CHFA FirstGeneration

Colorado Housing and Finance Authority

Homeownership: Empowering New Buyers

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Summary

In 2024, CHFA launched a program to support first generation Colorado homebuyers, defined as those who have not previously owned a home and whose parents or guardians were not homeowners. The program also serves those raised in the foster care system who have not previously owned a home. CHFA FirstGeneration^sm provides up to $25,000 in down payment assistance and a 30-year fixed-rate home mortgage loan for eligible borrowers. To date, a total of 375 loans have been made through the program, representing $130.5 million in first mortgages and $9.1 million in down payment assistance.

Innovating to meet the need

CHFA is guided by its vision that everyone in Colorado will have the opportunity for housing stability and economic prosperity. This vision informs CHFA's ongoing commitment to expand homeownership access for all Coloradans. CHFA FirstGeneration^sm is designed to support opportunities for homebuyers who do not have a family history of homeownership, and to increase homeownership rates for underserved populations in Colorado by providing eligible first-generation homebuyers with up to $25,000 in down payment assistance alongside a fixed-rate 30-year home mortgage.

Research from The Urban Institute indicates that the children of homeowners are more likely to be homeowners themselves, and that the difference in parental homeownership and wealth explains 12 to 14 percent of the homeownership gap between Black and white adults.[1] Data from the United States Census Bureau indicates that the homeownership rate for Black and African American households in Colorado is 42 percent, while the white homeownership rate is 71 percent. Similar disparities are observed amongst Hispanic or Latino Coloradans (55 percent) and Native Americans (53 percent).[2]

Replicability and demonstrating effective use of resources

Working within an existing financing structure (tax-exempt bonds) and utilizing program templates, CHFA FirstGeneration^sm was easily created using CHFA's internal teams and resources. In addition, excluding the first-generation borrower requirement, other programmatic qualifications mirrored those of our standard programs, allowing lenders to originate, process, and deliver loans to borrowers quickly upon release of the program.

Responding to an important state housing need

The creation of this program was in direct response to the disparity in homeownership rates, and recognition of the fact that owning a home is one of the primary ways that households build wealth and pass wealth from one generation to the next. Furthermore, we know that communities of color and other underserved populations are often less familiar with the homebuying journey as their parents do

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[1] Urban Institute. 2018. Intergenerational Homeownership: "The Impact of Parental Homeownership and Wealth on Young Adults' Tenure Choices." https://www.urban.org/sites/default/files/publication/99251/intergenerational_homeownership_0.pdf

[2] United States Census Bureau. 2019-2023. "The American Community Survey." Table S2502 5 Year Data Set. https://data.census.gov/table?q=%20S2502&g=1400000US48201433504

not have a history of homeownership. CHFA FirstGeneration^sm is a home loan program exclusively for first-generation homebuyers. Eligible borrowers have access to an interest-free CHFA Second Mortgage of up to $25,000, regardless of the first mortgage loan amount.

Down payment assistance can be an especially useful tool in supporting Colorado's first-generation homebuyers given the high cost of housing in the state. According to data from the Colorado Association of Realtors, between 2017 and 2023, the inflation adjusted median home price in Colorado increased by 26 percent, while the inflation-adjusted median monthly home payment increased by 71 percent.[3] The median inflation-adjusted income increased by 14 percent over the same period.[4]

Using data, research, and analysis to demonstrate measurable benefits to HFA targeted customers and underserved markets

We typically see that approximately five percent of Colorado renters become homebuyers each year. Applying this percentage, approximately 3,000 first-generation homebuyers could take advantage of a first-generation program like this in a 12-month period.

In addition, when researching the total population that we might be able to serve with this program, emphasis was placed on ensuring an intentionality to help communities of color. Using data, we were able to estimate that approximately 60,000 Black or African American, Latino, and other race renter-households are likely first-generation Colorado homebuyers.

A proven track record of success in the marketplace

From its launch in July 2024 through April 30, 2025, 375 households have taken advantage of the CHFA FirstGeneration^sm Program, and another 150 loans are in the pipeline. This is already 17.5 percent of the estimated 3,000 first-generation households identified. In addition, the program is proving effective to support Colorado communities of color. To date, 69.2 percent of loans made through the program have gone to borrowers identifying as Hispanic or Latino (14 percent of Coloradans identify as Hispanic or Latino). Black and African American borrowers have comprised 8.1 percent of total loans made through the programs, a three percent increase over other CHFA home mortgage programs (two percent of Coloradans identify as Black or African American).[5]

In working with the community, building trust has always been our goal. Our continued steady presence, sharing of resources, and partnership with community-based organizations is necessary to make an impact, and we are seeing the trust grow. Year over year, we see more organizations leaning into, supporting, and contributing to the work to increase affordable homeownership. That said, CHFA's approach will continue to focus on short-term goals first, while identifying longer-term goals for continued investment and engagement with the community.

