

# chfa down payment assistance options

colorado housing and finance authority



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# chfa dpa grant

# chfa down payment assistance grant

- CHFA's Down Payment Assistance Grant available for CHFA SmartStep Plus programs
  - Non repayable
  - Assist with down payment, closing costs, and/or pre-paids
  - **Cannot** be used for the following:
    - Pay borrower's debts
    - Difference between appraised value and sales price
    - \$1000 CHFA minimum borrower contribution
    - Fund repair escrow account
    - Lower loan amount under max loan amount for county or area

# chfa down payment assistance grant

- Borrower does not have to take full amount of grant
  - Grant must still be calculated in a whole dollar amount
- Borrowers are receiving a higher interest rate for the grant option
- Excess money cannot be returned to the borrower as cash back
  - Excess grant money options
    - More down payment
    - Single paid premium MI option
      - Must follow TRID/RESPA/TILA requirements
    - Principal reduction to first mortgage
      - CHFA does not have a cap on principal reduction
  - Lower loan amount
    - Will need to request updated DPA Grant Award letter with correct amount

# chfa down payment assistance grant

- Maximum amount of 3% of the total first mortgage loan amount or \$25,000, whichever is less
  - Whole dollar DPA amount only, round down
    - Calculation example: 3% of a \$250,165.00 total first mortgage loan amount = \$7,504.95
    - Drop the cents or round down to get a maximum DPA Grant amount of \$7,504.00
- Lender must fund grant at closing
  - CHFA will reimburse at purchase of first mortgage loan
- Grant must be indicated on the Loan Estimate as a credit
- Grant must be indicated on Closing Disclosure as “CHFA DPA Grant”

# chfa down payment assistance grant

- DPA Grant Award Letter issued at time of approval to be sent to closing
  - FHA loans - CHFA Form 501, Down Payment Assistance Award Letter
    - Must be signed at closing
    - Grant amount on letter and CD must match
  - VA and USDA-RD loans – CHFA Form 502, Down Payment Assistance Award Letter
    - Not required to be signed
- Letters available in HomeConnection after loan is locked
  - Click on “forms” icon to right of borrower’s name
  - Click on “reservation” tab

# chfa form 501 grant award letter fha loans

CHFA Form 501  
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## CHFA DPA GRANT AWARD LETTER (FHA LOANS)

Information at top of letter will be pre-populated. CHFA DPA Grant amount must match credit on final closing disclosure or FHA will not insure the loan.

CHFA Loan No.:  
Date:  
Grantee(s) Name:  
Property Address:  
CHFA DPA Grant Amount:

Colorado Housing and Finance Authority (CHFA) is providing funds (the "CHFA DPA Grant") under its CHFA DPA Grant Program to the grantee(s) referenced above (the "Grantee") for use toward Grantee's HUD Minimum Required Investment (MRI), down payment, closing cost(s) and/or prepaid(s). The CHFA DPA Grant will be provided on the condition that it is made in connection with the closing of an FHA-insured first mortgage loan meeting the CHFA DPA Grant program requirements (the "First Mortgage Loan").

The CHFA DPA Grant will be in the amount specified above, provided such amount does not exceed three percent (3%) of the original principal balance of the First Mortgage Loan. CHFA has, at or before such First Mortgage Loan closing (the "Closing"), incurred a legally enforceable obligation to fund the CHFA DPA Grant with funds which legally belong to CHFA. The CHFA DPA Grant is provided in CHFA's governmental capacity in Colorado, the state in which the property identified above is located. Grantee's repayment of the CHFA DPA Grant is not required.

The calculation of the interest rate on the First Mortgage Loan is based in part on the particular CHFA loan program selected by the Grantee (the "CHFA Program"). By selecting such CHFA Program, Grantee may be paying a higher mortgage loan interest rate than might otherwise be available under a different loan program.

The person signing below is duly authorized to execute this letter.

**Electronic Signature:** The electronic signature of each Borrower included in this letter, in any form, is intended to authenticate this writing, bind it hereto, and to otherwise have the same force and effect as a manual signature.

Dan McMahon, Director of Home Finance

All borrowers sign and date letter at closing. Electronic signature is acceptable.

\_\_\_\_\_  
Grantee Date \_\_\_\_\_  
\_\_\_\_\_  
Grantee Date \_\_\_\_\_  
\_\_\_\_\_  
Grantee Date \_\_\_\_\_  
\_\_\_\_\_  
Grantee Date \_\_\_\_\_



# chfa form 502 grant award letter non-fha loans

CHFA Form 502  
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1/23.v3

Colorado Housing and Finance Authority  
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## CHFA DPA GRANT AWARD LETTER

Information at top of letter will be pre-populated. Form is not required to be signed by the borrowers but must be given to the borrowers at closing.

CHFA Loan No.:
Date:
Grantee(s) Name:
Property Address:
<b>CHFA DPA Grant Amount:</b>

The Colorado Housing and Finance Authority (CHFA) is providing funds (the "CHFA DPA Grant") to the grantee(s) referenced above (the "Grantee") toward Grantee's down payment, closing cost(s) and/or prepaid(s) for the above-referenced loan (the "First Mortgage Loan").

