



chfa participating lender announcement 2018-02

October 1, 2018

summary of changes

The CHFA Seller's Guide was updated to reflect the following changes.

- Lender approval and renewal requirements, including minimum production requirements
- Down payment assistance used as a principal reduction
- TRID 2.0 disclosure guidelines
- CHFA HomeAccesssm and CHFA SectionEightsm homebuyer education, property inspection, and interest credit guidelines
- Early payoffs and the repayment of Service Release Premium (SRP)

lender approval process and renewal requirements

CHFA has updated its definition of "controlling interest" to include lenders with 50 percent or greater controlling ownership or voting rights. (See Section 101.A.8)

Supplemental information must be included along with the lender's audited financial statements during the annual CHFA renewal process. (See Section 103.A.2.a)

In addition, CHFA has removed the annual minimum production requirements. (Section 103.B has been removed)

Effective date: These changes are already in effect.

down payment assistance as a principal reduction

Down payment assistance may be used toward down payment, closing costs, prepaids, and/or principal reductions provided all applicable insurer, guarantor, or Fannie Mae or Freddie Mac requirements are met. (See Sections 304.A, 304.B, and 304.C)

Effective date: These changes are effective immediately.

TRID 2.0 Disclosures

Effective with applications dated October 1, 2018, Lenders must comply with the amended provisions of the TILA-RESPA Integrated Disclosure Rule (TRID). Lenders should follow their company's compliance and legal guidelines regarding the TRID disclosure requirements.

As a reminder, CHFA has provided fillable disclosure forms for the CHFA second mortgage and CHFA HomeAccess second mortgage as a courtesy for lenders unable to generate disclosures through their own systems. These forms are made available for lenders to use at their own discretion and are not a substitute for the advice of your compliance department or legal counsel.



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Lenders should consult their compliance or legal departments for assistance with questions related to which disclosure forms are required and the content of the forms prior to disclosure. (See Sections 304.B.2, 604.F and 605.F)

Effective date: These changes are effective immediately.

CHFA HomeAccesssm and CHFA SectionEightsm Homeownership homebuyer education, property inspections, and interest credit guidelines

CHFA HomeAccess and CHFA SectionEight Homeownership borrowers must take a CHFA-approved homebuyer education course. However, a borrower does not need to take the course prior to contract. (See Sections 312.C.2 and 402.F)

CHFA will no longer review property inspections for CHFA HomeAccess or CHFA SectionEight Homeownership loans. (Removed property inspection language from Section 502.A)

Interest credits are not allowed for CHFA HomeAccess or CHFA SectionEight Homeownership loans. (See Section 601.C)

Effective date: These changes are effective immediately.

early payoffs and service release premium

If a Mortgage Loan is refinanced (excluding through one of CHFA's refinancing programs) or paid in full within 180 days of purchase by CHFA, the lender must reimburse CHFA for all lender premiums paid by CHFA to the lender in connection with the loan. Reimbursement is due regardless of whether the lender had any direct or indirect influence or involvement in promoting or soliciting such refinancing. (See Section 615)

Effective date: This change is effective immediately.

Miscellaneous Updates

- **Section 102.A.4, Set Up Fee**
The \$500 lender set-up fee has been removed.
- **Section 202.C, Business use**
Struck language regarding a property's business use value and its exclusion from the purchase price calculation.
- **Section 609.D.12, 80 Percent Area Median Income (AMI) Premium**
The 80 percent AMI premium is based HUD's statewide Safe Harbor Limit for Colorado.
- **Various additional technical corrections throughout the Guide**

Effective date: These changes are effective immediately.