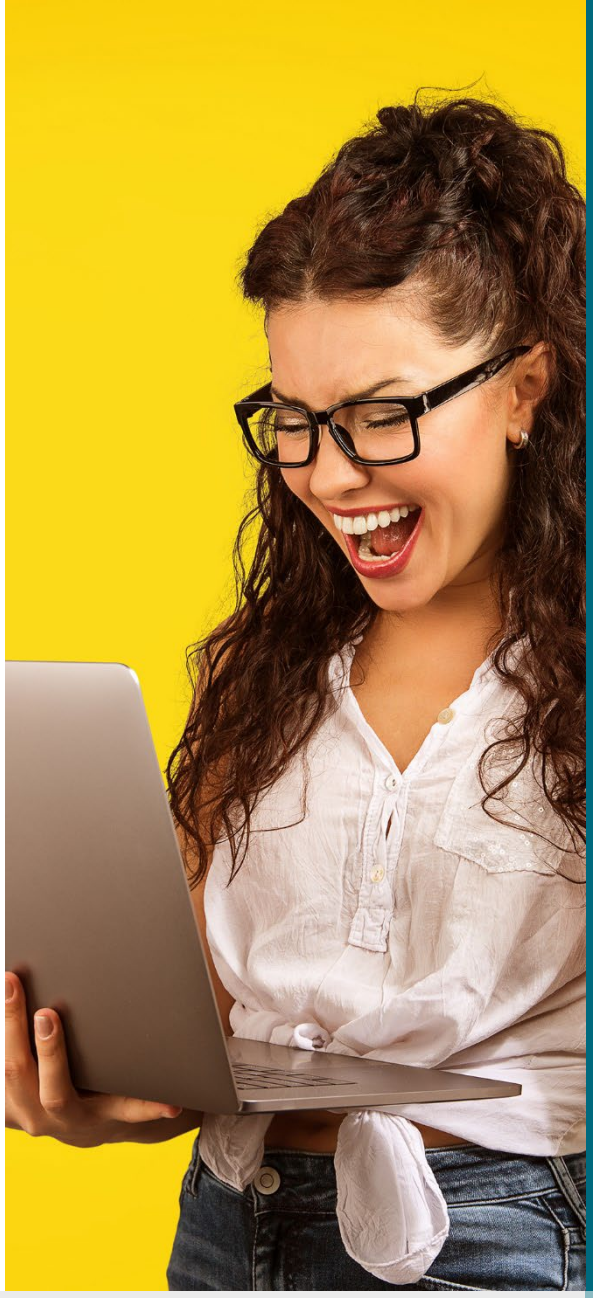
- Live in the home as your primary residence
- Make monthly payments on your CHFA First Mortgage Loan
- Plan ahead for the repayment
- Contact CHFA when they:
  - are ready to pay off the CHFA First or Second DPA Mortgage Loans,
  - sell,
  - refinance, or
  - if the home is no longer their primary residence.

make an informed decision

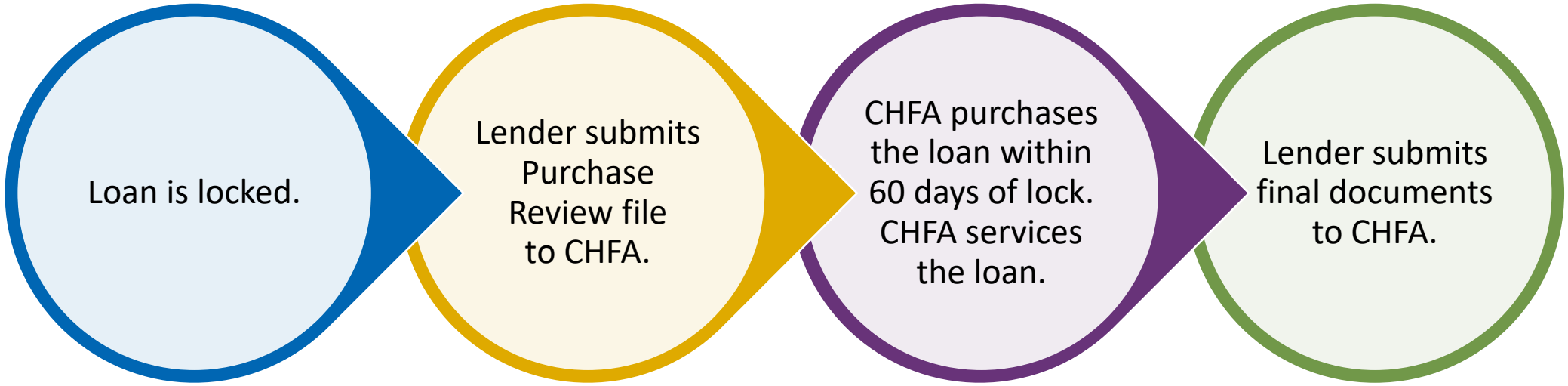
Ask your Borrower:

- Does this program help you buy a home?
- Do you understand the obligations of having a CHFA DPA Second Mortgage Loan?
- Are you comfortable sharing in the home's appreciation later?
- Does this align with your long-term plans?

Informed choices lead to successful homeownership.



chfa purchase review flow chart



A CHFA Program Compliance Review will not be performed.

pmi – savings are possible

Guidance

- Depending on the level of DPA, Borrowers may avoid or minimize PMI
- Lenders with delegated MI underwriting authority can conduct direct underwriting.
  - All others must submit loan to the MI company for MI approval
- Borrower-paid monthly PMI, single premium PMI, or split premium PMI allowed
  - Single premiums may be financed

Coverage Amounts

- Charter level MI coverage on borrowers earning at or below 80% AMI as follows:
  - 95.01 - 97% LTV = 18% coverage
  - 90.01 - 95% LTV = 16% coverage
  - 85.01 - 90% LTV = 12% coverage
  - 85% LTV and below = 6% coverage

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chfa documents

Form 390

CHFA Schools To Home Second Mortgage Loan Promissory Note

Form 395

CHFA Schools To Home Second Mortgage Loan Deed of Trust

Form 250

Shared Appreciation Program Disclosure Rider

how to lock a chfa schools to home loan

homeconnection

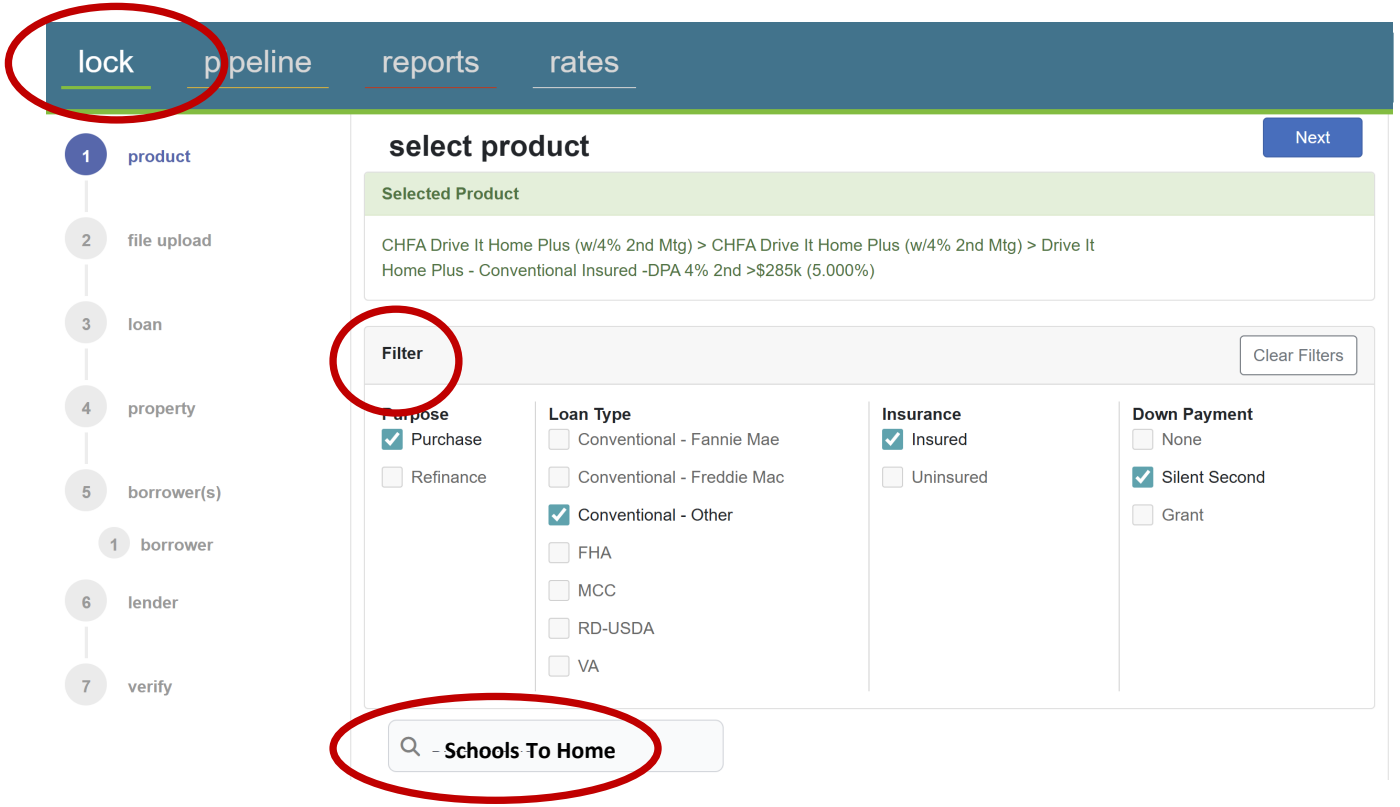
- Lender must have a fully accepted contract to lock a loan.
- 60-day lock (loan delivery period); up to six 10-day extensions allowed with fees