The CHFA DPA Grant will be in the amount specified above, *provided* such amount does not exceed three percent (3%) of the original principal balance of the First Mortgage Loan. It will be provided by the originating lender to the Grantee at closing and reimbursed by CHFA upon CHFA's purchase of the First Mortgage Loan. Grantee's repayment of the CHFA DPA Grant is not required.

The calculation of the interest rate on the First Mortgage Loan is based in part on the particular CHFA loan program selected by the Grantee (the "CHFA Program"). By selecting such CHFA Program, Grantee may be paying a higher mortgage loan interest rate than might otherwise be available under a different loan program.



Dan McMahon, Director of Home Finance

Colorado Housing and Finance Authority  
1981 Blake Street - Denver, CO 80202  
main 1.800.877.2432  
tdd 303.297.7305

# chfa dpa second mortgage loan

# chfa down payment assistance 0% second mortgage

- CHFA's Down Payment Assistance 0% second mortgage available for most CHFA Plus programs
  - Assist with down payment, closing costs, and/or pre-pays
  - **Cannot** be used for the following:
    - Pay borrower's debts
    - Difference between appraised value and sales price
    - \$1000 CHFA minimum borrower contribution
    - Fund repair escrow account
    - Lower loan amount under max loan amount for county or area

# chfa down payment assistance 0% second mortgage

- Due and repayable lien; must be repaid in the future, considered a balloon loan
  - Maturity of first mortgage loan
    - If borrowers never refinance, second mortgage is due in full at time first mortgage is paid in full
  - Upon refinance or sale of property
    - CHFA will not subordinate the second mortgage loan for a refinance
- Upon default of first mortgage loan
- Property ceases to be borrower's primary residence
  - Borrower obtains approval from CHFA servicing to make home a rental due to extenuating circumstances, loan is due and payable in full when home becomes a rental property

# chfa down payment assistance 0% second mortgage

- Maximum amount of up to 4% of the total first mortgage loan amount or \$25,000, whichever is less
  - Whole dollar loan amount only, round down
    - DPA calculation Example: 4% of a \$225,895.00 total first mortgage loan amount = \$9,035.80.
    - Drop the cents or round down to get a maximum second mortgage loan amount of \$9,035.00
  - Second mortgage loan amount may be less than maximum; not required to use the full amount
    - Loan must still be calculated in a whole dollar amount
- Lender must fund second mortgage loan at closing
  - CHFA will reimburse at purchase of first mortgage loan

# chfa down payment assistance 0% second mortgage

- Excess second mortgage loan money
  - Excess second mortgage money options
    - More down payment
    - Single paid premium MI option
      - Must meet TRID/RESPA/TILA requirements
    - Principal reduction to first mortgage
      - CHFA does not have a cap on principal reduction
    - Lower loan amount
  - Excess money cannot go to the borrower as cash back
- Second mortgage loan must be indicated on the Loan Estimate as a credit
- Second mortgage loan must be indicated on the Closing Disclosure as “CHFA Second Lien”

# chfa down payment assistance 0% second mortgage

- Second Mortgage Loans must be submitted through CHFA document delivery system into the second mortgage file – simultaneously with first mortgage loan
- Title commitment/policy not required for second mortgage loan
- Hazard insurance – not required for second mortgage loan to show as a lien
- Second mortgage loan must close in CHFA's name
  - Lender must complete all second mortgage documents, present to borrower at application, and send to closing

# chfa down payment assistance 0% second mortgage

- Guidelines for completing second mortgage forms available on CHFA website
  - CHFA Form 375, Guide to CHFA Down Payment Assistance (DPA) Second Mortgage Loan Deferred Payment (Balloon)
- FAQ's for Second Mortgages on CHFA website
- CHFA Form 368, Down Payment Assistance Award Letter for second mortgage loan – FHA loans only – must be signed at closing
  - Available in HomeConnection only
    - Use the “Forms” icon to the right of the borrower’s name
    - For CHFA FirstStep loans, form will only be available once the loan is Program Compliance approved under the “Compliance” tab
    - For CHFA SmartStep FHA loans, form is available at time of reservation/lock under the “Reservation” tab



# chfa form 368, down payment assistance award letter - fha loans only

CHFA Form 368  
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6/23.v5

Colorado Housing and Finance Authority  
www.chfainfo.com  
**CHFA DPA Second Mortgage Loan Award Letter  
(FHA Loans)**

Loan information will be pre-populated at the top.

Date: \_\_\_\_\_

CHFA DPA Second Mortgage Loan Number: \_\_\_\_\_

Borrower(s) Name: \_\_\_\_\_

Property Address: \_\_\_\_\_

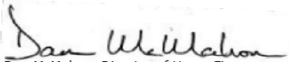
Information explaining to borrower they will receive 4% of the total first mortgage loan amount, or \$25,000, whichever is less, for their dpa amount. Borrowers receiving a HomeAccess (CHFA disability program) may receive \$25,000 for dpa.

