



CHAFFEE HOUSING TRUST
A Commitment to Community

Chaffee Housing Trust Home Ownership Program

Thank you for your interest in home ownership! To better understand our program, please take some time to carefully read the **CHT Description & Homebuyer Scenario**. It should give you a good understanding of the organization and an example of the accounting on a typical transaction over time.

To begin the process, we need to collect some information from you regarding your eligibility. Please fill out the attached **Chaffee Housing Trust Homebuyer Application** form, and scan/email it back to me (or take a photo of it with your phone).

Next, we need to know what your eligibility is for getting a mortgage loan. To do this, we need you to go online and pull your credit history. Please go to www.annualcreditreport.com and click the red button “**Request your free credit report.**” Once you get through all the questions (to confirm your identity), please download all the credit agency reports and **save to your computer as a .pdf file**. They can be long, so printing is not advised. You can email me those files, or share them with us in person. We need to determine if there are any issues on your credit history that would be barriers to getting a mortgage approved. If there are issues, we can discuss how to resolve them.

To verify your income, we would need your most recent pay stubs covering **60 days period showing year-to-date earnings**. If you are self-employment, we would need the last **2 years profit & loss statements through the most recent calendar quarter**. In addition, **two most recent Federal Tax Returns and matching W-2 or 1099s for all adult household members**.

Once we have reviewed your credit history, and addressed any concerns (this can take some time), you can then **apply for a mortgage loan**. We provide access to and support for application to two lenders:

- USDA Rural Development 502 Direct Loan Program: typically has a lower interest rate, longer term (33 or 38 years), no down payment required (we ask that you have at least \$1,000 up to \$2,500 at the time of closing or home purchase). This program has provisions for monthly payment assistance if needed.
- High Country Bank – Chaffee Housing Trust Loan Program: conventional financing with current market interest rates, 30-year term, similar down payment as described above.

Please review the **CHT Homebuyer Prep Checklist** for a comprehensive list of the documentation you *may* be required. Ask yourself where these documents may be, or how to get them. Having quick access to the documentation required will speed up the process. Additionally, you will need to fill out the **CHT Release of Information** form so that we can speak with lenders about your application (this gives them permission to speak with us about your application).

Once you have an approved mortgage loan, you will be put on our waiting list based on the date of the approval letter. People at the top of the wait list have first choice of available homes. If that home does not fit your needs, you can stay on the list in that ranked position until something comes available.

This program requires that you attend a **HUD-approved Homebuyer Education course** prior to being able to purchase a home through Chaffee Housing Trust. Course information for HUD-certified Homebuyer Training classes is available by clicking this link. [Homebuyer-Education-Course](#)

Please understand that this is an involved process requiring lots of paperwork and time. Patience is needed to pursue your dream of home ownership. We’re here to help you realize your dreams.

Chaffee Housing Trust shall not discriminate against any person or organization based on race, color, religion, sex, handicap, familial status or national origin. As an equal opportunity housing provider, Chaffee Housing Trust provides housing opportunities regardless of race, color, national origin, religion, sex, physical or mental disability, familial status or any other classification protected by applicable federal, state or local law.





CHAFFEE HOUSING TRUST
A Commitment to Community

Chaffee Housing Trust Homebuyer Application

Submit to: PO Box 305, Salida, CO 81201 or claudia@chaffeehousing.org

Please fill out this application as completely as possible. If a question does not apply to you, write N/A in the space provided. If you need more space to answer questions, please use additional paper. If you have any questions, please contact Claudia Palzkill (719) 239-1579 or email claudia@chaffeehousing.org

Name(s) _____

Address _____ City _____ State _____ Zip _____

Phone: home _____ work _____ cell _____

Email _____

1. How long have you lived, and/or worked in Chaffee County? _____ / _____

2. Family (or Household) Composition and Income (include **you & anyone** living in your home)

Please list **all household members** including children (members do not have to be related):

Household Member	Age	Gross Annual Income
		\$
		\$
		\$
		\$
		\$

3. Current Employment Information. Please list employment from **all household members**

Household Member	Employer Name (if applicable)	Start Date	Pay Schedule (monthly, 2xmonth, biweekly, weekly)

4. Do you own or have you owned a home in the last three years? Yes No

If yes, please explain _____

5. Do you have childcare expenses? Yes No If yes, how much? \$ _____ /month

6. Do you have medical or disability expenses beyond health insurance and regular co-pays?

Yes No If yes, how much? \$ _____ /month

7. Do you have any debt? Yes No If yes, please fill out the following for each one:

Debt #1: balance owed = \$ _____ Current minimum monthly payment = \$ _____

Debt #2: balance owed = \$ _____ Current minimum monthly payment = \$ _____

Debt #3: balance owed = \$ _____ Current minimum monthly payment = \$ _____

Debt #4: balance owed = \$ _____ Current minimum monthly payment = \$ _____

Debt #5: balance owed = \$ _____ Current minimum monthly payment = \$ _____

If you are applying with a co-applicant, we will need information on both of you (see backside).

