



### **Notice of Information Provided**

I have received a homeownership pre-purchase packet which includes the following documents:

- For Your Protection: Get a Home Inspection
- Ten Important Questions to Ask Your Home Inspector
- Information of Fair Housing Rights

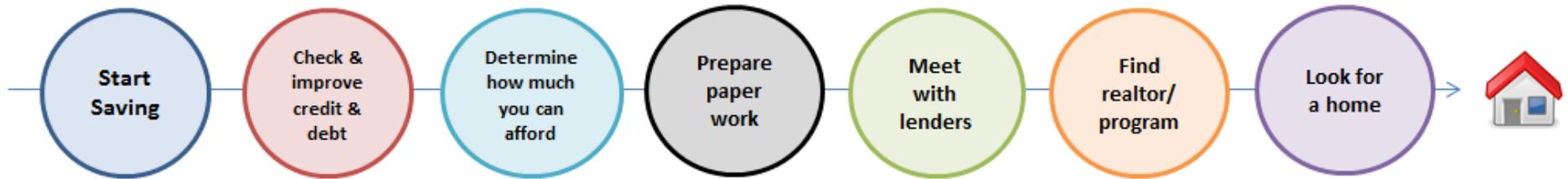
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Signature

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Date

# I want to buy a house....what now?



How much do you need for a down payment & closing costs?

Other costs like moving and emergency savings?

How much can you save per week?

Do you have credit?

Do you need to bring up your score?

How can you reduce your debt?

Consider how much you can spend per month on housing.

Can you spend less than 30% of your monthly income on housing & utilities?

When you find the right loan, you will need:

Tax returns

Paycheck stubs

Proof of job

Attend program orientations

Pick 2+ lenders to meet with

Shop for best loan for you

Keep shopping under 30 days

Get Pre-Approval Letter

Look for realtor that you trust

Apply to affordable housing programs or down payment assistance

What are your needs versus wants?

Is it affordable?

**Who can help?**

Housing & Financial Counselors

Financial Classes

PIE Program

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\_\_\_\_\_

**Who can help?**

Housing & Financial Counselors

Financial Classes

Your financial institution

\_\_\_\_\_

**Who can help?**

Housing & Financial Counselors

Financial Classes

Homeownership Training

**Who can help?**

Financial Classes

Homeownership Training

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**Who can help?**

Housing & Financial Counselors

Realtor

Homeownership Training

Trusted friend

\_\_\_\_\_

**Who can help?**

Homeownership Training

City of Boulder

City of Longmont

PIE Program

CHFA

\_\_\_\_\_

\_\_\_\_\_

**Who can help?**

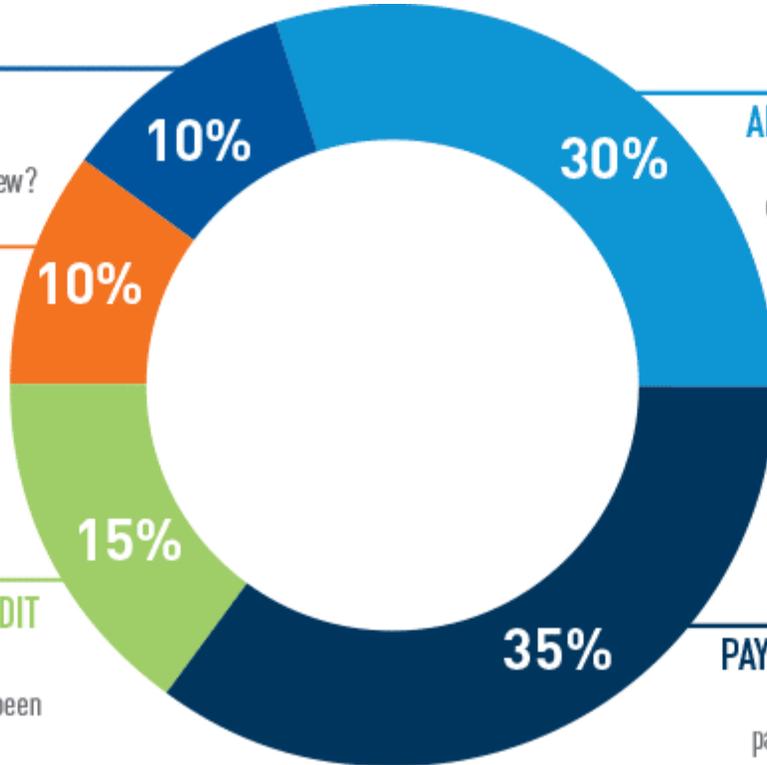
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# Credit

## NEW CREDIT

How much of your available credit is new?



## AMOUNTS OWED

How much do you owe and how much of your available credit have you used?

## TYPES OF CREDIT USED

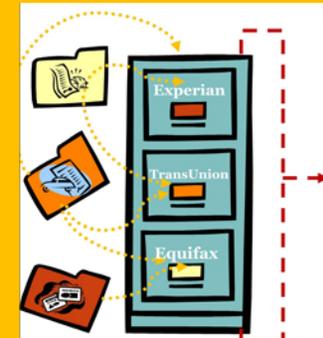
What is your mix of credit cards, retail credit, student loans, mortgages, etc.?

## LENGTH OF CREDIT HISTORY

How long have you been using credit?

## PAYMENT HISTORY

Have you paid your past credit accounts on time?



A credit report is a history of your behaviors about how you borrowed and repaid money. A credit score turns the information in the credit report into a number which creditors use to determine potential borrowing risk. FICO scores range from 300-850.



