

borrower qualifying income for chfa loans

chfa home finance



*financing the places where
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 Advantagesm and CHFA Advantagesm Refinance
 - CHFA Preferredsm, Preferred Plussm and CHFA Preferredsm Refinance
 - CHFA SectionEightsm Homeownership
- Only the qualifying income of borrowers or co-borrowers on the loan is utilized
 - Qualifying income calculation must comply with applicable FHA, VA, USDA-RD, Fannie Mae or Freddie Mac guidelines



chfa income limits

- Statewide income limit of \$115,600
- Regardless of county, household size, or targeted or non-targeted area
- Applies to the following programs
 - All CHFA Advantagesm programs
 - All CHFA Preferredsm programs
 - All CHFA SmartStepsm programs
 - All CHFA SectionEightsm programs



chfa income limits – example

- Family of four is purchasing a home in Adams County 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 \$115,000.
 - Borrower has overtime of \$10,000 on his paystub, but does not have a 2 year history of overtime
 - Lender does not use the overtime in the income calculation due to the history of overtime receipt
 - 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
- Statewide income limit for the SmartStep Plus program
 - \$115,600
- Family would be able to purchase this home as they are under the statewide income limit for program. Only the ***borrower qualifying income*** is used for income calculation purposes.



income documentation

- All income documentation used for qualifying purposes per the underwriter or underwriting findings are to be submitted in the file
 - CHFA will verify only the income used for qualifying purposes
- CHFA will continue to require the submission of the current year's federal tax returns or full IRS transcripts, regardless of the AUS findings
 - If the AUS findings require additional federal tax returns, include all required years in the submission file

contact us for information

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