- HomeConnection hours:
  - Lender can lock from 9:30am to 10:00pm MT M-F (except legal and CHFA holidays).
  - Update or process a locked loan: 24/7
  - Request HomeConnection access here.



product selection

1. Click on the “lock” tab at the top of the screen in HomeConnection.
2. Use “Filter” to narrow product options by purpose, loan type, insurance, and DPA.
3. Type in “CHFA Schools To Home” in the search box.



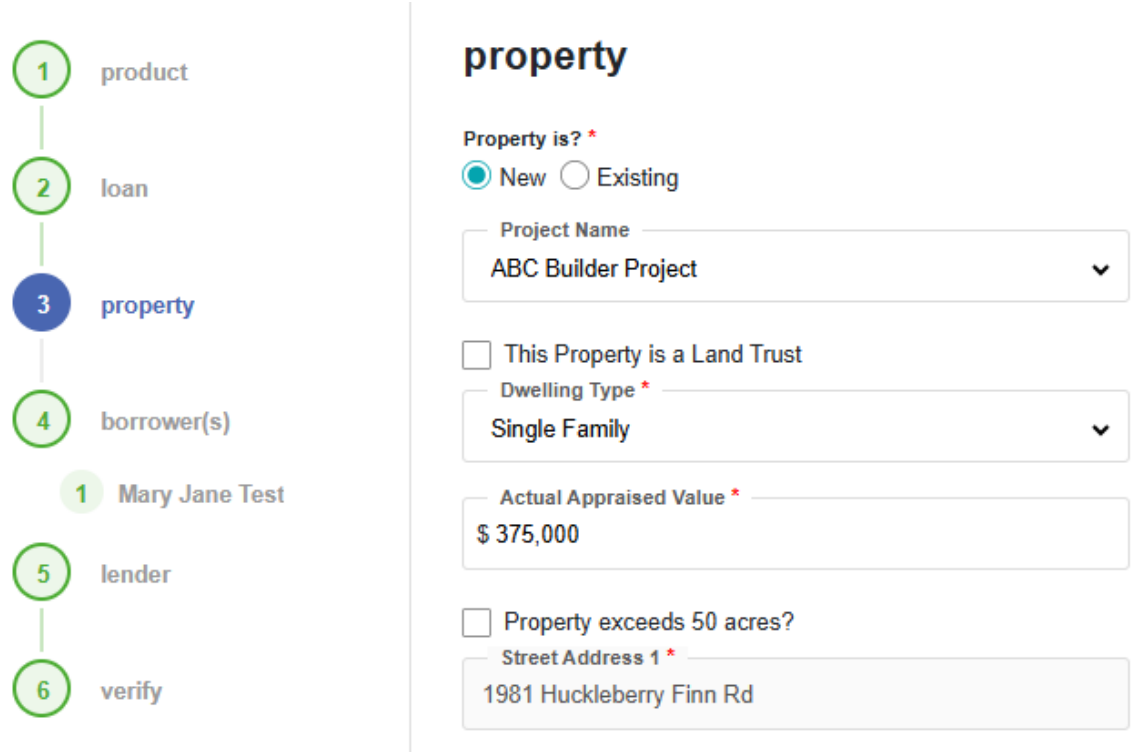
program selection

- Select the proper program and product found in the “Description”
- Pay attention to the insurance type
- Click “Next”

	Program *	Product *	Type	DPA	Insured	Description
Select	CHFA Schools To Home Plus Fannie Mae	CHFA Schools To Home Plus Fannie Mae (w/25% DPA)	Conv.	Silent Second	No	Schools To Home Plus Fannie Mae DPA 25% 2nd Conventional Uninsured (7.811%)
Select	CHFA Schools To Home Plus Fannie Mae	CHFA Schools To Home Plus Fannie Mae (w/25% DPA))	Conv.	Silent Second	Yes	Schools To Home Plus - Fannie Mae DPA 25% Conventional Insured (7.811%)

