

# chfa home finance program comparison

| Intended for: CHFA Participating Lenders only. Information pertains only to listed programs. Complete guidelines are available at <a href="http://chfainfo.com/sellers-guide">chfainfo.com/sellers-guide</a> . | 30-year fixed conventional loans   |  | 30-year fixed government loans  |   |  |  |
|--|--|--|---|---|--|--|
|  | Reserve conventional loans as <b>Fannie Mae</b> or <b>Freddie Mac</b> ®. |  | All CHFA loans have income limits; <b>cross-reference income limits and program names</b> . |   |  |  |
|  | CHFA Preferred <sup>sm</sup>   | CHFA Preferred Plus <sup>sm</sup>                                | CHFA SmartStep <sup>sm</sup>  | CHFA SmartStep Plus <sup>sm</sup>         | CHFA FirstStep <sup>sm</sup>                 | CHFA FirstStep Plus <sup>sm</sup>            |
| CHFA DPA   | None   | Second only  | None  | Grant or Second                           | None   | Second only                                  |
| LTV/CLTV   | 97/105   | 97/105   | FHA, VA, USDA-RD guidelines   | FHA, VA, USDA-RD guidelines               | FHA guidelines                               | FHA guidelines                               |
| Loan Type  | Conventional   | Conventional   | FHA, VA, USDA-RD  | FHA, VA, USDA-RD                          | FHA only                                     | FHA only                                     |
| Mortgage Insurance   | PMI required if LTV > 80 charter-level coverage                          | PMI required if LTV > 80 charter-level coverage                  | FHA, VA, USDA-RD guidelines   | FHA, VA, USDA-RD guidelines               | FHA guidelines                               | FHA guidelines                               |
| Credit Score   | 620+   | 620+   | 620+  | 620+                                      | 620+   | 620+   |
| AUS  | DU Approve/Eligible LPA Accept   | DU Approve/Eligible LPA Accept                                   | DU Approve/Eligible LPA Accept, Manual UW   | DU Approve/Eligible LPA Accept, Manual UW | DU Approve/Eligible LPA Accept, Manual UW    | DU Approve/Eligible LPA Accept, Manual UW    |
| Tax Returns  | Most recent 2 years transcripts required; follow AUS for returns         | Most recent 2 years transcripts required; follow AUS for returns | Follow AUS and UW requirements  | Follow AUS and UW requirements            | Most recent tax return or transcript         | Most recent tax return or transcript         |
| Income Limits  | \$160,300  | \$160,300  | \$160,300   | \$160,300                                 | See website for income limits                | See website for income limits                |
| Income Calculation   | Borrower credit qualifying   | Borrower credit qualifying                                       | Borrower credit qualifying  | Borrower credit qualifying                | Gross annual income (See #501 Sellers Guide) | Gross annual income (See #501 Sellers Guide) |
| First-time Homebuyer   | Not required   | Not required   | Not required  | Not required                              | Required*                                    | Required*                                    |
| Purchase Price Limits  | No   | No   | No  | No  | Yes  | Yes  |
| Review Path  | Lock to purchase   | Lock to purchase   | Lock to purchase  | Lock to purchase                          | Pre-closing compliance review required       | Pre-closing compliance review required       |

\*First-time homebuyers, non first-time homebuyers purchasing in a targeted area, and qualified veterans.

## lock to purchase

- As of September 1, 2020: No CHFA program compliance review for CHFA Preferred and CHFA SmartStep (all other programs require a CHFA program compliance review)
- Directly deliver these loans for purchase upon closing

### Common reasons why CHFA will not purchase a loan:

- Over CHFA income limit
- Exceeds CHFA DTI maximums
- Borrower holds title on more than one residential property (in addition to CHFA property)
- Decision credit score <620
- Property: more than 50 acres
- Property: 2 (or more) units
- Non-occupying coborrower/co-signor on CHFA loan
- Total loan amount >\$766,550, including insurance or funding fees
- Manually underwritten conventional loan
- Conventional loan with no appraisal (PIW not allowed)
- Borrower has more than one CHFA loan at time of CHFA Purchase Review

## chfa dpa grant vs. dpa second

### CHFA DPA Grant

- Up to the lesser of \$25,000 or 3% of total first mortgage loan amount
- Use for down payment, closing costs, and/or prepaids
- Does not impact DTI

### CHFA DPA Second Mortgage Loan

- Up to the lesser of \$25,000 or 4% of total first mortgage loan amount
- Use for down payment, closing costs, and/or prepaids
- Does not impact DTI
- No monthly payments, but due at maturity

## income calculation

(Refer to Chapter 6, CHFA Seller's Guide)

- CHFA uses borrower's qualifying income, as calculated by the participating lender's underwriter (CHFA FirstStep/FirstStep Plus excluded).
- CHFA uses gross annual income for CHFA FirstStep/FirstStep Plus, which includes income from all borrowers and any spouse or civil union partner who will reside in the residence.

## dti, underwriting, and no credit scores

- Maximum debt-to-income (DTI) limits for borrowers on all CHFA Mortgage Loan Programs are:
  - 50% DTI limit with a mid FICO of 620 to 659, and
  - 55% DTI limit with a mid FICO of 660 or above.
- In no event may a loan exceed the lower of CHFA's DTI limit; the DTI limit permitted by FHA, USDA-RD, VA, Fannie Mae, or Freddie Mac; or the DTI limit determined by the Automated Underwriting System (AUS) findings, as applicable.
- Fannie Mae and Freddie Mac loans must receive an Approve/Eligible (DU) or Accept (LPA); no manual underwrites allowed.
- FHA, VA, USDA-RD may be manually underwritten in accordance with respective guidelines as applicable.
- CHFA allows borrowers with no credit scores.

Information intended only to highlight certain CHFA program requirements. Loans must also meet all applicable FHA, VA, USDA-RD, Fannie Mae, or Freddie Mac requirements, as well as Mortgage Purchase Agreement and Seller's Guide requirements.

## homebuyer education requirements

- Required for all borrowers; each borrower must take class independently
- CHFA-approved providers only ([chfa.info/hbe](http://chfa.info/hbe))
- Online, interactive webinar, and in-person options available
- Online: borrower must complete follow-up session via phone
- Certificates good for 12 months prior to purchase contract date
- Certificates issued by provider (not CHFA) upon completion

## chfa overlays/requirements: all programs

- Max total loan amount (including insurance or funding fees): Lesser of \$766,550 or limit required by loan type.
- Borrowers may have only one CHFA-financed property at a time.
- A \$1,000 minimum borrower contribution is required (own funds or gift).
- Non-occupying coborrowers and/or co-signers not allowed.
- Only borrowers on CHFA loan may take title.
- The property must be one living unit.
- The property must be owner-occupied as the primary residence.

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