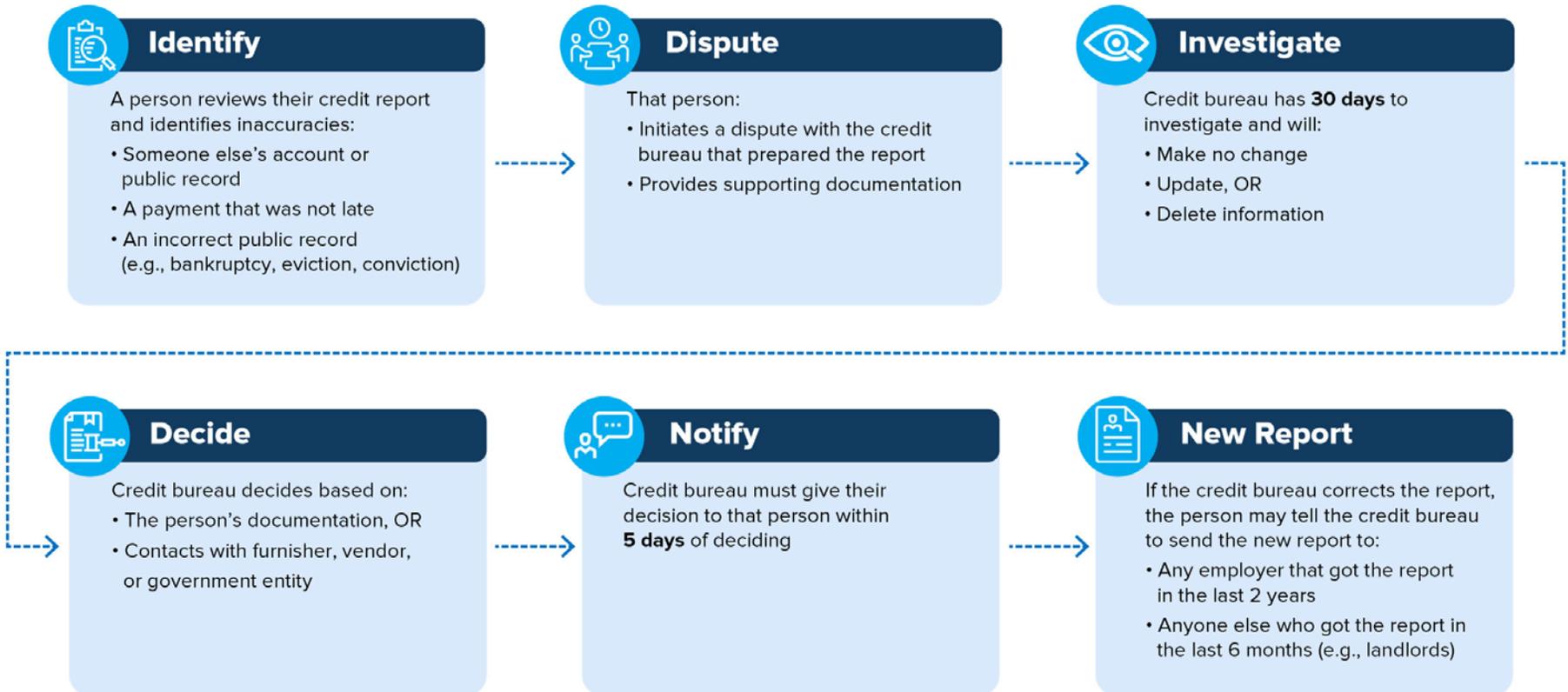
Source: <https://www.wellsfargo.com/equity/before-you-apply/>

## Improve Credit

1. Prepare a spending plan to avoid running out of money and needing to borrow and to find money to repay debts
2. Pay bills on time
3. Keep balances owed to below 30% of available limit
4. If needed, establish new credit
5. Pay off past due and collections accounts
6. Open new accounts only if needed
7. Keep open old accounts

# Dispute Process with a Credit Bureau

Source: [www.consumer.ftc.gov](http://www.consumer.ftc.gov)



## Order Credit Reports

**Annual Credit Report** is the only authorized site to obtain a free credit report from each credit reporting company once per year. (You can buy a credit score at [www.myfico.com](http://www.myfico.com).)

[www.annualcreditreport.com](http://www.annualcreditreport.com)

877-322-8228

Annual Credit Report Request Service

PO Box 105283, Atlanta, GA 30348

## How long does info stay on my report?

Open Accounts in Good Standing	• Indefinitely
Closed Accounts in Good Standing	• 10 yrs from date of closure
Late or Missed Payments	• 7 yrs from date of 1st missed payment
Charge Off, Foreclosure, Short Sale	• 7 yrs from date of charge off, sale date
Collections	• 7 yrs + 180 days from date of 1st missed payment
Judgments, Unpaid Tax Liens	• 7 yrs to indefinitely
Bankruptcy	• 10 yrs for Chapter 7, 7 yrs for Chapter 13
Inquiries	• 2 yrs (only impacts score for 1 yr)

# Monthly Spending Plan

Income				
Type	Now		Scenario	
	Gross	Net	Gross	Net
<b>TOTAL INCOME</b>	\$ -	\$ -	\$ -	\$ -

Results		
	Now	Scenario
<b>TOTAL NET INCOME</b>	\$ -	\$ -
<i>minus</i>		
<b>TOTAL EXPENSES</b>	\$ -	\$ -
<i>Surplus or Shortfall</i>	\$ -	\$ -

