borrower qualifying income for chfa loans
Disclaimer
This Disclaimer applies to all content provided through CHFA webinars or other training events. The training content provided is intended to help explain CHFA’s programs, but should not be relied upon as an alternative to the CHFA Seller’s Guide. CHFA makes reasonable efforts to ensure that information provided in its trainings is up-to-date and accurate. If there are any discrepancies between information provided in a training event, including in slide presentations, and CHFA’s Seller’s Guide and/or eNews, the later documents should be relied upon.
borrower income

- Borrower qualifying income as calculated by the CHFA Participating Lender is used for the following CHFA loan programs:
  - CHFA SmartStep℠ and SmartStep Plus℠
  - CHFA Preferred℠, Preferred Plus℠, CHFA Preferred℠ Refinance and CHFA Preferred Very Low Income Program℠
  - CHFA SectionEight℠ 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

- CHFA SmartStep℠ and CHFA SectionEight℠ Homeownership programs
  - Statewide income limit
    - Regardless of county, household size, or targeted or non-targeted area
- CHFA Preferred℠, CHFA Preferred Plus℠ and CHFA Preferred℠ Refinance
  - Income limits based on 80% Area Median Income (AMI) for county in which property is located
- CHFA Preferred Very Low Income Program℠ (VLIP) – Freddie Mac only
  - Income limits based on 50% AMI for county in which property is located
- All CHFA income limits are listed on CHFA website
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 $120,000.

- 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

- $120,100

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

- (888) 320-3688
- customerservicedesk@chfainfo.com

Like us on Facebook
www.facebook.com/CHFA.Colorado

Follow us on Twitter
twitter.com/CHFA