The above-referenced Colorado Housing and Finance Authority (CHFA) DPA Second Mortgage Loan (the "CHFA DPA Second") is being provided to the borrower(s), referenced above (the "Borrower"), for use toward Borrower's HUD Minimum Required Investment (MRI), closing cost(s), down payment, and/or prepaid(s). The CHFA DPA Second, to be closed in CHFA's name under the CHFA DPA Second Mortgage Loan Program, will be provided on the condition that it is closed in connection with an FHA-insured first mortgage loan meeting CHFA DPA Second Mortgage Loan Program requirements (the "First Mortgage Loan"). CHFA has, at or before such First Mortgage Loan closing (the "Closing"), incurred a legally enforceable liability as a result of its agreement to provide such CHFA DPA Second with funds which legally belong to CHFA. The CHFA DPA Second is provided in CHFA's governmental capacity in Colorado, the state in which the property identified above is located.

The maximum loan amount of the CHFA DPA Second may not exceed the lesser of \$25,000 ("CHFA DPA Limit") or four percent (4%) of the total First Mortgage Loan amount, except for CHFA HomeAccess<sup>sm</sup> Loans which may always go up to the CHFA DPA Limit.

The calculation of the interest rate on the First Mortgage Loan is based in part on the particular CHFA loan program selected by the Borrower (the "CHFA Program"). By selecting such CHFA Program, Borrower may be paying a higher interest rate on the First Mortgage Loan than might otherwise be available under a different loan program.

The person signing below is duly authorized to execute this letter.

  
Dan McMahon, Director of Home Finance

**To be signed by Borrower(s):**

The Borrower(s) accepts the repayment terms of the CHFA DPA Second, as reflected in the CHFA DPA Second Note and Deed of Trust executed on the date of Closing.

**Electronic Signature:** The electronic signature of each Borrower included in this letter, in any form, is intended to authenticate this writing, bind it hereto, and to otherwise have the same force and effect as a manual signature.

All borrowers will sign at closing. Electronic signature is acceptable.

\_\_\_\_\_  
Date \_\_\_\_\_

\_\_\_\_\_  
Date \_\_\_\_\_

\_\_\_\_\_  
Date \_\_\_\_\_

\_\_\_\_\_  
Date \_\_\_\_\_

# program compliance review documentation requirements

- Follow the list of conditions/documents in the Document Delivery system or utilize document checklist for the respective program
  - CHFA Form 746-2nd, Compliance Review Submission Checklist
    - ***Do not include checklist in file submission***
- CHFA Form 376, Second Mortgage Loan Estimate, if applicable
  - Can utilize your own Loan Estimate, follow CHFA requirements

# chfa form 376, second mortgage loan estimate

When obtaining form from HomeConnection, borrowers name(s), property address, loan amount and CHFA loan number will auto-populate. All other information must be manually entered.

CHFA Second Mortgage Loan CHFA Form 376  
01/17.v2

Colorado Housing and Finance Authority  
1981 Blake Street  
Denver, CO 80202 Save this Loan Estimate to compare with your Closing Disclosure.

### Loan Estimate

<b>DATE ISSUED</b>		<b>LOAN TERM</b>
<b>APPLICANTS</b>		<b>PURPOSE</b> Purchase
<b>PROPERTY</b>		<b>PRODUCT</b> Year 30 Balloon Payment, Fixed Rate
<b>Sales Price</b>		<b>LOAN TYPE</b> <input type="checkbox"/> Conventional <input type="checkbox"/> FHA <input type="checkbox"/> VA <input checked="" type="checkbox"/> Community Second Mortgage
		<b>LOAN ID #</b>
		<b>RATE LOCK</b> <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, until
		<i>Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on</i>

Loan Terms	Can this amount increase after closing?
<b>Loan Amount</b>	NO
<b>Interest Rate</b>	0% NO
<b>Monthly Principal &amp; Interest</b> <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$0 NO
<b>Does the loan have these features?</b>	
<b>Prepayment Penalty</b>	NO
<b>Balloon Payment</b>	YES. You will have to pay \$ at the end of year 30.

Projected Payments		
Payment Calculation	Years 1-30	Final Payment
Principal & Interest	\$0	
Mortgage Insurance	+ \$0	+ \$0
Estimated Escrow <small>Amount can increase over time</small>	+ \$0	+ \$0
<b>Estimated Total Monthly Payment</b>	\$0	

Estimated Taxes, Insurance & Assessments <small>Amount can increase over time</small>	This estimate includes	In escrow?
\$0	<input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <small>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</small>	NO NO

### Costs at Closing

<b>Estimated Closing Costs</b>	Includes in Loan Costs + in Other Costs - \$0 in Lender Credits. See page 2 for details.
<b>Estimated Cash to Close</b>	Includes Closing Costs. See Calculating Cash to Close on page 2 for details.

Visit [www.consumerfinance.gov/mortgage-estimate](http://www.consumerfinance.gov/mortgage-estimate) for general information and to file.

LOAN ESTIMATE CHFA Form
PAGE 1 OF 3
LOAN ID#





# chfa form 376, second mortgage loan estimate

CHFA does not require a title commitment or title policy for the second mortgage loan. Guidelines for completing CHFA second mortgage forms can be found on the CHFA website under “Programs and Forms” look for CHFA form 375.