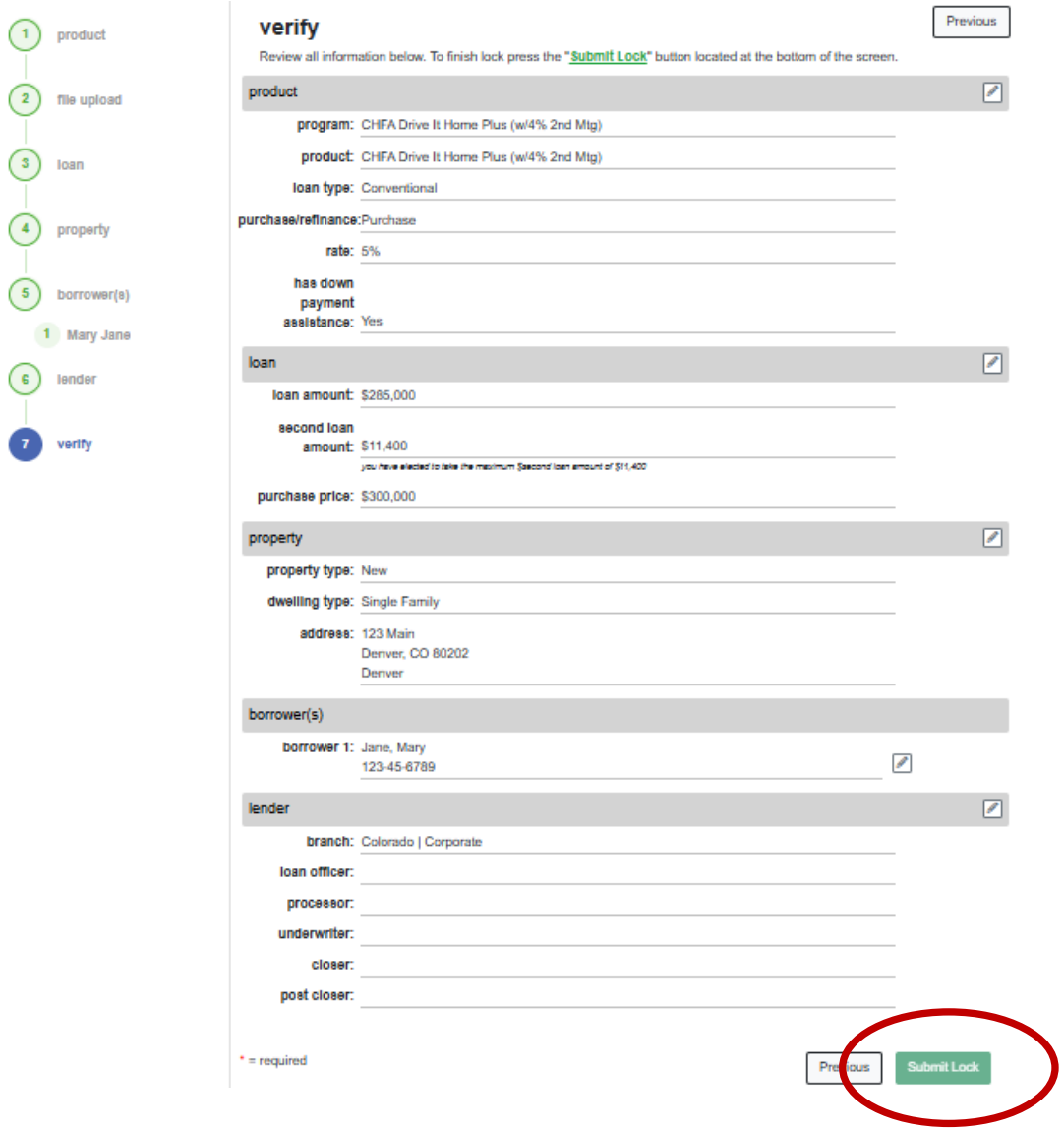
required fields/information

- Items with a red asterisk (*) are required
- Input all data, including loan, property, borrower, and lender information
- You must acknowledge/verify the Borrower's employment