

program matrix



chfa preferred purchase very low income program (vlip)

effective January 1, 2019

key features	Term	30-year term
	Loan Purpose	Purchase
	Interest Rate	Fixed interest rate
	Optional CHFA DPA Grant or Second Mortgage/ Preferred Plus	<p>Non-repayable grant available for up to 4% of the first mortgage loan amount, or second mortgage for up to 5% of first mortgage loan amount. Zero-percent silent second, no monthly payments required, no accrued interest. Second must be paid in full upon sale, refinance, or if property is no longer the borrower's primary residence.</p> <ul style="list-style-type: none"> • Proceeds may go toward down payment, closing costs, and/or prepaids. • Participating lender must document and fund at closing on behalf of CHFA. • No subordinate financing allowed except those that meet Freddie Mac's Affordable Seconds guidelines.
	Reservation/ Extensions	HomeConnection is available at www.chfainfo.com on business days from 9:30am-10:00pm MST, with the exception of scheduled or unscheduled system maintenance. Delivery period is 60 days.
eligibility	Limits	Very Low Income Program (VLIP) income limits available at www.chfainfo.com . No purchase price limits. See reverse for additional income calculation information. The maximum loan limit for any mortgage loan is the lower of \$484,350 or the amount as required by Freddie Mac.
	First-time Homebuyer	This product is not restricted to first-time homebuyers.
	Homebuyer Education	CHFA requires all borrowers and co-borrowers to individually complete an online or classroom-based CHFA-approved homebuyer education course provided by a CHFA-approved provider, prior to the closing date.
	Minimum Financial Investment	<ul style="list-style-type: none"> • \$1000 minimum financial investment (may be a gift) • Consult the Seller's Guide for a complete list of items that can be counted towards the minimum financial investment.
	Loan Type	Freddie Mac Conventional insured and uninsured
	Property	Single family, one unit, attached, detached homes; PUDs, attached, detached; and condominiums. • No manufactured housing. • The property must be owner-occupied; borrower may have ownership interest in one other residential dwelling at the time of loan closing as permitted by Freddie Mac. • Borrower may only have one CHFA-financed property at a time.
underwriting	LTV/Combined LTV	Maximum LTV 97%/CLTV 105%
	Land Trust/Deed Restriction/Covenants	Not allowed
	Cosigners & Nonoccupying Co-borrowers	CHFA does not allow cosigners or non-occupying co-borrowers. CHFA does not permit non-borrowing spouses or others not obligated to the underlying mortgage loan to take title to the subject property.
	Buydowns	Buydowns (temporary and permanent) are not allowed in the CHFA Preferred VLIP program.
	AUS/Manual Underwriting	CHFA accepts Loan Product Advisor with a Risk Class of "Accept" ("Home Possible Advantage for HFAs" in LPA). See reverse for additional LPA information. Manual underwriting acceptable if required/allowed by Freddie Mac.
	Mortgage Insurance Requirements	Private mortgage insurance (PMI) required on all loans over 80% LTV. • PMI must be provided by CHFA-approved MI companies. Please see reverse for complete list and reduced coverage amounts. • PMI delegated underwriting is allowed. • Participating Lender must comply with PMI company overlays. • Borrower-paid monthly PMI, single premium PMI, or split premium PMI; single premiums may be financed.
	Document Checklists	Refer to Form 727, Compliance Review Submission Checklist; Form 728, Purchase Review Submission Checklist. Second mortgage requires Form 305, CHFA Note; Form 310, CHFA Deed of Trust.
	Credit/DTI Requirements	Minimum mid credit score of 620 for all scored borrowers • No credit score or manually underwritten loan acceptable if required/allowed by applicable Freddie Mac guidelines • DTI ratio determined by AUS findings or, if applicable, manual UW guidelines.

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fees paid by lender

- Real estate tax service fee (\$68)
- Up-front loan delivery extension fee - 30 days
0.35% OPB of a first mortgage loan to extend the delivery period
- Suspension penalty
0.25% OPB of a first mortgage loan that is suspended for purchase due to missing, incorrect, or incomplete information and is not corrected within 10 days of date of suspension
- Loan delivery penalty
0.25% OPB of a first mortgage loan that is not delivered to CHFA within the initial delivery period
- Funding extension penalty
0.25% OPB of a first mortgage loan that is not approved for purchase within the funding review period
- Late document fee
\$150 for every mortgage loan not completed through post closing within 120 days of purchase
- Rate adjustment penalty
To buy down the interest rate over the mortgage loan term if closed at the wrong interest rate

income calculations

whose income

Qualifying Income: CHFA will accept the Qualifying Income utilized by the Participating Lender for determining borrower eligibility for the Mortgage Loan type, and which complies with applicable or Freddie Mac guidelines. Only the income utilized by the Participating Lender for purposes of credit qualifying the borrower(s) will be required for purposes of determining eligibility under CHFA's Income Limits.

premiums paid to lender

- Servicing release premium
(1.5% UPB first mortgage loan)
- Non-metro premium
(0.5% OPB first mortgage loan)
- Participating lender may receive a maximum of two out of the three of AMI, credit score, or low loan amount premiums.
 - AMI premium: 0.125% for loans with borrowers making less than 80% AMI (HomeAccess and SectionEight excluded)
 - Credit score premium: 0.125% for loans with borrowers with mid credit score 700 or above
 - Loan amount premium: 0.125% for loan amounts under \$75,000.00
- 0.250% for loan sold to CHFA within 30 days of reservation date
- 0.125% for loan sold to CHFA within 45 days of reservation date

exclusions

- Cash back to the borrower(s) at closing
CHFA will defer to or Freddie Mac guidelines with respect to whether the borrower may receive cash back at closing, and, if permitted, the amount. In any event, the borrower must always meet the minimum borrower contribution requirements for CHFA's programs. Proceeds of CHFA grant or second mortgage may never be given as cash back to borrower.

approved mortgage insurance providers and coverage amounts

PMI may be provided by Arch MI, Essent Guaranty, Genworth Mortgage Insurance, MGIC, National Mortgage Insurance, Radian, or United Guaranty.

LTV	coverage
95.01 to 97.00	18%
90.01 to 95.00	16%
85.01 to 90.00	12%
80.01 to 85.00	6%
80.00 and below	No PMI required

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