## Additional Information About This Loan

LENDER		MORTGAGE BROKER	
NMLS/ LK ENSE ID		NMLS/ LICENSE ID	
LOAN OFFICER		LOAN OFFICER	
NMLS/ LK ENSE ID		NMLS/ LICENSE ID	
EMAIL		EMAIL	
PHONE		PHONE	

Comparisons		Use these measures to compare this loan with other loans.
In 5 Years	\$0	Total you will have paid in principal, interest, mortgage insurance, and loan costs. Principal you will have paid off.
Annual Percentage Rate (APR)	%	Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	0%	The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

## Other Considerations

**Appraisal** We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.

**Assumption** If you sell or transfer this property to another person, we  will allow, under certain conditions, this person to assume this loan on the original terms.  will not allow assumption of this loan on the original terms.

**Homeowner's Insurance** This loan requires homeowner's insurance on the property, which you may obtain from a company of your choice that we find acceptable.

**Late Payment** If your payment is more than NA days late, we will charge a late fee of NA.

**Liability after Foreclosure** Taking this loan could end any state law protection you may currently have against liability for unpaid debt if your lender forecloses on your home. If you lose this protection, you may have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information.

**Refinance** Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.

**Servicing** We intend  to service your loan. If so, you will make your payments to us.  to transfer servicing of your loan.

## Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature \_\_\_\_\_ Date \_\_\_\_\_ Co-Applicant Signature \_\_\_\_\_ Date \_\_\_\_\_

# purchase review documentation requirements

- Follow the list of conditions/documents in the Document Delivery system or utilize document checklist for the respective program
  - CHFA FirstStep loans, non-bolded loan numbers
    - CHFA Form 747-2nd, Compliance Review Submission Checklist
  - CHFA SmartStep and Preferred loans, bolded loan numbers
    - CHFA form 792-A, Second Mortgage Lock to Purchase Review Submission Checklist
- ***Do not include checklist in file submission***

# purchase review documentation requirements

- CHFA Form 377, Second Mortgage Closing Disclosure, if applicable
  - can utilize your own Closing Disclosure, follow CHFA requirements
- CHFA Form 307, Deferred Payment (Balloon) Note
  - Required, lender cannot use their own Note
- CHFA Form 314, Subordinate Deed of Trust
  - Required, lender cannot use their own Deed of Trust

# chfa form 377, second mortgage closing disclosure

When obtaining form from HomeConnection, borrowers name(s), property address, loan amount and CHFA loan number will auto-populate. All other information must be manually entered.

CHFA Second Mortgage Loan CHFA Form 377  
01/17.v2

*This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.*

### Closing Disclosure

Closing Information	Transaction Information	Loan Information
Date Issued	Borrower	Loan Term
Closing Date		Purpose Purchase
Disbursement Date		Product Year 30 Balloon Payment, Fixed Rate
Settlement Agent	Lender Colorado Housing and Finance Authority 1981 Blake Street Denver, CO 80202	Loan Type <input type="checkbox"/> Conventional <input type="checkbox"/> FHA <input type="checkbox"/> VA <input checked="" type="checkbox"/> Community Second Mortgage
File #		Loan ID #
Property		AK #
Sales Price		

Loan Terms	Can this amount increase after closing?
Loan Amount	NO
Interest Rate	0% NO
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$0 NO
<b>Does the loan have these features?</b>	
Prepayment Penalty	NO
Balloon Payment	YES. You will have to pay \$ [redacted] at the end of year 30.

Projected Payments		
Payment Calculation	Years 1-30	Final Payment
Principal & Interest	\$0	[redacted]
Mortgage Insurance	+ \$0	+ \$0
Estimated Escrow <small>Amount can increase over time</small>	+ \$0	+ \$0
<b>Estimated Total Monthly Payment</b>	\$0	[redacted]

Estimated Taxes, Insurance & Assessments <small>Amount can increase over time See page 4 for details</small>	This estimate includes	In escrow?
\$0	<input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other:	NO NO
	<small>See Escrow Account on page 4 for details. You must pay for other property costs separately.</small>	

Costs at Closing	
Closing Costs	[redacted] Includes [redacted] in Loan Costs + [redacted] in Other Costs - \$0 in Lender Credits. See page 2 for details.
Cash to Close	[redacted] Includes Closing Costs. See Calculating Cash to Close on page 3 for details.

CLOSING DISCLOSURE CHFA Form PAGE 1 OF 5 - LOAN ID # [redacted]





# chfa form 377, second mortgage closing disclosure

Fees will need to be manually input. Only fees that are allowed on a CHFA second mortgage loan are the recording fees for the Deed of Trust (13 pages, 14 if you attach the legal) and the title company closing fee.

