



chfa participating lender announcement 2024-02

November 5, 2024

summary of changes

The following changes have been made to the CHFA Seller's Guide:

- CHFA FHA Streamline Refinance program
- Condo Project Budgets
- Affidavit of Affixation
- Loan Assumptions
- DPA Uses and Real Estate Agent Fees and Compensation
- Delivery of Final Documents
- Miscellaneous Updates

chfa fha streamline refinance program

CHFA FHA Streamline Refinance provides CHFA Borrowers fixed Interest Rate financing, using a new FHA-insured CHFA First Mortgage Loan. CHFA may subordinate an existing CHFA Second Mortgage Loan to a new FHA-insured CHFA First Mortgage Loan pursuant to this Program's terms and conditions. There are no changes to the Interest Rate or loan term on the existing CHFA Second Mortgage Loan. Note: CHFA will subordinate a CHFA DPA Second Mortgage Loan a maximum of one time, effective as of the 2024 CHFA FHA Streamline Refinance program launch date.

CHFA will generally follow HUD guidelines to complete an FHA Streamline Refinance. Such guidelines do not require an appraisal, a credit review, or a qualification process prior to refinance. Please refer to HUD Handbook 4000.1 for details on HUD requirements.

CHFA does not require a Minimum Borrower Financial Contribution amount, or a minimum FICO score. Borrowers are not required to complete Homebuyer Education to be eligible for a CHFA FHA Streamline Refinance.

See Section 312 for further details.

Effective date: This Program is available November 4, 2024.

condo project budgets

All condominium projects must meet insurer, guarantor, Fannie Mae, or Freddie Mac guidelines. Required documentation may differ and depends on project specifications and review type. Currently, project documentation must include, but is not limited to, the following:

For government loans (FHA, VA, and RD) project documentation must include:

- Evidence of project approval based on the applicable insurer/guarantor guidelines.



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For conventional loans project documentation must include, but is not limited to, the following:

- Condo Project Manager (CPM) Approval or CHFA Form 770, Condominium Project Approval
- Current project budgets (not required for Fannie Mae loans when CPM Approval indicates “Approved by Fannie Mae”)
- Appraisal reports; and
- Evidence of required insurance policies and related documentation.

In addition, for all conventional loans, the Participating Lender must review the HOA projected budget and determine that it is adequate and provides for the funding of replacement reserves for capital expenditures and deferred maintenance in an amount that is at least 10% of the budget.

See Section 202.C for further details.

Effective date: This change is already in effect.

affidavit of affixation

For a Manufactured Home to be an eligible Property, the title must be purged (if a title was issued), and the Manufactured Home must be permanently affixed to real Property in accordance with Colorado law. The Colorado Division of Property Taxation website has Manufactured Home forms available.

Either an Affidavit of Real Property for a Manufactured Home or a Certificate of Permanent Location for a Manufactured Home, as required in accordance with applicable legal and regulatory requirements, including State statutes, must be provided at Loan Purchase if available; if not yet available, the Participating Lender must provide copies of the documents that are being processed by local officials.

A copy of the recorded Certificate of Permanent Location or Affidavit of Real Property for a Manufactured Home, as applicable, must be provided to CHFA within 60 days after the Closing Date.

In addition, for all conventional loans, the Borrower must execute an affidavit of affixation (affidavit) that acknowledges their intent for the Manufactured Home to be permanently part of the real property that secures the Mortgage Loan. This affidavit must be recorded, and a recorded copy must be maintained in the Mortgage Loan file.

Section 202.C for further details

Effective date: These changes are already effective.

loan assumptions

If authorized by the investor, insurer, and/or guarantor, CHFA First Mortgage Loans may be assumed by qualified Borrowers meeting CHFA requirements, and any other eligibility requirements applicable to the Program at the time of the assumption, such as:

- Borrower(s) income may not exceed the current Program’s income limits.



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- Sales price may not exceed the purchase price limits for the Program.
- Borrower(s) must be First-time Homebuyers or Qualified Veterans, if required by the Program.
- Current borrower(s) may be subject to a federal Recapture Tax if the loan was financed with Tax-exempt Bonds.
- When a third party assumes the loan, the title must be pulled to confirm clear title and ensure any CHFA Second Mortgage Loan has been paid in full.
- The new Borrower(s) and the current Borrower(s) (as Seller) must agree to sign certain affidavits related to income, occupancy, and Purchase Price.

See Section 302.D for further details.

Effective date: These changes are already effective.

dpa uses and real estate agent fees and compensation

In our continued efforts to offer flexible homebuying options to help meet Coloradans' financial needs and align with industry practices, all CHFA down payment assistance funds may be used toward:

- down payment,
- closing costs (including real estate agent fees and compensation, provided all applicable insurer, guarantor, or Fannie Mae or Freddie Mac requirements are met),
- prepaids, and/or
- principal reductions.

CHFA DPA may not be used to fund appraisal gaps, escrow repairs, CHFA's Minimum Borrower Financial Contribution, or to pay off debt.

Additionally, excess funds resulting from CHFA DPA may not result in cash back to the borrower at closing.

See Sections 304, 701.A, 701.H, 701.N, and 702 for details.

Effective date: These changes are already effective.

delivery of final documents

The Final Document Submission Checklist, CHFA Form 738, available at chfainfo.com, lists all final documents required by CHFA. Participating Lenders should pay particular attention to whether an original document is required or if a copy is acceptable. In addition, pay particular attention to which documents may be uploaded or are required to be mailed to CHFA. Any document required to be mailed to CHFA, including an inventory transmittal form, should be sent to:

Colorado Housing and Finance Authority
Attention: HF Final Documents
1981 Blake Street
Denver, Colorado 80202

See Sections 800.B for details.



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Effective date: These changes are already effective.

miscellaneous updates

- **Various additional technical corrections throughout the Guide.**

Effective date: These changes are already in effect.