

# program matrix



## CHFA FirstStep<sup>sm</sup> and FirstStepPlus<sup>sm</sup>

This Matrix is intended only to highlight certain CHFA program requirements. Loans must also meet all applicable FHA requirements, as well as Mortgage Purchase Agreement and Seller's Guide requirements.

effective January 1, 2020

key features	Term	30-year term
	Loan Purpose/Type	Purchase FHA [no FHA 203(k)]
	Interest Rate	Fixed interest rate
	Optional CHFA Second Mortgage/ FirstStep Plus	<p>Second mortgage for up to 4% 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"> <li>• Proceeds may go toward down payment, closing costs, prepaids, and/or principal reductions.</li> <li>• Participating lender must document and fund at closing on behalf of CHFA.</li> <li>• No subordinate financing allowed except those that meet underlying FHA guidelines.</li> </ul>
	Recapture Tax	First and second mortgage may be subject to the Recapture Tax provision. CHFA will reimburse Recapture Tax if borrower is subject to tax after the sale of the property; borrower must submit CHFA Reimbursement Request Form 950.
	Reservation/ Extensions	HomeConnection is available at <a href="http://www.chfainfo.com">www.chfainfo.com</a> 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	Limits are subject to county, household size, targeted and non-targeted area designations as well as purchase price limits. Income and purchase price limits are available on the website at <a href="http://www.chfainfo.com">www.chfainfo.com</a> . The maximum loan limit for all mortgage loans is the lower of \$510,400 or the amount determined by FHA. The total loan limit includes financed MIP. <b>See reverse for additional income calculation information; this program does not accept lender's loan qualifying income calculation, separate calculation required to determine program eligibility.</b>
	First-time Homebuyer	<p>Borrowers must be a First-time Homebuyer or Qualified Veteran. An Applicant who has had no present ownership interest in a principal residence at any time during the three-year period ending on the date the mortgage is executed (i.e. the Mortgage Loan Closing Date). A Qualified Veteran may be treated as a First-time Homebuyer. Follow FHA guidelines regarding borrower legal status.</p> <ul style="list-style-type: none"> <li>• Non-targeted Areas: Borrower must be a first-time homebuyer or a qualified veteran.</li> <li>• Targeted Areas: Borrower does not need to be a first-time homebuyer. Targeted areas also offer higher income limits.</li> </ul>
	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 Borrower Financial Contribution	<ul style="list-style-type: none"> <li>• \$1,000 Minimum Financial Contribution (may be a gift)</li> <li>• Consult the Seller's Guide for a complete list of items that can be counted towards the minimum financial contribution.</li> </ul>
	Property	Single family, one unit, attached, detached homes; PUDs, attached, detached; condominiums; and manufactured housing on a permanent foundation (including singlewide). • Properties with Accessory Dwelling Units (ADUs) not allowed • The property must be owner-occupied.
underwriting	LTV/Combined LTV	Follow FHA guidelines.
	Leasehold/ Land Trust/ Deed Restriction/ Covenants	If the property is in a land trust, or the property is subject to a deed restriction or affordable housing covenant, CHFA will accept the property subject to FHA guidelines and lender's underwriter approval. Lender must also complete CHFA Form 780.
	Cosigners & Nonoccupying Co-borrowers	CHFA does not allow cosigners or nonoccupying 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	CHFA will permit temporary interest rate buydown subject to FHA guidelines.
	AUS/Manual Underwriting	<ul style="list-style-type: none"> <li>• CHFA accepts DU or LPA.</li> <li>• CHFA allows manually underwritten loans for borrowers with no credit score or scored borrowers receiving a "Refer."</li> <li>• AUS/manually underwritten loans must meet CHFA and FHA underwriting requirements.</li> </ul>
	Document Checklists	Refer to Form 750, FirstStep Compliance Review Submission Checklist; Form 751, FirstStep Purchase Review Submission Checklist. Second mortgage requires Form 305, CHFA Note; Form 310, CHFA Deed of Trust.
	Affidavits	Form 401, Initial Applicant Affidavit; Form 402, Final Applicant Affidavit; Form 407, Notice of Potential Recapture Tax; Form 220, Tax-exempt Financing Rider (to be attached to the first mortgage Deed of Trust)
	Credit/DTI Requirements	Loans for borrowers with credit scores, the minimum mid credit score is the greater of : i) 620; or ii) minimum credit score required by FHA. • Loans for borrowers with no credit score may be manually underwritten provided all CHFA and FHA underwriting requirements have been met. • DTI ratio determined by AUS findings or FHA manual underwriting guidelines.

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### fees paid by lender

- Real estate tax service fee (\$68)
- Upfront 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

### premiums paid to lender

- Servicing release premium  
1.5% UPB first mortgage loan
- Non-metro premium  
0.5% OPB first mortgage loan
- Par premium  
(FirstStep loans with no down payment assistance)  
0.250% OPB first mortgage
- 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

### income calculations

#### whose income

Gross annual income: Equal to the current total gross annual income for all loan applicants [i.e., borrower(s) and co-borrower(s)], any spouse or civil union partner of any borrower or co-borrower who will reside in the residence, and any other individual who is expected to both live in the residence and to be secondarily liable on the Mortgage Loan. All sources of income for all such individuals must be included.

### exclusions

- Cash back to the borrower(s) at closing

CHFA will defer to FHA 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.

- No MCCs allowed with CHFA FirstStep.

#### CHFA Home Finance

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