Closing Cost Details		Borrower-Paid		Seller-Paid		Paid by Others
		At Closing	Before Closing	At Closing	Before Closing	
<b>Loan Costs</b>						
<b>A. Origination Charges</b>						
01	% of Loan Amount (Points)					
02						
03						
04						
05						
06						
07						
08						
<b>B. Services Borrower Did Not Shop For</b>			\$ 0.00			\$ 0.00
01						
02						
03						
04						
05						
06						
07						
08						
<b>C. Services Borrower Did Shop For</b>			\$ 0.00			
01						
02						
03						
04						
05						
06						
07						
08						
<b>D. TOTAL LOAN COSTS (Borrower-Paid)</b>			\$ 0.00			
Loan Costs Subtotals (A + B + C)			\$ 0.00	\$ 0.00		
<b>Other Costs</b>						
<b>E. Taxes and Other Government Fees</b>						
01	Recording Fees	Deed:	Mortgage:	\$ 0.00		
02						
<b>F. Prepays</b>						
01	Homeowner's Insurance Premium ( / mo.)					
02	Mortgage Insurance Premium ( / mo.)					
03	Prepaid Interest ( / per day from to )					
04	Property Taxes ( / mo.)					
05						
<b>G. Initial Escrow Payment at Closing</b>						
01	Homeowner's Insurance		per month for	mo.		
02	Mortgage Insurance		per month for	mo.		
03	Property Taxes		per month for	mo.		
04						
05						
06						
07						
08	Aggregate Adjustment					
<b>H. Other</b>						
01						
02						
03						
04						
05						
06						
07						
08						
<b>I. TOTAL OTHER COSTS (Borrower-Paid)</b>			\$ 0.00			
Other Costs Subtotals (E + F + G + H)			\$ 0.00			
<b>J. TOTAL CLOSING COSTS (Borrower-Paid)</b>						
Closing Costs Subtotals (D+I)			\$ 0.00			
Lender Credits						

# chfa form 377, second mortgage closing disclosure

**Calculating Cash to Close** Use this table to see what has changed from your Loan Estimate.

	Loan Estimate	Final	Did this change?
Total Closing Costs (J)			
Closing Costs Paid Before Closing	\$0		
Closing Costs Financed (Paid from your Loan Amount)		\$250.00	
Down Payment/Funds from Borrower			
Deposit	\$0	\$0.00	NO
Funds for Borrower			
Seller Credits	\$0	\$0.00	NO
Adjustments and Other Credits			
<b>Cash to Close</b>			

Fees will need to be manually input.

**Summary of Transactions** Use this table to see a summary of your transaction.

BORROWER'S TRANSACTION		SELLER'S TRANSACTION	
<b>K. Due from Borrower at Closing</b>		<b>M. Due to Seller at Closing</b>	
01 Sale Price of Property		01 Sale Price of Property	
02 Sale Price of Any Personal Property Included in Sale		02 Sale Price of Any Personal Property Included in Sale	
03 Closing Costs Paid at Closing (J)		03	
04		04	
<b>Adjustments</b>		<b>Adjustments</b>	
05		05	
06		06	
07		07	
<b>Adjustments for Items Paid by Seller in Advance</b>		<b>Adjustments for Items Paid by Seller in Advance</b>	
08 City/Town Taxes to		09 City/Town Taxes to	
09 County Taxes to		10 County Taxes to	
10 Assessments to		11 Assessments to	
11		12	
12		13	
13		14	
14		15	
15		16	
<b>L. Paid Already by or on Behalf of Borrower at Closing</b>		<b>N. Due from Seller at Closing</b>	
01 Deposit		01 Excess Deposit	
02 Loan Amount		02 Closing Costs Paid at Closing (J)	
03 Existing Loan(s) Assumed or Taken Subject to		03 Existing Loan(s) Assumed or Taken Subject to	
04		04 Payoff of First Mortgage Loan	
05 Seller Credit		05 Payoff of Second Mortgage Loan	
<b>Other Credits</b>		<b>Other Credits</b>	
06		06	
07		07	
<b>Adjustments</b>		<b>Adjustments</b>	
08		08 Seller Credit	
09		09	
10		10	
11		11	
<b>Adjustments for Items Unpaid by Seller</b>		<b>Adjustments for Items Unpaid by Seller</b>	
12 City/Town Taxes to		14 City/Town Taxes to	
13 County Taxes to		15 County Taxes to	
14 Assessments to		16 Assessments to	
15		17	
16		18	
17		19	
<b>CALCULATION</b>		<b>CALCULATION</b>	
Total Due from Borrower at Closing (K)		Total Due to Seller at Closing (M)	
Total Paid Already by or on Behalf of Borrower at Closing (L)		Total Due from Seller at Closing (N)	
<b>Cash to Close</b> <input type="checkbox"/> From <input type="checkbox"/> To Borrower		<b>Cash</b> <input type="checkbox"/> From <input type="checkbox"/> To Seller	

CLOSING DISCLOSURE CHFA Form

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# chfa form 377, second mortgage closing disclosure

CHFA does not require a title commitment or title policy for the second mortgage loan. Guidelines for completing CHFA second mortgage forms can be found on the CHFA website under “Programs and Forms” look for CHFA form 375.