Do you have a repayment plan in place? Yes No

8. Do you have Student Loans? Yes No If yes, please fill out the following for each one:

Total Student Loan balance owed = \$ _____ Min. monthly payment = \$ _____

Is your loan in deferral? Yes No Was it forgiven? Yes No
Are you current on payments? Yes No
Are you participating in an Income-based Repayment program? Yes No

9. Do you receive SNAP benefits? Yes No If yes, how much? \$ _____/month

10. Do you receive Social Security / Disability payments? Yes No
If yes, how much? \$ _____/month

11. Have you been divorced? Yes No If yes, what is the date of the decree? ___/___/___

12. Do you receive or pay alimony payments? Yes No If yes, how much? \$ _____/month

13. Do you receive or pay Child Support payments? Yes No If yes, how much? \$ _____/month

14. Do you own or have an interest in any real estate, stocks, bonds, inheritance, or other assets?
Yes No If yes, please describe _____

15. Have you attended a HUD Approved Homebuyer Education Class? Yes No

16. Have you currently been pre-qualified by a Mortgage Lender? Yes No
If yes, who is the lender? _____ Loan Amount? \$ _____

17. Do you or could you have the funds available for a down payment of \$1,000 or more?
Yes No How much can you put towards down payment? \$ _____

18. Are you working with a Realtor? Yes No
If yes, who? _____ Company _____ Phone _____

19. Current Living Situation: Rent Own Live with Parents/Friends Other: _____
Rent \$ _____/month Utilities \$ _____/month

20. How did you hear about CHT? Check one: Website CHT Homeowner Social Media
CHT Flyer/Sign Friends or Family Community Event Other: _____

Please provide any additional information or comments that are pertinent to your application,
including co-applicant information that does not fit on the first page:

The information I (we) have provided here is true and correct to the best of my (our) knowledge. Verification may be obtained from any source named in this application. I (we) understand that more detailed information about my (our) finances, employment, and/or housing situation may be required before my (our) eligibility can be determined.

Applicant 1 signature _____ Date _____

Applicant 2 signature _____ Date _____





CHAFFEE HOUSING TRUST
A Commitment to Community

PO Box 692
Buena Vista, CO 81211
(719) 239-1199
www.chaffeehousing.org
info@chaffeehousing.org

Authorization for Release of Information **Autorización para Entrega/Obtención de Información**

_____ SS# _____

_____ SS# _____

Loan/Account # - Numero de Préstamo/Cuenta _____

I/We hereby authorize the Chaffee Housing Trust (CHT) and its representatives to obtain any and all records, reports and any other information pertinent to my possible participation in the CHT's programs.

Agencies that I authorize the CHT to obtain information from, include, but are not limited to: lending institutions/mortgage companies, creditors, and home inspectors. Requests may involve, but are not limited to: information regarding finance terms, down payment, credit reports, and the results of home inspections.

By signing this release, I am granting unlimited communication that will not be terminated until I am no longer considering, applying to, or participating in the CHT's programs. This authorization is valid until rescinded in writing. A copy of this authorization may be accepted as an original.

Por este medio, autorizo a Chaffee Housing Trust (CHT) y a sus representantes a obtener todos y cada uno de los registros, informes y cualquier otra información pertinente a mi posible participación en los programas de CHT.

Las agencias a las que autorizo al CHT para obtener información incluyen, entre otras: instituciones de crédito/compañías hipotecarias, acreedores e inspectores de viviendas. Las solicitudes pueden incluir, entre otras: información sobre términos financieros, anticipo, informes de crédito y los resultados de las inspecciones de viviendas.

Al firmar este comunicado, estoy otorgando una comunicación ilimitada que no se terminará hasta que ya no esté considerando, solicitando o participando en los programas de CHT. Esta autorización es válida hasta que se rescinda por escrito. Se puede aceptar una copia de esta autorización como original.

Applicant/Participant – Aplicante/Participante

Date/Fecha

Applicant/Participant – Aplicante/Participante

Date/Fecha





CHAFFEE HOUSING TRUST
A Commitment to Community

Chaffee Housing Trust Homebuyer Prep Checklist

Keep this to track your documents for applying to lenders for a mortgage loan.
Not all documents may be required, just be prepared to provide them.

