

Program Comparison Card: Boosting Lender Understanding and Participation

Colorado Housing and Finance Authority

Communications: Promotional Materials and Newsletters

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A high-quality piece of informative collateral answers questions *you didn't even know* you had. It can help you work in a more efficient and effective manner and build better relationships with your customers. And when your job is helping Coloradans buy homes in a market driven frenetic with demand, knowing the ins and outs of program details gives you a leg up on the competition.

CHFA developed the Program Comparison Card to help our Participating Lenders navigate our complex and frequently changing single-family loan programs. CHFA program names, such as “CHFA FirstStep, CHFA HomeOpener, CHFA SmartStep, and CHFA Preferred” evoke positive emotional responses, but don't convey loan characteristics. And to add to the complexity of the situation, CHFA has steadily increased program offerings following the “Great Recession.”

Shelley Ervin, one of CHFA's Business Development Specialists who offers customer service for our Participating Lenders, speaks to the basic programmatic questions she would receive: “Repeatedly and with regular frequency, lenders called with questions about **which** CHFA program should they use, what were CHFA's guidelines for each program, and were guidelines the same for all programs...or were there differences?”

While CHFA's website offered up all the answers the lenders were looking for, the information was presented on multiple pages and in multiple formats. To understand all the programmatic details, lenders needed to read as many as 15 documents, including the Seller's Guide, comprised of over 200 pages of detailed information. Some lenders would give up, some would move forward without reviewing all the options, while **many** would pick up the phone or type an email to CHFA's Business Development team. And that's if we were lucky—there were frequent suspended or declined loan submission files when the homebuyer/home didn't meet program requirements.

To recap, the market recovered, everyone got very busy helping buyers, CHFA continued to add good programs for a wider variety of borrower credit and income profiles, and the amount of information a lender needed to review and understand **grew and grew**.

To grow lender program understanding (and to free up some of our Business Development Specialists' time to focus on training development, community outreach, etc.), Shelley crafted a chart of CHFA home loans that would help lenders see the differences/similarities of CHFA programs, compare program pros and cons, and pick the options that fit with their borrowers' credit, income, and asset profiles.

CHFA's Marketing team added Home Finance program colors and laid out the mass of information in a well-organized manner on a two-sided cardstock postcard; the design elements were straight forward and reflected the functionality of the piece. To increase user acquisition, Marketing found a mouse pad that would house the card, adding additional functionality while building brand awareness. The card was also made available as standalone collateral.

The front of the card features a program matrix, highlighting the program basics FAQs. On the bottom are the “overall CHFA requirements,” such as homebuyer education. The back of the card changes more frequently than the front and serves to educate lenders on recent program and compliance changes. As an example, during a refinance boom, we featured our refinance guidelines in one of the colored blocks on the back, and as conventional production grew, we highlighted information on our PMI reduced coverage.

When we created the Comparison Card, we developed the “go-to piece of collateral to explain our programs.” In its eleventh iteration, it remains our most requested piece of collateral, and a truly engaging educational tool. When we visit our participating lenders, they ask us to **please leave us all the cards** we have and bring back more! One of our highest producing Participating Lenders, even borrowed the format, and created their own “Comparison Cards” for their other investors!

Is this project replicable?

Yes. This card was created in-house by CHFA Home Finance and designed by CHFA Marketing and Community Relations. While the “mousepad” version of the piece has additional printing costs associated with it, this is due to the curved edges requiring a professional printing; a simpler mousepad design may alleviate this obstacle. The standalone version is easily replicable, as it is printed in-house and cut down by our Marketing and Community Relations team.

Updates require legal oversight and approval before final design and turnaround time for the standalone piece can be as quick as two business days. The curved-edge mousepad version takes the standard seven to 10 business days expected with external printing.

Does this reach targeted audiences?

Available on our website in our Participating Lenders microsite and handed out by our Business Development Specialists at onsite trainings at lender offices and community events, this card is even printed and mailed directly to lender offices when requested. It has become so popular that the audience has expanded—real estate agents that have seen it have reached out to request printouts.

Does it achieve measurable results?

The CHFA Business Development team has stated that they spend 60-70% less time answering basic programmatic questions from Participating Lenders. They have also seen a decrease in suspensions and declinations on loan submissions as more lender are assigning their customers to accurate loan programs. At a recent Lender Advisory Group, members commented on how helpful the piece continues to be for them, and it has helped them train new loan officers to do CHFA loans, increasing CHFA’s presence in the market.

Does it provide benefits that outweigh the costs?

Yes. The cost for each card (if printing 1,000 at a time) is \$0.412/each. This collateral offers a quick-glance understanding of CHFA programs, resulting in better-educated Participating Lenders, more efficient and accurate loan submissions, and a better experience for Colorado homebuying customers. In the past, CHFA had a bit of reputation for being difficult to understand. While we made changes that removed a lot of “red tape” with our programs, this functional resource has gone a long way to improving lender participation and increasing CHFA’s presence in the market.

Does it demonstrate effective use of resources?

Yes. With a small time investment from five staff people, updates are decided by CHFA Home Finance, designed and edited by CHFA Marketing and Community Relations, and approved by our legal team. Turnaround time can be as short as two business days from updates being determined to having the new piece in-hand. Order accuracy is high, with little to no waste of printed materials. By making the resource available on our website to view and be printed by Participating Lenders, we also reduce the printing cost incurred by CHFA.