Loan Calculations	
<b>Total of Payments.</b> Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	
<b>Finance Charge.</b> The dollar amount the loan will cost you.	
<b>Amount Financed.</b> The loan amount available after paying your upfront finance charge.	
<b>Annual Percentage Rate (APR).</b> Your costs over the loan term expressed as a rate. This is not your interest rate.	%
<b>Total Interest Percentage (TIP).</b> The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	0%

**Questions?** If you have questions about the loan terms or costs on this form, use the contact information below. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at [www.consumerfinance.gov/mortgage-closing](http://www.consumerfinance.gov/mortgage-closing)

Other Disclosures
<b>Appraisal</b> If the property was appraised for your loan, your lender is required to give you a copy at no additional cost at least 3 days before closing. If you have not yet received it, please contact your lender at the information listed below.
<b>Contract Details</b> See your note and security instrument for information about: <ul style="list-style-type: none"> <li>• what happens if you fail to make your payments,</li> <li>• what is a default on the loan,</li> <li>• situations in which your lender can require early repayment of the loan, and</li> <li>• the rules for making payments before they are due.</li> </ul>
<b>Liability after Foreclosure</b> If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan, <ul style="list-style-type: none"> <li><input type="checkbox"/> state law may protect you from liability for the unpaid balance. If you refinance or take on any additional debt on this property, you may lose this protection and have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information.</li> <li><input checked="" type="checkbox"/> state law does not protect you from liability for the unpaid balance.</li> </ul>
<b>Refinance</b> Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.
<b>Tax Deductions</b> If you borrow more than this property is worth, the interest on the loan amount above this property's fair market value is not deductible from your federal income taxes. You should consult a tax advisor for more information.

Contact Information			
	Lender	Mortgage Broker	Settlement Agent
<b>Name</b>			
<b>Address</b>			
<b>NMLS ID</b>			
___ License ID			
<b>Contact</b>			
<b>Contact NMLS ID</b>			
<b>Contact ___ License ID</b>			
<b>Email</b>			
<b>Phone</b>			

**Confirm Receipt**  
By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature	Date	Co-Applicant Signature	Date
---------------------	------	------------------------	------

# chfa form 307, second mortgage loan note – instructions page

Colorado Housing and Finance Authority  
CHFA Form 307, Deferred Payment (Balloon) Note  
Document Completion Instructions

This instruction page is for informational purposes only for the CHFA Participating Lender and should NOT be sent to the title company for closing.

As a reminder, obtaining this form in the CHFA HomeConnection site will auto-populate certain fields. These forms should NOT be downloaded into the Participating Lenders' document preparation system, documents should always be obtained through the CHFA HomeConnection site CHFA website.

- **NMLS information for Lender and Loan Originator** – this will not auto-populate. Information must be completed.
- **Note Date** – this will not auto-populate. Date the documents will be signed by the borrower and should match the first mortgage loan's promissory note.
- **Property Address** – this will auto-populate, to change or correct the address, click in the box to edit.
- **Loan Amount** – this will auto-populate, to change the loan amount, click in the box to edit.
- **Time and Place of Payments** – this will not auto-populate. This date should match the first mortgage Deed of Trust maturity date as the payments for this loan are deferred for the life of the first mortgage purchase loan.
- **Borrower's signature lines** – borrower's names will auto-populate under the signature lines. Check for accuracy, should match the first mortgage Note and Deed of Trust. If corrections are needed, click on the box to edit.



THIS PAGE IS FOR INFORMATIONAL PURPOSES ONLY, DO NOT SEND TO CLOSING.

# chfa form 307, second mortgage loan note

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If obtaining form in HomeConnection, property address and loan amount will auto-populate. Information that auto-populates can be changed by clicking in the box. All other sections will need to be manually input. Sections outlined in red need to be completed. Item #3, payment/maturity date should match the first mortgage maturity date as this is considered a “balloon” loan.

Loan Originator Organization Name:

Loan Originator Organization NMLSR ID#:

Individual Loan Originator Name:

Individual Loan Originator NMLSR ID#:

## DEFERRED PAYMENT (BALLOON) NOTE

Colorado Housing and Finance Authority  
Second Mortgage Loan Program

THIS LOAN CONTAINS PROVISIONS PROHIBITING THE UNAUTHORIZED  
TRANSFER OF THE PROPERTY AND IS NOT ASSUMABLE

THIS LOAN HAS A BALLOON PAYMENT. AT THE END OF THE  
LOAN TERM, YOU MUST REPAY THE ENTIRE BALANCE OF THE LOAN

\_\_\_\_\_ Denver \_\_\_\_\_ Colorado  
[Note Date] [City] [State]

[Property Address]

### 1. BORROWER'S PROMISE TO PAY

In return for a loan in the amount of U.S. \$  (the “Principal”) that I have received from Colorado Housing and Finance Authority, a body corporate and political subdivision of the State of Colorado (the “Lender”), I promise to pay the Principal, plus accrued interest, if any, to the order of the Lender. I will make all payments under this Note in U.S. currency in the form of cash, check, money order, or other payment method accepted by Lender.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the “Note Holder.”

### 2. INTEREST

I will pay simple interest at the rate of zero percent (0%) per annum.

### 3. PAYMENTS

#### (A) Time and Place of Payments

This is a deferred payment obligation. I will pay the Principal and any interest on the “Maturity Date,” which is the earliest of any of the following dates:

(i)  ;

(ii) the date on which the property (or any interest therein) securing this Note (the “Property”) is sold or otherwise transferred;

(iii) the date on which the “First Lien Note” is refinanced or paid in full (the “First Lien Note” is a loan made by the first lien lender to me under a first lien note and a security instrument on the Property dated the same date as this Note).