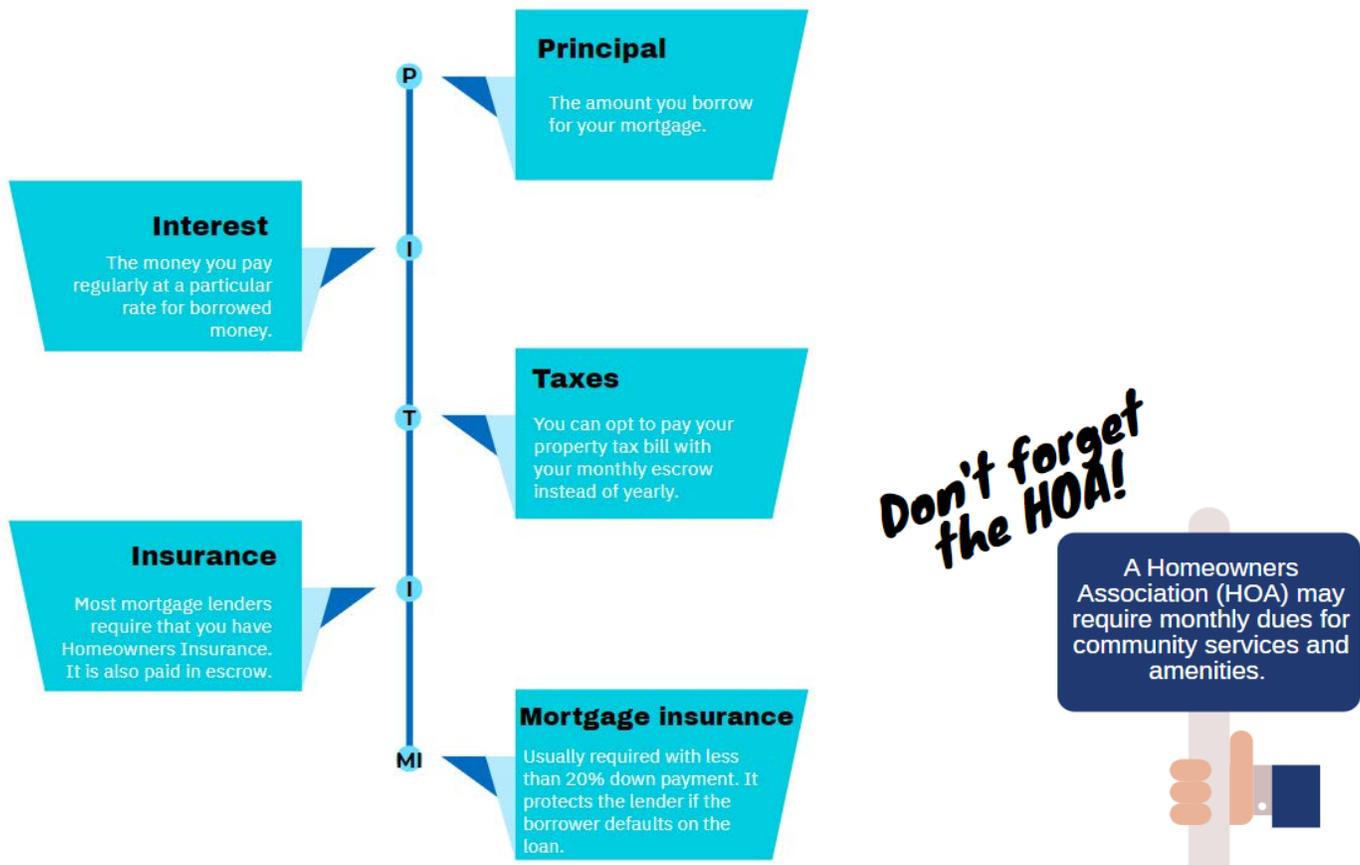
Expenses					
	sub-total	Now		Scenario	
		\$ -	\$ -	\$ -	\$ -
<b>Housing &amp; Utilities</b>	sub-total	\$ -	\$ -		
rent or mortgage					
rent or mortgage					
HOA					
Property insurance					
Property taxes					
Home repairs, maintenance					
Electric					
Gas					
Water					
Trash					
Other					
<b>Transportation</b>	sub-total	\$ -	\$ -		
Auto loan(s)					
Auto insurance					
Gas					
Maintenance and repairs					
Vehicle registration/tags					
Bus, Taxi					
<b>Food</b>	sub-total	\$ -	\$ -		
Groceries					
Dining Out					
<b>Medical</b>	sub-total	\$ -	\$ -		
Medical insurance (out of pocket)					
Doctor co-pays					
Medications					
Dentist					
Glasses					
<b>Personal Care</b>	sub-total	\$ -	\$ -		
Clothes					
Laundry, Dry cleaning					
Haircuts					
Personal care items, toiletries, etc.					
<b>Debts</b>	sub-total	\$ -	\$ -		
Taxes					
Credit Card					
Credit Card					
Credit Card					
Collections					
Personal loan					
Student loans					
Payday loan					
Other					
Other					
<b>Entertainment &amp; Misc</b>	sub-total	\$ -	\$ -		
Cable TV, satellite, etc					
Internet					
Cell phone					
Home phone					
Netflix, Hulu, etc					
Storage units					
Cigarettes					
Beer, wine, liquor, etc					
Gifts					
Hobbies					
Subscriptions					
Movies, sports, concerts, etc					
Travel					
Gym					
Other:					
Other:					
<b>Children</b>	sub-total	\$ -	\$ -		
Child Care, education					
Diapers, formula					
Activities, sports, entertainment, allowance					
School lunches					
School fees					
Costs for adult children					
<b>Pets</b>	sub-total	\$ -	\$ -		
Food, toys, treats					
Vet, grooming					
<b>Education</b>	sub-total	\$ -	\$ -		
Tuition, books, lessons					
<b>Insurance</b>	sub-total	\$ -	\$ -		
Disability Insurance					
Life Insurance					
<b>Legal</b>	sub-total	\$ -	\$ -		
Attorney					
Maintenance, Child Support					
<b>Donations</b>	sub-total	\$ -	\$ -		
Religious, Charity					
<b>Savings</b>	sub-total	\$ -	\$ -		
Savings account					
Retirement					
<b>TOTAL EXPENSES</b>		\$ -	\$ -		

# Pre-Purchase Considerations & Costs

You can sometimes spend as little as 4.5-6% of the purchase price for the down payment and closing costs. Here is a breakdown of those costs:

<b>Down Payment</b>	If you put down 20% of the purchase price, you can avoid Mortgage Insurance. Since that is not realistic for many people, many loans allow down payments as low as 3%.
<b>Earnest Money</b>	Money placed at time of offer to hold your bid. This money can then be applied to down payment.
<b>Closing Costs</b>	3-4% of purchase price (U.S. avg), CO usually lower: 1.5-3% Includes lender fees, title insurance, home inspection, home appraisal and more.
<b>Escrow</b> ("Pre-Paid")	Lenders can ask for 1-6 months of insurance & tax payments up front.
<b>Reserves</b>	Your lender might ask you to show that you still have some savings after purchase. (Usually around 2 months' worth of payments).
<b>Move-in Costs</b>	Plan for the costs of moving to a new home. Consider things like changing the locks, utility setup, moving truck/company/supplies, appliances, furniture, window coverings, and other set up costs.