as a full-time public school employee



review/verify

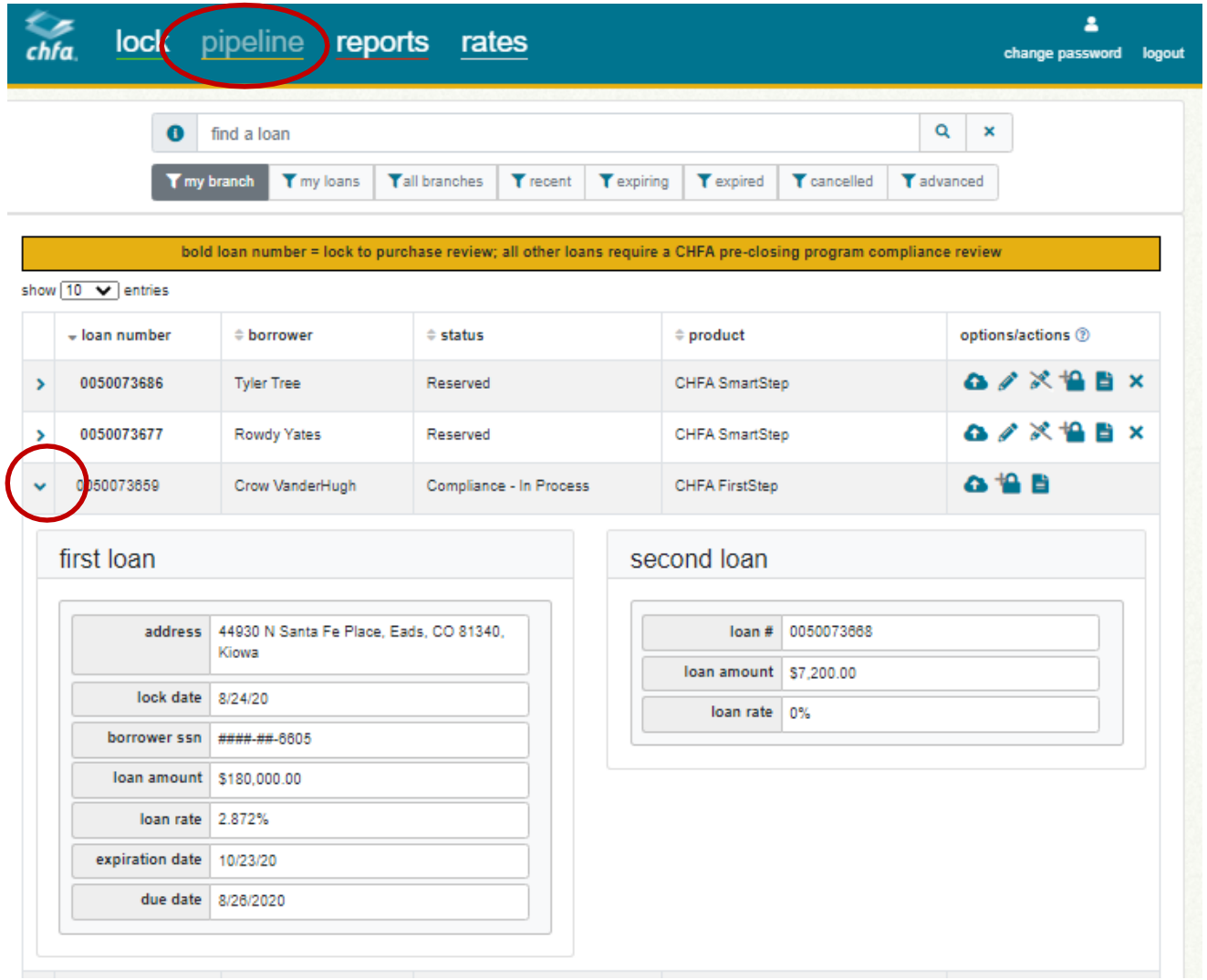
- Review and verify
- Info correct?
  Click “Submit Lock”
- Lock is complete; you can return to your pipeline
- Lock Letter will be generated