# chfa form 307, second mortgage loan note

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to: (a) reasonable attorneys' fees and costs; (b) property inspection and valuation fees; and (c) other fees incurred to protect Lender's Interest in the Property and/or rights under this Security Instrument.

## 11. CERTAIN RESTRICTIONS TERMINATE ON FORECLOSURE OF HUD-INSURED FIRST MORTGAGE OR DEED OF TRUST.

In the event of foreclosure or deed in lieu of foreclosure of a prior mortgage, mortgage deed, deed of trust, security deed, or assignment of the first deed of trust securing the First Lien Note to the Secretary of Housing and Urban Development, any provisions herein or any provisions in any other collateral agreement restricting the use of the Property or otherwise restricting the Borrower's ability to sell the Property will have no further force or effect. Any person (including their successors or assigns) receiving title to the Property through a foreclosure or deed in lieu of foreclosure of a prior mortgage, mortgage deed, deed of trust, or security deed will receive title to the Property free and clear from such restrictions.

If obtaining from HomeConnection, borrowers names will auto-populate under the signature lines. All borrowers must sign, and date note at closing.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

\_\_\_\_ (Seal)  
- Borrower

\_\_\_\_ (Seal)  
- Borrower

\_\_\_\_ (Seal)  
- Borrower

\_\_\_\_ (Seal)  
- Borrower

*[Sign Original Only]*

# chfa form 314, second mortgage deed of trust – instructions page


Colorado Housing and Finance Authority  
CHFA Form 314, Subordinate Deed of Trust  
Document Completion Instructions

This instruction page is for informational purposes only for the CHFA Participating Lender and should NOT be sent to the title company for closing.

As a reminder, obtaining this form in the CHFA HomeConnection™ site will auto-populate certain fields. These forms should NOT be downloaded into the Participating Lenders' document preparation system, documents should always be obtained through the CHFA HomeConnection site or CHFA's website.

## DO NOT ATTACH ANY RIDERS TO THE SECOND MORTGAGE DEED OF TRUST.

- **Recording information – top left of document** – CHFA no longer requires the original Second Mortgage Deed of Trust to be sent after recording. Lender to input the mailing address of where they want the original sent.
- **NMLS information** for Lender and Loan Originator – this information will not auto-populate. Information must be completed.
- **Borrower(s)** - Borrower(s) name should match the first mortgage note and deed of trust. This information will auto-populate, if corrections are needed, click in the box to edit. There are four separate boxes in this section for up to four borrower's names.
- **Address** – Current Address of borrower(s), where they are currently residing – this information will not auto-populate.
- **Public Trustee** – for the county in which the property is located. This will auto-populate, if corrections are needed, click on the box to edit.
- **Note** – Date of the second mortgage note, must include month, day and year.
- **Loan amount** – the numeric value will auto-populate, however the alpha numeric value will not. Lender must complete the alpha numeric value for the loan amount. If the numeric value is incorrect or has changed, click in the box to edit.
- **Maturity date** – this box will not auto-populate. This should match the maturity date of the first mortgage deed of trust. Date should include month, day, and year of maturity.
- **Security Instrument** – This is the date of closing and should match the second mortgage Note, first mortgage Note, and first mortgage Deed of Trust, this information will not auto-populate. Must include month, day and year.
- **County for location of property** – this box will auto-populate, if corrections are needed, click in the box to edit.
- **Legal description** – this box will not auto-populate. Lender must either:
  - Type in the legal description
  - Type in the verbiage to attach the legal description to the deed of trust. **The legal description must be attached to the second mortgage deed of trust for recording prior to closing.**
- **Property address** – these boxes will auto-populate. If corrections are needed, click in the box to make edit. Property address should include any unit numbers and should match the first mortgage Note and Deed of Trust.
- **Borrower's signature lines** – Borrowers names will auto-populate under the signature lines. Check for accuracy, should match the first mortgage Note and Deed of Trust. If corrections are needed, click on the box to edit.

 **THIS PAGE IS FOR INFORMATIONAL PURPOSES ONLY, DO NOT RECORD.**

# chfa form 314, second mortgage deed of trust

If obtaining form in HomeConnection, borrowers names, property address, and public trustee will auto-populate. Information that auto-populates can be changed by clicking in the box. All other sections will need to be manually input. Sections outlined in red need to be completed. Maturity date should match the first mortgage maturity date as this is considered a "balloon" loan. Lenders will need to input the address where they want the original Deed of Trust to be returned after recording, CHFA does not require the original to be returned to the CHFA offices.

After Recording Return To: \_\_\_\_\_  
[Space Above This Line For Recording Data] \_\_\_\_\_

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Loan Originator Organization Name: \_\_\_\_\_  
Loan Originator Organization NMLSR ID#: \_\_\_\_\_  
Individual Loan Originator Name: \_\_\_\_\_  
Individual Loan Originator NMLSR ID#: \_\_\_\_\_

## SUBORDINATE DEED OF TRUST

Deed of Trust Will be Recorded in Second Lien Position

### DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined under the caption TRANSFER OF RIGHTS IN THE PROPERTY and in Sections 11 and 14. Certain rules regarding the usage of words used in this document are also provided in Section 12.