Unlike a rent payment, your mortgage payment gets broken down into several parts:



# How does a lender determine what I can afford?

A lender will look at both your income & your debts to determine how much money they can lend to you. These calculations are based on that company's policies and the rules given to the company from whomever is the investor (the entity that is providing the money for the loan). Each loan will have **RATIO GUIDELINES**.



## Housing Ratio:

The maximum amount of gross income that can be used towards your housing cost.

The loan type determines the Housing Ratio. Two common loan types are:

FHA 31%

...of gross income can be spent on housing costs

Conventional 28%

...of gross income can be spent on housing costs

## Debt to Income Ratio (DTI):

The maximum amount of gross monthly income that can be used towards monthly housing costs + monthly payments on debts.

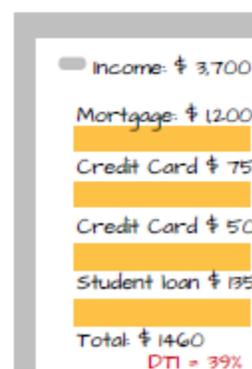
The loan type also determines the Debt to Income Ratio. Two common loan types are:

FHA 43%

...of gross income can be spent on housing costs and debts

Conventional 36%

...of gross income can be spent on housing costs and debts



# Calculating Mortgage Qualification

Use these calculations to determine gross wages:

If you are paid hourly: Multiply hourly wage x number of hours per week x 52 weeks /12 months=monthly wage.

If you are paid weekly: Multiply gross amount per paycheck x 52 weeks /12 months= monthly wage.

If you are paid every other week: Multiply gross amount per paycheck x 26 weeks /12 months=monthly wage.

If you are paid twice per month: Multiply gross amount per paycheck x 2 times per month =monthly wage.

Add together income for all individuals who will be listed on the loan.

## Ratios and Debt

Total Gross Monthly Income \$ \_\_\_\_\_ (1)

Total Gross Monthly Income (Line (1)) x 31% (.31) (housing ratio) \$ \_\_\_\_\_ (2)

Total Gross Monthly Income (line (1)) x 43% (.43) (debt to income ratio) \$ \_\_\_\_\_ (3)

Total Monthly Debt Payment(Include debts with 10+ months of payments remaining) \$ \_\_\_\_\_ (4)

Subtract Line (4) from line (3) \$ \_\_\_\_\_ (5)



A lender will allow your mortgage payment to be the lesser of the housing ratio OR the calculated debt to income ratio.

## Maximum Mortgage Loan Payment Allowed

Enter whichever is less, Line (2) or Line (5) \$ \_\_\_\_\_ (6)

Multiply Line (6) by 20% (.20) \$ \_\_\_\_\_ (7)

(This is an estimate of the amount that will go towards paying T, I, MI, and HOA.)

Subtract Line (7) from Line (6) \$ \_\_\_\_\_ (8)

(This is the maximum amount of your housing cost that will go towards paying principal and interest)

Divide Line (8) by factor from Interest Factor Table below \$ \_\_\_\_\_ (9)



## Maximum Mortgage Loan Amount

Multiply Line (9) by \$1,000 \$ \_\_\_\_\_

This represents the maximum mortgage loan amount a lender will allow\*\*.



**Interest Factor Table** The factor represents the cost for each \$1,000 of a mortgage loan.

Interest Rate*	15 Year Term	30 Year Term
3.00%	6.90	4.21
3.50%	7.14	4.49
4.00%	7.39	4.77
4.50%	7.64	5.06
<b>5.00%</b>	<b>7.90</b>	<b>5.36</b>
5.50%	8.18	5.68
6.00%	8.44	6.00
6.50%	8.72	6.33

\*The interest rate you are charged depends on your credit history, loan type, lender requirements, etc. You can potentially borrow more money with a lower interest rate.

\*\*This is a possible amount a lender will loan to you. Make sure you are comfortable with the monthly payment and loan amount.

# Loan to Value Ratio (LTV)



## Types of Mortgages

### **FHA:**

Federal Housing Administration; established in 1943 to advance homeownership opportunities for all Americans; assists homebuyers by providing mortgage insurance to lenders to cover most losses that may occur if a borrower defaults on the loan; this encourages lenders to make loans to borrowers who might not qualify for conventional mortgages.

<https://www.hud.gov/buying/loans>

### **VA:**

Department of Veterans Affairs; a federal agency which guarantees loans made to veterans; similar to mortgage insurance, a loan guarantee protects lenders against loss that may result from a borrower default.

<http://www.benefits.va.gov/homeloans/>

### **Conventional:**

A private sector loan not guaranteed or insured by the federal government

### **USDA Rural Development:**

United States Department of Agriculture; mission is to improve quality of life in rural areas; provides loans and grants for housing for low-income persons or the elderly, etc.; see

<https://www.rd.usda.gov/programs-services/all-programs/single-family-housing-programs>

## Loan Features

**Fixed Rate:** a mortgage with payments that remain the same throughout the life of the loan because the interest rate and other terms are fixed and do not change.

**Adjustable Rate:** Also known as ARM, adjustable rate mortgage; a mortgage loan subject to changes in interest rates; when rates change, monthly payments increase or decrease at intervals determined by the lender; the change in monthly payment amount, however, is usually subject to a cap.

**Interest Only:** borrower pays only interest each month for a period of time. This makes it cheaper because you aren't paying principal initially. The period at which you pay interest only is fixed, maybe 3, 5, 7, or 10 years. At the end of that period, the full principal on the loan is due.

