



CLIENT PRE-QUALIFICATION

Wondering if you can buy a Chaffee Housing Trust home? You may qualify if ...



You are a resident who has lived or worked in Chaffee or Lake Counties for at least one year before closing.



You may not own another home (e.g. rental, investment, or partial homeownership) at the time of closing.



Your combined total household gross income may not exceed 80% of the Area Median Income (100% in some cases) and meet the program liquid asset limits.

Household Size	Maximum Income (80% of AMI*)	Maximum Income (100% of AMI*)
1	\$52,800	\$66,000
2	\$60,320	\$75,400
3	\$67,840	\$84,800
4	\$75,360	\$94,200
5	\$81,440	\$101,800
6	\$87,440	\$109,300
7	\$93,520	\$116,900
8	\$99,520	\$124,400
Income limits differ based on the specific housing project		

* Source: CHFA Area Median Income Limits

*Homebuyers must spend down all liquid assets above \$25,000 when purchasing a CHT home.



You meet lender's income guidelines for obtaining minimum 30-year fixed-rate mortgage loan and meet the CHT debt to income ratios. If you don't know, call us to ask!

Complete a CHT homebuyer application and contact us to learn more about our program.





FREQUENTLY ASKED QUESTIONS

➤ **How can Chaffee Housing Trust (CHT) make homes affordable?**

As a nonprofit developer, the CHT builds homes by borrowing construction funds and applying for grants to bring the cost of the home down so that households earning less than 80% of Area Median Income (AMI) can afford to buy and build equity for their families. The CHT bridges the gap between the cost to build and the sales price to qualified low-income households by bringing grant funds as well as public and private donations.

➤ **What is my gross income?**

Gross income is considered the amount, before any payroll deductions, of base wages and salaries, overtime pay, commissions, fees, tips, bonuses, housing allowances, and other compensation for personal services. Income from public assistance such as child support, social security, disability, alimony, etc. is also considered part of your gross income.

➤ **Who is considered part of my household?**

Anyone that will be living in the property. This includes roommates who may not be on title to the home. Children who will be living in the home at least 50% of the time, are included in the household.

➤ **Do you consider assets and are there any limits?**

A small portion of your assets may be considered part of your income. Applicants can have up to \$25,000 in liquid assets at the time of closing. Liquid assets are considered cash, or assets that can be converted to cash easily (e.g., savings or checking accounts, certificates of deposit, stocks and bonds, etc.). Liquid assets do not include retirement funds (e.g., pension, 401(k), IRA, etc.). If you have over \$25,000, you are welcome to talk with us about getting an exception. Exceptions requests are reviewed for approval or denial.

➤ **What if I don't know if I qualify for a fixed rate mortgage loan?**

Chaffee Housing Trust will work with you to help you determine your eligibility for a mortgage loan. If you don't qualify after reviewing your information, CHT will guide you on best practices to help you address any debt and/or credit issues you may have. Our goal is to help you be ready for homeownership.

➤ **How do I confirm I am eligible to purchase a home via CHT?**

An applicant secures their place on the wait-list once they have a loan qualification, eligibility or approval letter from a qualified lender quantifying the maximum loan amount, interest rate, term, etc. Once on the wait-list, applicants will have the option to buy the next available home, or opt out and remain on the list in ranked order of first-come-first-served.

➤ **Which lenders may I use?**

CHT works with the following lenders:

- USDA Rural Development 502 Direct Loan Program
- High Country Bank – Chaffee Housing Trust Loan Program

➤ **Can I use a CHT Home for business or rental purposes?**

No, CHT homeowners must be the primary residents.

➤ **What is included in my monthly housing payment?**

Your monthly housing payment will include your home mortgage principal & interest, taxes & insurance, \$25/month ground lease fee and any HOA fees that may apply to your home.





COMMUNITY LAND TRUST

The **Chaffee Housing Trust (CHT)** is a private nonprofit affordable housing developer. As a Community Land Trust, the CHT provides home 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.

What is a Community Land Trust (CLT) model & how does it work?

- CLT model provides permanently affordable housing units by acquiring and holding the land in perpetuity for the benefit of the community to ensure that it will always remain affordable for low-income homebuyers.
- CLT prepares homebuyers for initial purchase, guides homeowners through resales, supports owners through financial challenges, and manages rental units.
- CLT uses a resale formula that gives the current homeowner a fair return on investment but also maintains affordability for future homeowners.
- The one-time investment of public and/or private funds lowers the original price making the home affordable for the first buyer, and keeps it affordable owner after owner.

How does a Land Lease and a Split Ownership work?