#### Parties

(A) "Borrower" is \_\_\_\_\_ currently residing at \_\_\_\_\_ Borrower is the trustor under this Security Instrument.

(B) "Lender" is Colorado Housing and Finance Authority. Lender is a body corporate and political subdivision of the State of Colorado organized and existing under the laws of Colorado. Lender's address is 1981 Blake St, Denver CO 80202. Lender is the beneficiary under this Security Instrument. The term "Lender" includes any successors and assigns of Lender.

(C) "Trustee" is the Public Trustee of \_\_\_\_\_ County, Colorado. The term "Trustee" includes any substitute/successor Trustee.

#### Documents

(D) "Note" means the promissory note dated \_\_\_\_\_ and signed by each Borrower who is legally obligated for the debt under that promissory note. The Note evidences the legal



# chfa form 314, second mortgage deed of trust

obligation of each Borrower who signed the Note to pay Lender

\_\_\_\_\_ Dollars (U.S. \$ \_\_\_\_\_)

plus interest, if any. Each Borrower who signed the Note has promised to pay this debt in full, in accordance with the payment schedule set forth in the Note. If applicable, the debt will be paid in full no later than \_\_\_\_\_, \_\_\_\_\_.

(E) "Riders" means any and all Riders to this Security Instrument that are signed by Borrower. All such Riders are incorporated into and deemed to be a part of this Security Instrument.

(F) "Security Instrument" means this document, which is dated \_\_\_\_\_, \_\_\_\_\_, together with all Riders to this document.

Second page of note, loan amount will auto-populate. All other information notated by the red arrows must be completed.

# chfa form 314, second mortgage deed of trust

Third page of note, county where property is located and address of property will auto-populate. All other information outlined by red boxes must be completed.

## TRANSFER OF RIGHTS IN THE PROPERTY

chfa form 314, second mortga...

This Security Instrument secures to Lender (i) the repayment of the Loan, and all renewals, extensions, and modifications of the Note, and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower, in consideration of the debt and the trust herein created, irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the city and county or county of [Redacted] :

[Name of Recording Jurisdiction]

### *Legal Description*

which currently has the address of [Redacted]

[Street]

[Redacted], Colorado

[City]

[Redacted] [Zip Code]

"Property Address");

# chfa form 314, second mortgage deed of trust

If obtaining from HomeConnection, borrowers names will auto-populate under the signature lines and in the notary section. All borrowers will sign and date Deed of Trust at closing.

Witnesses:

_____	_____ (Seal) - Borrower
_____	_____ (Seal) - Borrower
_____	_____ (Seal) - Borrower
_____	_____ (Seal) - Borrower

STATE OF COLORADO )  
 )ss  
County of \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
by \_\_\_\_\_ and, \_\_\_\_\_  
and, \_\_\_\_\_ and, \_\_\_\_\_.

Witness my hand and official seal. \_\_\_\_\_

Notary Public \_\_\_\_\_

My commission expires: \_\_\_\_\_

# chfa requirements for loan estimate and closing disclosure

- Disclosures for CHFA second mortgages
  - CHFA will permit Participating Lenders to generate their own Loan Estimate and Closing Disclosure for CHFA second mortgage loans. Participating Lenders may choose whether they use the forms made available by CHFA or those generated by their LOS.

# chfa requirements for loan estimate and closing disclosure

- If you use your own Loan Estimate and Closing Disclosure, please include the following:
  - Loan amount section
    - List the CHFA second mortgage loan amount
  - Loan terms table
    - Under the subheading “**Does the loan have these features,**” disclose **YES** for the **Balloon Payment** and also disclose the amount of the balloon payment and the due date of such payment
    - Example: “You will have to pay \$5700 at the end of year 30.”

# chfa requirements for loan estimate and closing disclosure

- Projected payments table
  - Under the Principal and Interest and Estimated Total Monthly Payment, disclose the scheduled balloon payment or final payment reflecting the principal amount of the loan as disclosed on the Note
- Cash to close tables
  - Per program requirements, the borrower may not receive cash back on the CHFA second mortgage loan. Therefore, cash back should not be reflected on the Second Mortgage Loan Estimate and Closing Disclosure

# chfa requirements for loan estimate and closing disclosure

- Additional information about this loan table
  - Assumption (Loan Estimate and Closing Disclosure): Mark the box for “will not allow assumption of this loan on the original terms.”
  - Partial payments (Loan Estimate and Closing Disclosure): Mark the box for “may accept payments that are less than the full amount due (partial payments) and apply them to your loan.”
  - Negative amortization (Closing Disclosure): Mark the box for “do not have a negative amortization feature.”

# chfa requirements for loan estimate and closing disclosure - continued

- CHFA relies on its Participating Lenders to complete the CHFA Second Mortgage Loan Estimate and Closing Disclosure in compliance with TRID requirements. Please refer to the TILA-RESPA Integrated Disclosure Rule and Official Interpretations, and consult with your compliance or legal departments for additional information and guidance in completing required disclosures



# contact us for information

- toll free: (888) 320-3688
- email: [homeownership@chfainfo.com](mailto:homeownership@chfainfo.com)



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[twitter.com/CHFA](http://twitter.com/CHFA)



thank you!

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