If you have any questions, please contact Claudia Palzkill
(719) 239-1579 or email claudia@chaffeehousing.org

INCOME INFORMATION

- Last two year's complete federal tax returns, including all schedules and attachments;
- All W-2s for the past two years;
- Most recent pay stubs covering 60 days period showing year-to-date earnings **or**
- Verification of Employment form (CHT provides) filled out by employer, mailed directly to CHT;
- If you are self-employed, please bring the following:
 - Sole Proprietor – Last 2 years profit & loss statements through the most recent calendar quarter;
 - Partnership - Last 2 years partnership (1065) tax returns, profit & loss, balance sheet thru most recent quarter;
 - S Corp - Last 2 years complete S Corp (1120) tax returns, profit & loss, balance sheet thru the most recent quarter;
 - Corporation - Last 2 fiscal years corporate tax returns (1120s), profit & loss, balance sheet thru the most recent quarter.

ASSET/DEBT INFORMATION

- Credit Report – go to www.annualcreditreport.com, 1 free copy per year from each of the three reporting agencies.
- Bank statements for all accounts for the past two months, including all pages provided;
- Current statements for any investments, stocks, bonds, mutual funds, money market funds, CD's, retirement/pension account, 401K, or IRA. Also, be sure to include names of financial institutions, mailing addresses, account numbers, account balances.
- Vehicles, including year, make, model, approximate value, and any loan information if applicable.
- Any other debt information, including student loans, child support, alimony, or other obligations.
- If applicable, information on any divorce and/or declaration of bankruptcy.
- Amount of cash you can provide for down payment and closing costs.
- If you own your own business, information on net worth of company.

EMPLOYMENT INFORMATION

- Employment history for the last two years, including: any current signed contracts or work agreements, employer name, contact information, your position, date started/ended, # years in this type of position or industry, hourly wages & hours worked weekly and/or monthly wage & annual gross earnings (before taxes), year-to-date earnings.

RESIDENCE AND LANDLORD INFORMATION

- Name and address, phone numbers of landlords for the past 12 months
- Location of rental, time period rented, rent amount for the past 12 months
- If you owned a home in the last 3 years, information including dates owned, purchase & sale prices.
- If applicable, any information on foreclosures or evictions.

CITIZENSHIP INFORMATION

- Copy of Social Security Card (front & back)
- Copy of Driver's License or Colorado ID card (front & back)
- Proof of U.S. citizenship, permanent legal status or residency.

OTHER DOCUMENTS

- Signed Chaffee Housing Trust Release of Information form
- Copy of Homebuyer Education Class Certificate of Completion dated within the last 12 months





CHAFFEE HOUSING TRUST
A Commitment to Community

VALUE PROPOSITION: The Chaffee Housing Trust (CHT) is a private nonprofit affordable home ownership developer. Through its shared-equity framework, it provides ownership opportunities to county residents who are priced out of the market, creating asset/wealth-building and community/workforce stability for low-income residents, families, and employers.

Through partnerships with developers and local government, the CHT acquires land, builds an affordable home, and sells that home to a qualified buyer whose total household income is below 80% of Area Median Income (AMI). Grants and subsidies are used to lower the sale price of the home, making it affordable. The CHT retains ownership of the land underlying the home. The homeowner acquires ownership of all improvements (the house). A land lease specifies the terms of occupancy of the land by the homeowner, including a resale formula that keeps each future sale price below market. This ensures that the home is exclusively for households below 80% AMI in perpetuity. At the time of purchase, an appraisal is performed. Years down the road, when the homeowner wants to sell, another appraisal is performed. The seller realizes a limited appreciation (the difference between the two appraisals) of 25% of the increased value. The home is then sold to the next qualified buyer who is below 80% AMI. The new sales price is the sum of the original price to the first buyer, plus the 25% of appreciation paid to the seller, plus transaction fees. Thus, the home price is maintained below market but is subject to the fluctuations of the market. The value of any approved improvements made to the home is also added to the new sales price so that the seller recoups this value as well as the value realized by maintaining the home over time.

This shared-equity home ownership method ensures that any grants or subsidies injected into the home when first built stay with the home and are not lost at the first sale. The home is maintained as **permanently affordable** over time. There is no need to re-subsidize the home at each sale. The CHT acts as steward of the public/private support that was used to build the home, keeping it in the community trust. This is in contrast to affordable home programs that have 20 or 30 year affordability periods, after which the home goes out on to the open market and that injection of public/community funds is lost.

Upon sale, the exiting homeowner should have gained sufficient equity through mortgage principle payments and the 25% appreciation to be able to put it towards a down payment on an open market home, thus realizing their first full step up the ladder to the American Dream. For homebuyers who are priced out of the market, the wealth/asset creation benefit of this program is much better than if the same homeowner were to rent.