Does it achieve strategic objectives?

Yes. The CHFA Home Finance team has found that their trainings of Participating Lenders and real estate professionals have become more effective with this hands-on tool used as the basis of the trainings. With less “program basics” questions coming in daily, our team can dig deeper with our lender partners, creating more engaging relationships and being more proactive in communicating program and market changes. And finally, this card has been instrumental in streamlining loan submissions, which has resulted in an improved brand in the market and increased lender partnerships.

Appendices

We have attached the Program Comparison Card PDF. [You can also access the electronic printable version on our website.](#)

chfa home finance program comparison

Intended for: CHFA Participating Lenders only. Information pertains only to listed programs. Complete guidelines are available at chfainfo.com/ sellers-guide .	30-year fixed conventional loans			30-year fixed government loans				
	Reserve conventional loans as Fannie Mae or Freddie Mac ®.			All CHFA loans have income limits; cross-reference income limits and program names .				
	CHFA Advantage sm	CHFA Preferred sm	CHFA Preferred Plus sm	CHFA SmartStep sm	CHFA SmartStep Plus sm	CHFA FirstStep sm	CHFA FirstStep Plus sm	
CHFA DPA	None	None	Grant or Second	None	Grant or Second	None	Second only	
LTV/CLTV	97/105 (minimum 80.01)	97/105	97/105	FHA, VA, USDA-RD guidelines	FHA, VA, USDA-RD guidelines	FHA guidelines	FHA guidelines	
Loan Type	Conventional	Conventional	Conventional	FHA, VA, USDA-RD	FHA, VA, USDA-RD	FHA only	FHA only	
Mortgage Insurance	None	PMI required if LTV > 80 18% @97 LTV	PMI required if LTV > 80 18% @97 LTV	FHA, VA, USDA-RD guidelines	FHA, VA, USDA-RD guidelines	FHA guidelines	FHA guidelines	
Credit Score	680+	620+	620+	620+	620+	620+	620+	
AUS	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	DU Approve/Eligible LPA Accept, Manual UW	DU Approve/Eligible LPA Accept, Manual UW	DU Approve/Eligible LPA Accept, Manual UW	
Income Limits	\$115,600*	\$115,600*	\$115,600*	\$115,600	\$115,600	See website for income limits	See website for income limits	
Income Calculation	Borrower credit qualifying	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	Not required	Required**	Required**	
Purchase Price Limits	No	No	No	No	No	Yes	Yes	
CHFA overlays for all programs:	<ul style="list-style-type: none"> Tax returns: CHFA requires the most recent year's returns, or tax transcripts, for all borrowers. 			<ul style="list-style-type: none"> Max loan amount: Lesser of \$484,350 or loan limit required by FHA, VA, USDA-RD, Fannie Mae, or Freddie Mac, as applicable. 		<ul style="list-style-type: none"> Existing ownership: Borrowers may own one additional residential property, but may have only one CHFA financed property at a time. 		<ul style="list-style-type: none"> Homebuyer education: Required (refinances excluded); valid for one year.

*Not applicable for Very Low Income Program (VLIP) product; please see special VLIP income limits. **First-time homebuyers, non first-time homebuyers purchasing in a targeted area, and qualified veterans.

dti, manual underwriting, and no credit scores

- No debt-to-income (DTI) overlays from CHFA
- Loans must receive an Approve/Eligible (DU), or Accept (LPA), or be manually underwritten in accordance with FHA, VA, USDA-RD, Fannie Mae, or Freddie Mac guidelines
- CHFA allows borrowers with no credit scores

chfa vlip (very low income program)

- Purchase only (no refinance)
- Same guidelines as CHFA Preferred and CHFA Advantage
- Borrowers' credit qualifying income must be within special VLIP income limits
- Freddie Mac only – LPA Accept required
- Lower rate

chfa homeconnectionsm

**requires username and password*

Lenders can:

- Reserve/lock loans
- Check loan status
- Submit/upload loan files and documents
- View and print suspend and approval letters
- Find CHFA-specific documents
- Click on the “+” icon to view the estimated review date

chfa dpa grant versus dpa second

chfa dpa grant

- Up to 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 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

pmi chart chfa preferredsm/chfa preferred plussm

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

chfa loan status:

status	definition
Reserved	Lender has locked/reserved loan
Compliance in process	Complete file submitted; in line for review
Compliance suspended	Loan has been reviewed; suspend items/conditions identified
Compliance approved	Loan has been program compliance approved
Pre-funding in process	The closed loan file has been submitted; in line for review

chfa requirements

- \$1,000 minimum investment required (own funds or gift) on all purchase transactions
- Non-occupying co-borrowers and/or cosigners not allowed
- Only borrowers on CHFA loan may take title
- Property must be one living unit
- Property must be owner-occupied as primary residence

income calculation

(Refer to Chapter 5, 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.

With respect to its programs, services, activities, and employment practices, Colorado Housing and Finance Authority does not discriminate on the basis of race, color, religion, sex, age, national origin, disability, or any other protected classification under federal, state, or local law.

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