- The homeowner owns the home and any improvements. The land is owned by Chaffee Housing Trust.
- The homeowner agrees to sign a 99-year land lease which specifies the terms of occupancy of the land by the homeowner, including a resale formula that keeps each future sale price below market.
- The home is for residential purposes only, and must be the Homeowners' primary residence.

What is the Chaffee Housing Trust re-sale method?

- At sale, the homeowner agrees to receive a portion of the home's appreciation (increase in market value) based on appraisal, along with their equity from mortgage payments.
- The following method is used to calculate the maximum re-sale price:
 - The appreciation (increase in value) that a CHT homeowner receives upon re-sale is based on the "fair market value", not the price homeowners paid when they bought it.
 - The homeowners are limited to a 25% return of appreciation when selling their home.
 - The value of any approved improvements made to the home are also added to the new sales price so that the seller recoups this value.
 - The new sales price is the sum of the original price to the first buyer, plus 25% of appreciation paid to the seller, plus transaction fees.
- CHT administers the sale and resale of the home to assure the next buyer is income eligible.





**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**



CHT RESALE SCENARIO

At the time of resale, the home price will be what the current CHT Homeowner paid initially + 25% of the home appreciation (the other 75% appreciation stays with the home to keep it affordable) + 2% fees. The appreciation (increase in value) received upon resale is based on the "fair market value" not the price the CHT homeowner paid when the home was purchased. Therefore, the unit remains affordable for the next homebuyer, and the existing CHT homeowner can walk away with 25% of the home appreciation + the principal paid from mortgage payments (equity).

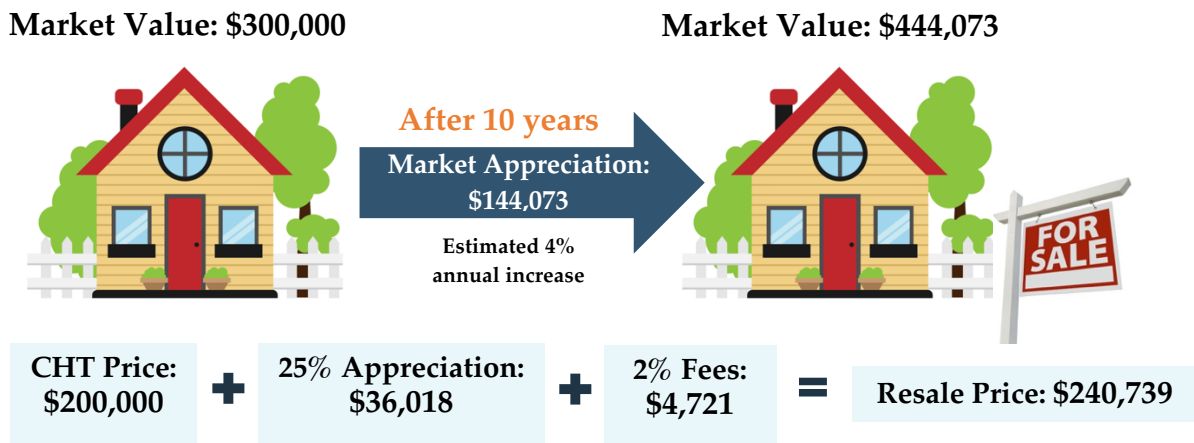
To understand how the resale formula works, take a look at the following information, some of which will be used in the calculation and example below:

A 900 SQ. FT. 2 BED/1 BATH ROW-HOUSE THAT THE OWNERS ARE SELLING AFTER 10 YEARS.

(Home appraisal value, annual appreciation % and resale home price may be different based on the time of resale)

- At time of initial purchase:
 - Original Purchase Market Value: **\$300,000**
 - CHT Homebuyer Price: **\$200,000**
- At time of resale after 10 years
 - Estimate of 4% Annual Appreciation (% may be different based on the home market value at time of resale)
 - New Market Value Appraisal at Resale: **\$444,073**
- Appreciation:
 - Market Value at Resale (**\$444,073**) – Market Value at Purchase (**\$300,000**) = Total appreciation **\$144,073**
 - CHT Limited Appreciation (25%): **\$36,018**
- Total Principle Paid from Mortgage Payments: **\$47,241**

The formula below adds the CHT Homebuyer Price, 25% of Appreciation, and 2% fees to calculate the Resale Price.



The CHT homeowner walks away with 25% of appreciation

25% Limited Appreciation: \$36,018



Also, the CHT homeowner gained equity from mortgage payments

Principle Paid from Mortgage Payments \$47,241





CHAFFEE HOUSING TRUST
A Commitment to Community

FIRST-TIME HOMEBUYER TIMELINE