## What is Mortgage Insurance and how does it work?

Typically, borrowers making a down payment of less than 20 percent of the purchase price of the home will need to pay for mortgage insurance. Mortgage insurance lowers the risk to the lender of making a loan to you, so you can qualify for a loan that you might not otherwise be able to get. But, it increases the cost of your loan. If you are required to pay mortgage insurance, it will be included in your **total monthly payment** that you make to your **lender**, your costs at closing, or both.

Mortgage insurance, no matter what kind, **protects the lender** – not you – if you fall behind on your payments. If you fall behind, your credit score may suffer, and you can lose your property through foreclosure.

**There are several different kinds of loans available to borrowers with low down payments. Depending on what kind of loan you get, you'll pay for mortgage insurance in different ways:**

**If you get a **conventional loan**,** your lender will arrange for mortgage insurance with a private company. **Private mortgage insurance (PMI)** rates vary by down payment amount and credit score but are generally cheaper than FHA rates for borrowers with good credit. Most private mortgage insurance is paid monthly, with little or no initial payment required at closing.

**If you get a **Federal Housing Administration (FHA) loan**,** your mortgage insurance premiums (MIP) are paid to the Federal Housing Administration (FHA). FHA mortgage insurance is required for all FHA loans. It costs the same no matter your credit score, with only a slight increase in price for down payments less than five percent. FHA mortgage insurance includes both an upfront cost, paid as part of your **closing costs**, and a monthly cost, included in your monthly payment.

If you don't have enough cash on hand to pay the upfront fee, you are allowed to roll the fee into your mortgage instead of paying it out of pocket. If you do this, your loan amount and the overall cost of your loan will increase.

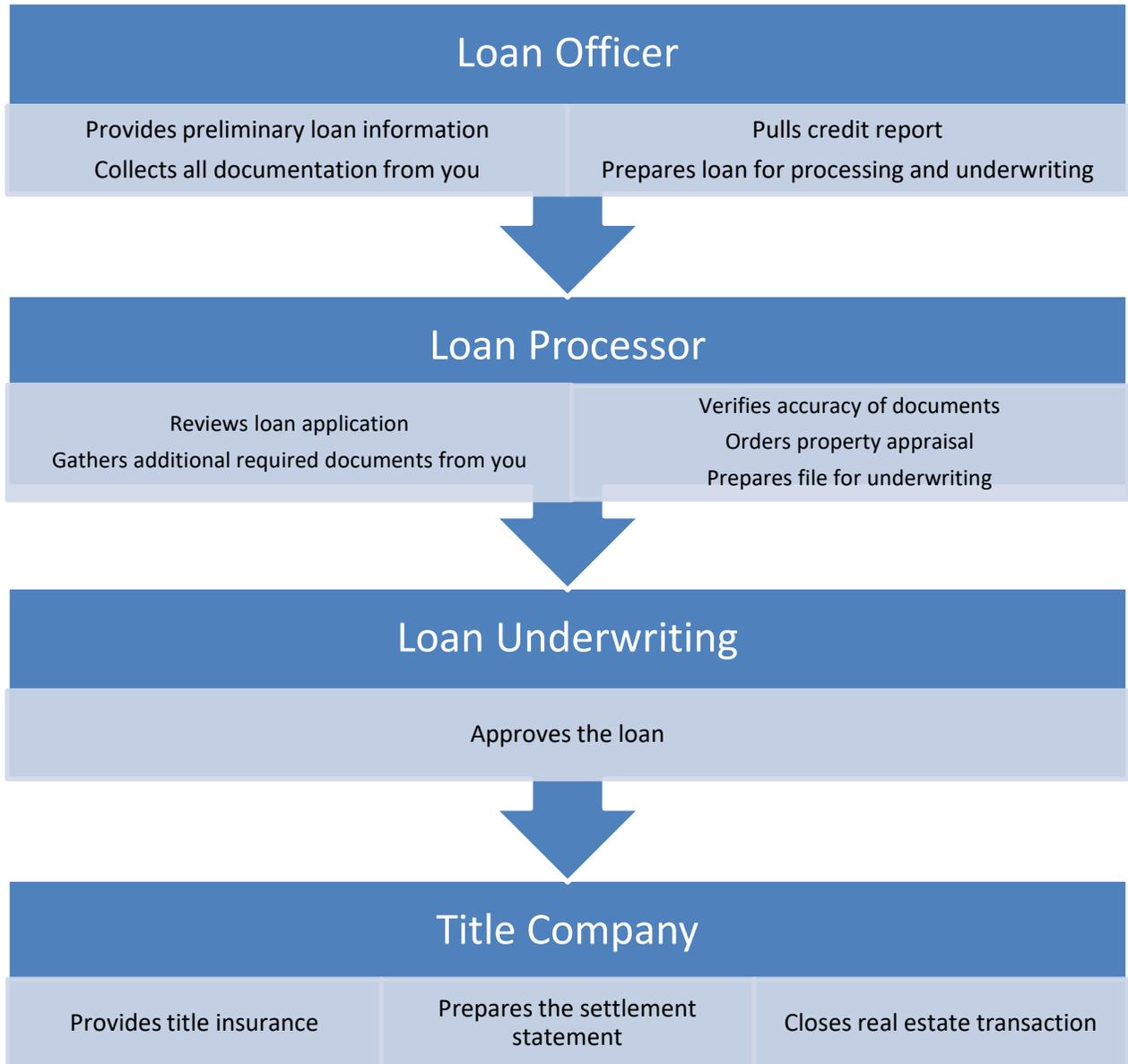
**If you get a **US Department of Agriculture (USDA) loan**,** the program is similar to the Federal Housing Administration, but typically cheaper. You'll pay for the insurance both at **closing** and as part of your monthly payment. Like with FHA loans, you can roll the upfront portion of the insurance premium into your mortgage instead of paying it out of pocket, but doing so increases both your loan amount and your overall costs.