A "Validation Errors" message will appear if any errors were made during the process. Any error must be corrected prior to moving forward to complete the lock.

view pipeline

- View your loans in the “Pipeline” section of HomeConnection.
- Search for a specific loan.
- Use the icons to take a specific action.
- Click on the “>” icon to expand a loan to view additional loan information.



icons

Click on the applicable icon associated with the lock in the right column of the “Pipeline” screen in HomeConnection to make necessary edits.

Icon	Feature
	Document delivery and contact info
	Edit Lock information
	Data validation – Disable Lock edit capability
	Request enable Lock edit capability
	10-day Lock extension
	Documents and forms
	Cancel Lock
	Reinstate Lock

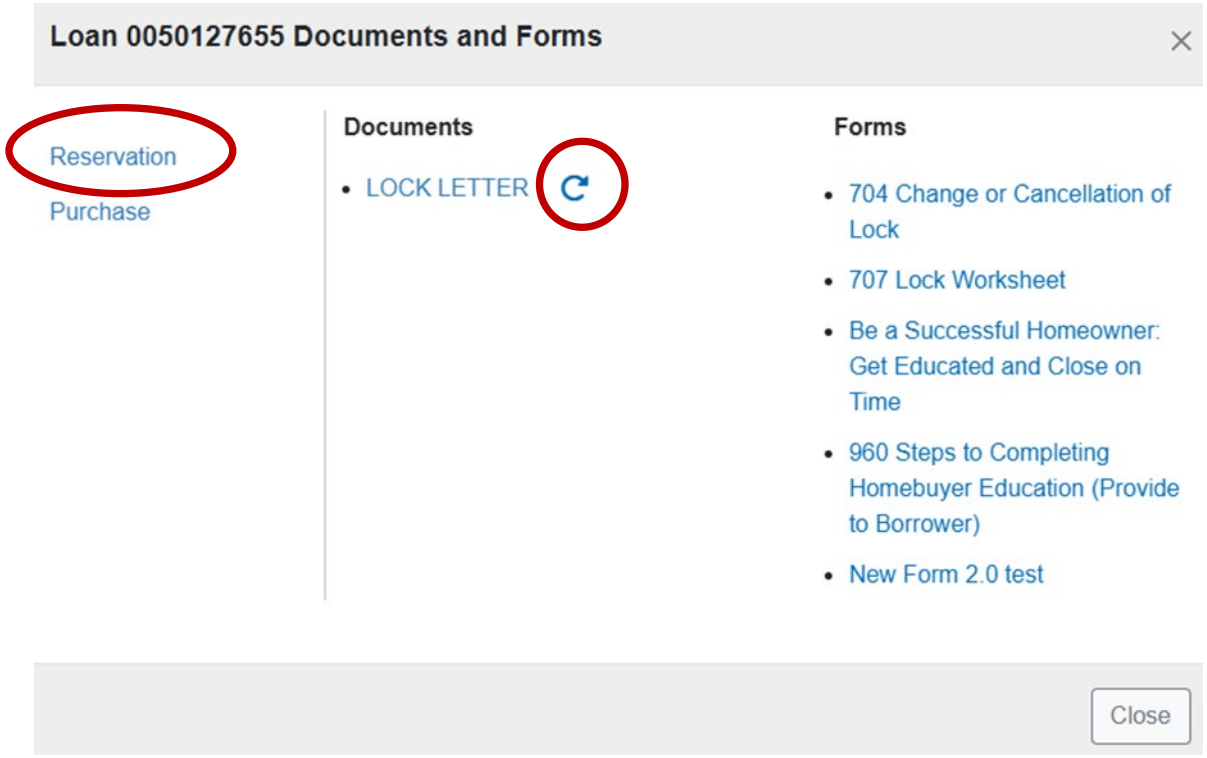
editing a lock

For loans in “Reserved” status only

- Lenders can change certain Lock information, including program, loan product, and first mortgage and second mortgage loan information, including purchase price and down payment assistance amounts.
- When making edits pay attention to pop-up boxes, as these messages confirm the edits and alert you to any changes in dates, rates, or fees.
- **Important:** always click on the “Update Lock” button once all changes have been made.
  - This saves your changes and ensures the lock still meets CHFA requirements.

refresh lock letter

- Made changes to your lock? It's good practice to update the Lock Letter to ensure the latest changes are reflected
- Return to you pipeline and click on the document icon for the specific lock
- In the popup, click on the 'Reservation' tab
- Click on the 'Refresh' icon next to the Lock Letter under Documents



extending a lock

For loans in a “Funding” status

- If a loan is within the Lock Period, the lender may request six 10-day extensions with the locked interest rate for a fee of 0.125% (each extension) of the original principal balance (OPB)
- This fee may be paid by the borrower, lender, real estate agent, builder, or seller.
- The fee will be debited against the funded loan balance on the CHFA purchase advice.

