

borrower income for chfa loans

chfa home finance



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people live and work*

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borrower income

- Borrower qualifying income as calculated by the CHFA Participating Lender is used for the following CHFA loan programs:
 - CHFA SmartStepsm and SmartStep Plussm
 - CHFA HomeOpenersm and HomeOpener Plussm
 - CHFA Advantagesm and CHFA Advantagesm Refinance
 - CHFA Preferredsm, Preferred Plussm and CHFA Preferredsm Refinance
- Only the qualifying income of borrowers or co-borrowers on the loan is utilized
 - Qualifying income calculation must comply with applicable insurer/guarantor or Fannie Mae guidelines

chfa income limits

- Income limits will remain in effect for all programs
 - No changes to this requirement
- Income limits still determined by household size, county purchasing in, targeted or non-targeted area and CHFA loan program
- Household size must still be provided to ensure compliance with income limits
 - Provide correct dependent information on loan application
 - Income for non-borrower occupants will not be utilized

chfa income limits – example

- Family of four is purchasing a home in Adams County in a non-targeted area using the CHFA SmartStep Plus program. Family consists of husband who has full time employment, wife/spouse who has full time employment, 18 year old son who is a full time student and working part-time and, 12 year old daughter who is a full time student and has no income.
- Husband is the only borrower on the loan. His yearly salary is \$85,000.
 - Spouse's income is \$50,000/year – not on the loan so income is not used in calculation
 - Son's income is \$10,000/year – not on the loan so income is not used in calculation
- Income limit for Adams County, non-targeted, SmartStep Plus program is
 - \$79,900 for 1-2 person household
 - \$91,800 for 3+ person household
- Family would be able to purchase this home as they are under the income limit for the area and program (3+ person household). Only the **borrower qualifying income** is used for income calculation purposes.



income calculation example

- Sally is single and is purchasing her first home in Denver and has an annual income of \$73,000. The home she is buying is in a non-targeted area. The CHFA income limit for the program selected for her is \$79,900.
- Sally has been working a part-time job at the local coffee shop to put away extra funds for furnishing her new home. She has only been working here for 5 months and would have an annual income of \$10,000.
- Previous CHFA household income calculation would put Sally over the income limit for her new home, as her annual income would calculate to \$83,000. ($\$73,000 + \$10,000 = \$83,000$)
- The new income calculation for CHFA would be the borrower qualifying income. Since Sally does not have a history of a part-time job or part-time income, the underwriter chooses not to use this income for qualifying purposes; therefore, Sally's annual income remains at \$73,000. Sally is able to utilize a CHFA product for her new home.



income documentation

- All income documentation used for qualifying purposes per the underwriter or underwriting findings are to be submitted in the file.
- CHFA will continue to require the submission of the current year's federal tax returns or IRS transcripts, regardless of whether or not the AUS findings call for them.

contact information

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