**If you get a **Department of Veterans' Affairs (VA) loan**,** the VA guarantee replaces mortgage insurance, and functions similarly. With VA loans, there is no monthly mortgage insurance premium. However, you will pay an upfront "funding fee." The **amount of that fee** varies based on:

- Your type of military service
- Your down payment amount
- Your disability status
- Whether you're buying a home or refinancing
- Whether this is your first VA loan, or you've had a VA loan before Like with FHA and USDA loans, you can roll the upfront fee into your mortgage instead of paying it out of pocket, but doing so increases both your loan amount and your overall costs.

## Steps in the Loan Process

1. Know how much you can afford before you shop for a mortgage loan.
2. Compare loans from at least three lenders.
3. Complete a loan application with the lender of your choice.
4. Work with your loan officer as your loan makes its way to closing.



## Roles of Real Estate Professionals

- Provide easy access to housing databases
- Negotiate price for you
- Write up contract
- Offer knowledge of market and laws
- Serve as referral source
- Provide emotional support

## Payment of Property Taxes, Homeowner's Insurance, HOA dues

Your mortgage loan requires you to pay property taxes, homeowner's insurance, and HOA dues. If you don't pay these property charges your lender could foreclose on your property even if you've been making the monthly mortgage payments on time. To avoid missed tax and insurance payments, it is common for lenders to set up an escrow account for you. This allows you to pay your principal and interest to the lender plus an extra amount each month that the lender will use to pay the tax and insurance for you when they are due.

You are responsible for paying the Homeowners Association (HOA) or condo dues on your own.

## Refinancing

If you refinance your mortgage, you will get a new loan to pay off your existing loan. Refinancing is usually done to get better loan terms like a lower interest rate, shorter term, and/or a lower monthly payment. You will have to meet the lender's qualifications for a new loan and pay new closing costs.

## Default and Foreclosure

If you don't pay your mortgage loan as agreed, in the full amount and on time each month, you will default on your loan. If you default on your loan your lender can foreclose and you could lose the property.

If you think you might have difficulty paying your mortgage, contact your lender right away. HUD-approved Housing Counselors can help you understand your options in these situations. These appointments are always free. Find a counselor at [www.hud.gov](http://www.hud.gov) or contact the Boulder County Personal Finance Program at 720-564-2279 or [www.bouldercountyPFP.org](http://www.bouldercountyPFP.org).

## Selling the home

You may sell the home when you no longer wish to live there. Ideally, the home is sold for enough to pay off the existing mortgage and any remaining equity would return to the seller. Contact a real estate professional to begin the process of selling your property.

Sometimes the home is not valued high enough to pay off the mortgage. This is often called "being underwater". In these cases, you may still sell the home if you are experiencing a hardship and your lender may accept less than the amount you owe on the loan. This is a short sale. There are potential tax and collection consequences to short sales. Contact your lender to request a short sale.

## Checking for lead paint:

If you would like to learn more about lead based paint and its affects, visit this website:

<https://www.todayshomeowner.com/video/how-to-determine-if-your-house-has-lead-paint/>

# For Your Protection: Get a Home Inspection

## Why a Buyer Needs a Home Inspection

A home inspection gives the buyer more detailed information about the overall condition of the home prior to purchase. In a home inspection, a qualified inspector takes an in-depth, unbiased look at your potential new home to:

- evaluate the physical condition: structure, construction, and mechanical systems
- identify items that need to be repaired or replaced
- estimate the remaining useful life of the major systems, equipment, structure, and finishes

## Appraisals are Different from Home Inspections

An appraisal is different from a home inspection. Appraisals are for lenders; home inspections are for buyers. An appraisal is required for three reasons:

- to estimate the market value of a house
- to make sure that the house meets FHA minimum property standards/requirements
- to make sure that the house is marketable

## FHA Does Not Guarantee the Value or Condition of your Potential New Home

If you find problems with your new home after closing, FHA cannot give or lend you money for repairs, and FHA cannot buy the home back from you.

## Radon Gas Testing

The United States Environmental Protection Agency and the Surgeon General of the United States have recommended that all houses should be tested for radon. For more information on radon testing, call the National Radon Information Line at 1-800-SOS-Radon or 1-800-767-7236. As with a home inspection, if you decide to test for radon, you may do so before signing your contract, or you may do so after signing the contract as long as your contract states the sale of the home depends on your satisfaction with the results of the radon test.

## Be an Informed Buyer

It is your responsibility to be an informed buyer. Be sure that what you buy is satisfactory in every respect. You have the right to carefully examine your potential new home with a qualified home inspector. You may arrange to do so before signing your contract, or may do so after signing the contract as long as your contract states that the sale of the home depends on the inspection.

# Ten Important Questions to Ask Your Home Inspector

## 1. What does your inspection cover?

The inspector should ensure that their inspection and inspection report will meet all applicable requirements in your state if applicable and will comply with a well-recognized standard of practice and code of ethics. You should be able to request and see a copy of these items ahead of time and ask any questions you may have. If there are any areas you want to make sure are inspected, be sure to identify them upfront.

## 2. How long have you been practicing in the home inspection profession and how many inspections have you completed?

The inspector should be able to provide his or her history in the profession and perhaps even a few names as referrals. Newer inspectors can be very qualified, and many work with a partner or have access to more experienced inspectors to assist them in the inspection.

## 3. Are you specifically experienced in residential inspection?

Related experience in construction or engineering is helpful, but is no substitute for training and experience in the unique discipline of home inspection. If the inspection is for a commercial property, then this should be asked about as well.

## 4. Do you offer to do repairs or improvements based on the inspection?

Some inspector associations and state regulations allow the inspector to perform repair work on problems uncovered in the inspection. Other associations and regulations strictly forbid this as a conflict of interest.

## 5. How long will the inspection take?

The average on-site inspection time for a single inspector is two to three hours for a typical single-family house; anything significantly less may not be enough time to perform a thorough inspection. Additional inspectors may be brought in for very large properties and buildings.