Chaffee Housing Trust Homebuyer Scenario

The appreciation (increase in value) that a CHT homeowner receives upon re-sale is based on the “fair market value”, not the price they paid when they bought it. Here’s a detailed scenario:

- A couple who together earns \$40,000/year before taxes (below 80% AMI) wants to purchase a 2 bed / 1.5 bath, 900 sq. ft. home in a row-house for \$170,000 using a conventional home mortgage loan with a USDA Guarantee, 100% financing (no down payment required).
- The bank gets an appraisal done for the mortgage and the fair market value at the time of purchase is determined to be \$200,000 (sales price of the market rate units of same size in same development).

- The Homeowner pays \$862/month in mortgage (30-year loan, 4.5% fixed interest rate), plus \$160/mo. in taxes, insurance, fees, totaling \$1,022 in monthly housing costs, or less than 30% of their gross monthly income (percentage considered affordable).
- Let's assume the home appreciates 4% annually. When the homeowner decides to sell, an appraisal is done again based on the fair market value, estimating the home to be worth \$296,049 on the open market, or an appreciation of \$96,049. Since the CHT homeowner gets to keep 25% of that appraised appreciation, they get \$24,012. The new sale price to a qualified buyer would be \$170,000 + \$24,012 = \$194,012, plus a 2.0% transaction fee, for a total of \$197,892 (vs. \$296,049).

*****At the time of sale (10 years) the CHT homeowner would walk away with \$24,012 in appreciation and \$33,849 in equity = \$57,861 to put towards their next home.**

- If that same couple were renting starting at \$1,000/month for those 10 years for a similar home, with a 2% annual rent increase, they would have paid out \$131,397 to the landlord with no equity to show for it.

***** The financial difference between renting and owning would be \$168,234**

- The renter would pay a total of \$131,397 in rent over 10 years (2% annual increase), and would not have realized the \$33,849 in equity, nor appreciation at sale of \$24,012. The owner would have paid \$160/mo. in fees that only the owner would pay, not the renter.

On top of that, the family would have the security and stability of owning their home with predictable monthly payments, instead of living in somebody else's house, worried about unfair rent increases, lease termination, and not being able to modify the home to suit their needs.

At year 10, the new qualified homebuyer would pay \$197,892 for a home that would cost \$296,049 on the open market. So you can see how the **re-sale formula keeps the cost of the home permanently affordable without any further subsidy from government or the CHT.**

Total Annual Household Earnings at time of purchase:	\$40,000
Monthly rent if not owning (not including utilities):	\$1,000
If owning, monthly mortgage payment + fees =	$\$862 + \$160 = \mathbf{\$1,022}$
Home Purchase Price to qualified buyer:	\$170,000
Appraised Value at time of purchase:	\$200,000
Appraised Value at time of sale (10 years later, 4% annual appreciation):	\$296,049
Difference between above = Full-equity appreciation (100%):	\$96,049
Limited-equity appreciation (25% of full equity):	\$24,012
Equity realized through mortgage principal payments over 10 years:	\$33,849
Total cash available for down payment on market rate home:	$\$24,012 + \$33,849 = \mathbf{\$57,861}$
Rent homeowner would have paid over the same period w/ 2% annual increase:	\$131,397
New sales price to next qualified buyer (original price + 25% equity + 2.0% fee):	\$197,892

The CHT has the capacity to build homes at a scale to meet demand. There is no dependence on volunteer labor or other limiting factors. As shared-equity homes are built, they are kept in the portfolio stewarded by the CHT, increasing and holding the affordable home stock **in perpetuity**. CHT homes serve the community by giving families the stability and asset-building benefit of home ownership. Employers are also served by the program as employees can choose to stay instead of leaving the county to chase other job opportunities where housing is more affordable, thus avoiding the cost of training new employees.





**EQUAL HOUSING
OPPORTUNITY**

**We Do Business in Accordance With the Federal Fair
Housing Law**

(The Fair Housing Amendments Act of 1988)

**It is illegal to Discriminate Against Any Person
Because of Race, Color, Religion, Sex,
Handicap, Familial Status, or National Origin**

- In the sale or rental of housing or residential lots
- In the provision of real estate brokerage services
- In advertising the sale or rental of housing
- In the appraisal of housing
- In the financing of housing
- Blockbusting is also illegal

Anyone who feels he or she has been discriminated against may file a complaint of housing discrimination:

1-800-669-9777 (Toll Free)
1-800-927-9275 (TTY)

**U.S. Department of Housing and
Urban Development
Assistant Secretary for Fair Housing and
Equal Opportunity
Washington, D.C. 20410**