canceling a lock

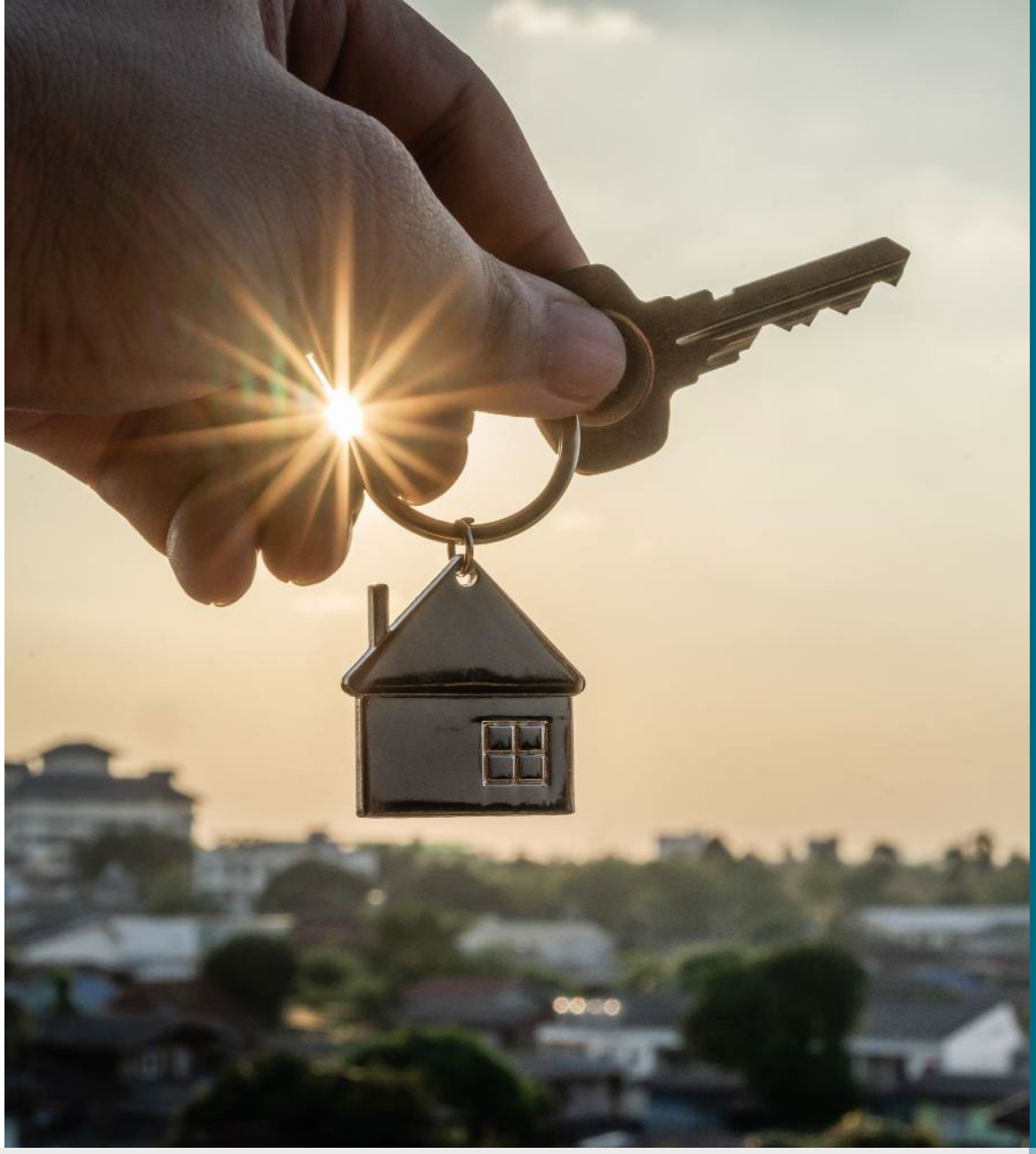
Cancel loans ASAP if not using CHFA.



- CHFA expects “mandatory delivery” from the closing date to purchase.
- Any lock in “Reserved” status may be canceled by the lender using HomeConnection.
- If the loan has been submitted, the lock may be canceled by submitting a completed CHFA Form 704, Change or Cancellation of Lock to chfalockdesk@chfainfo.com.

additional resources

CHFA Home Finance





interest rates and program updates

CHFA's loan rates are available in two ways:

1. **Via HomeConnection:** Only those with credentials to HomeConnection can access this system; brokers cannot have access.
2. **Via email:** Sign up to receive a daily email detailing CHFA's loan rates. Should you no longer want to receive this email, you can opt out at any time.
3. Subscribe to the CHFA Home Finance eNews to stay up-to-date on CHFA's Home Finance products, changes, and events.

www.chfainfo.com/single-family-participating-lenders/enews

additional resources

Matrix

- Key program features
- Eligibility
- Underwriting guidelines
- Income calculation
- Review process
- Allowable fees

Seller's Guide

- Lender participation
- Borrower Eligibility
- Programs
- Locking loans
- Compliance review procedures
- Income calculation
- Purchase and final documents procedures
- Servicing

Quick-tip Videos

- What Are CHFA Overlays?
- Where Can I Find CHFA's Guidelines?
- How Do I Calculate Gross Annual Income?
- How Do I Help My Borrowers Find CHFA-approved Homebuyer Education?
- How Do I Lock a CHFA Loan?
- How do I Manage My Pipeline?

www.chfainfo.com/single-family-participating-lenders

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colorado housing and finance authority

zogo | chfa®

financial education you'll love to learn

We've partnered with Zogo, the app that rewards you for increasing your financial know-how.

Enter Access Code

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discussion

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important contacts

Each lender has a dedicated Business Development Specialist

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Homeownership

homeownership@chfainfo.com
docdelivery@chfainfo.com
888.320.3688

Lock Desk

chfalockdesk@chfainfo.com
800.877.2432

Sub-servicer: DMI

client.services@dmicorp.com
855.587.8655

thank you

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