## 6. How much will it cost?

Costs vary dramatically, depending on the region, size and age of the house, scope of services and other factors. A typical range might be \$300-\$500, but consider the value of the home inspection in terms of the investment being made. Cost does not necessarily reflect quality. HUD Does not regulate home inspection fees.

## 7. What type of inspection report do you provide and how long will it take to receive the report?

Ask to see samples and determine whether or not you can understand the inspector's reporting style and if the time parameters fulfill your needs. Most inspectors provide their full report within 24 hours of the inspection.

## 8. Will I be able to attend the inspection?

This is a valuable educational opportunity, and an inspector's refusal to allow this should raise a red flag. Never pass up this opportunity to see your prospective home through the eyes of an expert.

## 9. Do you maintain membership in a professional home inspector association?

There are many state and national associations for home inspectors. Request to see their membership ID, and perform whatever due diligence you deem appropriate.

## 10. Do you participate in continuing education programs to keep your expertise up to date?

One can never know it all, and the inspector's commitment to continuing education is a good measure of his or her professionalism and service to the consumer. This is especially important in cases where the home is much older or includes unique elements requiring additional or updated training.

[http://portal.hud.gov/hudportal/HUD?src=/i\\_want\\_to/buy\\_a\\_home](http://portal.hud.gov/hudportal/HUD?src=/i_want_to/buy_a_home)



## 10 Questions to ask a Mortgage Lender when Shopping for a Loan



1

### What is the interest rate?

Is the rate **fixed** or **adjustable**. Keep in mind that when interest rates for adjustable-rate mortgages go up, generally so do the monthly payments. If the rate quoted is for an adjustable, ask how your rate and loan payment can up and when.

2

### What is the A.P.R.?

Ask about the loan's annual percentage rate (APR). The APR takes into account the interest rate, points, broker fees, and other fees. It is your apples to apples way to compare loans.

3

### What are the closing costs & what fees do I have to pay?

Borrowers pay fees at closing for services provided by the lender and other parties, such as title companies. Lenders are required to provide a written estimate of these costs within 3 days of receiving a loan application.

One-time fees, typically called "points," are due at closing. For every point you pay, your lender will decrease your interest rate by 1%. You might have the option of paying zero closing fees in exchange for a higher interest rate.

4

### What is the monthly mortgage payment?

As you develop a budget for your new home, make sure you can afford this monthly mortgage payment — and be sure to include insurance and taxes in your monthly payment calculations. And don't forget about short-term financial goals — say, saving up for a vacation or buying a new computer — and long-term retirement goals to consider. Your monthly mortgage payment shouldn't be so high that your money can't work toward your other financial goals.

5

### Does the loan have any prepayment penalties?

If you're saving up to make some extra mortgage payments to pay off your mortgage principal early, you may have to pay a fee. Don't forget to ask this important question.

6

### When can I lock the interest rate and what will it cost me to do so?

Interest rates might fluctuate between the time you apply for a mortgage and closing. To prevent getting a higher rate, you can lock the rate, and even the points, for a specified period. Fees may apply, but not always.

7

### What kind of loan is this and what others do you offer?

- Colorado Housing & Finance Authority (CHFA)
- Conventional
- Federal Housing Authority (FHA)
- Veteran (VA)
- United States Department of Agriculture (USDA)
- First time home-buyer
- Other

8

### What is the minimum down payment required for this loan?

Different loan products have different down payment requirements. Some mortgages require a 20% down payment, but with some loans your down payment could be as low as 3%. In general, loans with lower down payments cost more.

9

### Do I have to pay for mortgage insurance, how much will this cost and when can I get rid of it?

Putting down less than 20% on your purchase requires paying mortgage insurance until your loan-to-value, or LTV, ratio falls below 80%. There are sometimes rules around how long you have to wait to get rid of the extra insurance.

10

### How long will it take to process my loan application and what might delay approval of my loan?

Depending on how busy the lender is, it can take as little as 2 weeks or as long as 60 days. Be patient and forward any requested documents quickly to speed up the process. A job change, an increase or decrease in salary, a new debt, a change in your credit history or change in marital status could delay your loan approval. The best way to avoid that is to put your financial life in a holding pattern until you close.



# 10 Questions to ask a Mortgage Lender when Shopping for a Loan



Lender \_\_\_\_\_ Date: \_\_\_\_\_

1

What is the interest rate?

2

What is the A.P.R.?

3

What are the closing costs & what fees do I have to pay?

4

What is the monthly mortgage payment?

5

Does the loan have any prepayment penalties?

6

When can I lock the interest rate and what will it cost me to do so?

7

What kind of loan is this and what others do you offer?

8

What is the minimum down payment required for this loan?

9

Do I have to pay for mortgage insurance, how much will this cost and when can I get rid of it?

10

How long will it take to process my loan application and what might delay approval of my loan?

# Fair Housing Act

Fair housing is a right. If you suspect that you were denied some aspect of housing due to one of the classes listed below, you may have experienced housing discrimination.

Consider reporting your experience to help stop it from happening.

The following are protected groups under the Fair Housing Act:



DISABILITY



RACE



SEX



COLOR



NATIONAL  
ORIGIN



RELIGION



FAMILY  
STATUS

## Examples of what housing discrimination can look like:



A landlord evicts a person of color for a reason they wouldn't evict a white tenant for



A real estate agent tries to "steer" a buyer away from a certain neighborhood



Refusal to make certain accommodations for persons with a mental or physical disability



A property management company refuses to rent to a family with children or requires a higher deposit



A landlord tries to avoid renting to someone by saying the unit advertised has been rented when it hasn't



A lender charges a single woman a higher interest rate than what her credit score should dictate

## Here are some reporting options:



Talk with a local Fair Housing professional about your experience.

You can call the Denver Metro Fair Housing Center or send an email with a brief summary of the potential discrimination to

[dmfhc@dmfhc.org](mailto:dmfhc@dmfhc.org)  
(720) 279-4291  
[www.dmfhc.org](http://www.dmfhc.org)

They will listen to your experience and can help you file a complaint, if needed.