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[3] Colorado Association of Realtors. 2017-2023. Regional and Statewide Statistics. https://coloradorealtors.com/market-trends/regional-and-statewide-statistics/
[4] US Department of Housing and Urban Development (HUD). 2017-2023 Income Limits. https://www.huduser.gov/portal/datasets/il.html
[5] Colorado data computed using American Community Survey 2019-2023 data. Demographics data excludes 31 loans for which race or ethnicity were not provided.

Providing benefits that outweigh the cost

Down payment assistance can make the difference between someone becoming a homeowner or not. Plus, it may allow a borrower to not spend all their savings for their home purchase–allowing them to be better prepared for unexpected circumstances and expenses down the road. Furthermore, homeownership is an important financial asset, boosting household and generational wealth through equity and appreciation. It also provides emotional, economic, and physical stability to families and communities which in turn improves health and social outcomes, allowing us all to prosper.

Effectively employing partnerships

CHFA's Home Finance Division operates in close partnership with a network of Participating Lenders and real estate agents throughout the state. This network was integral to the successful launch of the CHFA FirstGeneration[sm] program. To support its rollout, CHFA created the CHFA FirstGeneration[sm] Communications toolkit, which includes cobranded flyers and social media posts tailored to specific audiences. The toolkit is available online at https://www.chfainfo.com/single-family-participating-lenders/co-branding#firstgen-toolkit.

In recognition of the intentionality to support communities of color, CHFA strategically solicited participation from Black and African American community members through its Own Your Tomorrow community engagement initiative. This included renters, homebuyers, real estate and mortgage professionals, community advocates, and nonprofit representatives. In 2024, CHFA hosted four in-community homebuyer workshops in partnership with the career and community development nonprofit CrossPurpose and piloted a financial education series in partnership with Savings Collaborative.

In addition, we felt it important to create a program that complemented rather than competed with other programs in the market. Therefore, CHFA permits other assistance programs to be stacked in combination with the CHFA FirstGeneration[sm] program.

Achieving strategic objectives

Current market conditions, including increased rates, elevated home prices, and lack of inventory accessible to lower-income purchasers tend to have a greater impact on underserved communities. The further loss of special purpose credit programs exacerbates the challenge by reducing availability of funding partners. The need for continued investment in programs to support equitable homeownership opportunities is high, and increasing homeownership rates amongst Colorado's underserved populations remains a key priority for CHFA.

"CHFA's investment in affordable and responsible homeownership includes a commitment to providing equitable homeownership resources. As we seek to increase homeownership rates for underserved populations, we recognize that those without a family history of homeownership often face significant barriers to achieving their goal of owning a home. Our hope is that the CHFA FirstGeneration program can expand opportunities and access for these homebuyers."

- Dan McMahon, Director, Home Finance, CHFA

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Empowering New Buyers - Homeownership

CHFA FirstGeneration Communications Toolkit

The CHFA FirstGeneration^{sm} Communications Toolkit below includes three flyers (cobranded option also included) as well as social media posts with captions tailored to specific audiences you can send out.

- CHFA FirstGeneration Flyer – Own Your Tomorrow (Cobranded PDF)
- CHFA FirstGeneration Flyer – Millennial Young Homebuyer (Cobranded PDF)
- CHFA FirstGeneration Flyer – Spanish (Cobranded PDF)
- CHFA FirstGeneration Flyer – Own Your Tomorrow (PDF)
- CHFA FirstGeneration Flyer – Millennial Young Homebuyer (PDF)
- CHFA FirstGeneration Flyer – Spanish (PDF)
- CHFA FirstGeneration Social Media Captions (PDF)
- CHFA FirstGeneration Social Image – Facebook and LinkedIn – Own Your Tomorrow (Image)
- CHFA FirstGeneration Social Image – Square – Own Your Tomorrow (Image)
- CHFA FirstGeneration Social Image – X – Own Your Tomorrow (Image)
- CHFA FirstGeneration Social Image – Text – Own Your Tomorrow (Image)
- CHFA FirstGeneration Social Image – Facebook and LinkedIn – Millennial Young Homebuyer (Image)
- CHFA FirstGeneration Social Image – Square – Millennial Young Homebuyer (Image)
- CHFA FirstGeneration Social Image – X – Millennial Young Homebuyer (Image)
- CHFA FirstGeneration Social Image – Text – Millennial Young Homebuyer (Image)
- CHFA FirstGeneration Social Image – Facebook and LinkedIn – Spanish (Image)
- CHFA FirstGeneration Social Image – Square – Spanish (Image)
- CHFA FirstGeneration Social Image – X – Spanish (Image)
- CHFA FirstGeneration Social Image – Text – Spanish (Image)