You can file your own electronic Fair Housing complaint:

[www.HUD.gov/FairHousing](http://www.HUD.gov/FairHousing)



Call the Department of Housing & Urban Development's Fair Housing Enforcement Center to report a complaint:



(303) 672-5437

# Home Purchase Resources

## Housing Counseling Agencies

Housing Counseling agencies provide group homebuyer education classes and personal finance workshops and individual appointments. In an individual appointment, you and the counselor will create a plan for your unique path to homeownership. This may include determining an affordable mortgage amount, reviewing a spending plan, evaluating credit so you can qualify for the best loan terms, reducing debts, and establishing connections with affordable housing resources. All appointments are free and confidential.



**Boulder County Personal Finance Program -individual appointments**  
720-564-2279, [www.BoulderCountyPFP.org](http://www.BoulderCountyPFP.org)



**Workforce Boulder County -group education workshops**  
720.776.0822, [www.wfbc.org](http://www.wfbc.org)

## Affordable Home Purchase Programs

Affordable Home Purchase Programs offer homes priced appropriate for people with low to moderate incomes. Eligibility requirements and terms vary by program.



**City of Boulder Homeownership Programs**  
Homes available within City of Boulder limits  
303-441-3157 ext 2, [www.bouldercolorado.gov/homeownership](http://www.bouldercolorado.gov/homeownership)



**City of Longmont Homeownership Programs**  
Homes available within City of Longmont limits  
303-774-4648, [www.longmontcolorado.gov/departments/departments-e-m/housing-and-community-investment](http://www.longmontcolorado.gov/departments/departments-e-m/housing-and-community-investment)



**Flatirons Habitat for Humanity**  
Homes available in Boulder Valley School District  
303-447-3787 x222, [www.flatironshabitat.org](http://www.flatironshabitat.org)



**Habitat for Humanity of the St. Vrain Valley**  
Homes available in St. Vrain Valley School District  
303-682-2485, [www.stvrainhabitat.org](http://www.stvrainhabitat.org)



**Thistle Communities**  
Homes available in Boulder and Longmont  
303-443-0007, [www.thistle.us](http://www.thistle.us)



**Elevation Community Land Trust**  
303-454-3786, [www.elevationclt.org](http://www.elevationclt.org)

## Down Payment Assistance Programs

Down payment assistance programs provide cash assistance to help pay for down payment and/or closing costs in the form of grants or loans. Eligibility and terms vary by program. Please contact the program directly.



**Personal Investment Enterprise (PIE)** 303-441-3998, [www.bouldercountypie.org](http://www.bouldercountypie.org)

Matched savings account available for homes purchased in one of several Denver metro counties. 6-30 months savings period.



**Boulder County Down Payment Assistance Program** 303-774-4648,

<http://www.longmontcolorado.gov/departments/departments-e-m/housing-and-community-investment/housing-programs/down-payment-assistance-program>

Loan available for homes purchased in Boulder County outside of City of Boulder limits. Loan up to 10% of purchase price up to a maximum of \$40,000. 0-3%, repayment either deferred or 10-year term.



**City of Boulder Homeownership Programs** 303-441-3157, [www.bouldercolorado.gov/homeownership](http://www.bouldercolorado.gov/homeownership).

Available within City of Boulder limits.

*Solution Grant*: used for City of Boulder permanently affordable or Thistle Communities homes, covers the gap between buyer's money and minimum needed to close. Max grant is 5% of purchase price.

*H2O*: shared appreciation loan used for market-rate home, up to 15% of purchase price due at 15 years of ownership, or at time of sale.



**Impact Development Fund**, 970-494-2021, <https://impactdf.org/>

Available in Larimer, Weld, Boulder, Fremont, Eagle, Montrose, Mesa, San Miguel, Routt and Ouray Counties. \$25,000 maximum loan. 0-1%, 30 yr term.



**Colorado Housing Enterprises, Inc** 303-428-1448, [www.crhdc.org](http://www.crhdc.org)

Available statewide. Loans and forgivable loans of \$3,000-\$10,000, 10 yr term.



**Colorado Housing Assistance Corporation** 303-572-9445, <https://chaconline.org/>. Available statewide.

Loan of 6% of price, up to \$10,000, 5%. \*Lender sends packet after contract.

Available statewide: Disability Prog: Loan of \$10,000, 1.5%-5%, payments deferred 30 yrs.



**NEWSED** 303-534-8342 ext. 133, <https://newsed.org/lending/downpayment/>. Available in several Denver metro counties. Deferred payment loan.



**PATH Grant Program** 833-962-1506, <https://www.efirstbank.com/jensen/pages/path2106/path.htm>

Grant available to buyers identifying as Black or African American in select counties. Maximum of lesser of 20% of purchase price or \$20,000. Must be paired with a First Bank mortgage.



**The Dearfield Fund for Black Wealth** 720-764-9231, <https://www.dearfieldfund.com/>

Loan for borrowers identifying as Black or African American buying in several Denver Metro counties. Must work with a participating lender.



**CHFA (Colorado Housing Finance Authority)** 303-297-2432, [www.chfainfo.com](http://www.chfainfo.com)

Available statewide when paired with a CHFA mortgage. Must work with participating lender.  
Grant of 3% of first mortgage. No repayment.  
or 2nd mortgage loan for 4% of mortgage amount, no interest, deferred repayment.



**metroDPA** <http://metrodp.org/>, 720.673.3948

Forgivable loan of 5% of purchase price available in many counties and cities. Must work with a participating lender.



**National Homebuyers Fund** [www.nhfloan.org](http://www.nhfloan.org)

Forgivable loan of up to 5% of mortgage amount available statewide in conjunction with primary mortgage. Must work with a participating lender.

Find homeownership programs throughout the state at  
<https://www.hud.gov/states/colorado/homeownership/buyingprgms>