2026-8-1
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ADVERTISING FEATURE

# REAL ESTATE



## CHFA's New Pathway for Teachers: A Boost in Buying Power, With a Catch

REAL ESTATE TODAY

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Colorado's housing market has not been kind to the people who keep our schools running. Teachers, paraprofessionals, and other full-time K–12 employees often find themselves priced out of the very communities they serve. Now, the Colorado Housing Finance Authority (CHFA) is trying to change that equation with a program that offers a meaningful lift in buying power — and a tradeoff buyers need to understand clearly.

The **CHFA Schools to Home** initiative was created specifically for full-time public school employees (not just teachers), from traditional districts to charter schools and innovation zones. According to the program guide, ***"CHFA Schools to Home may help an eligible teacher qualify for up to $100,000 more in home price."*** That's not marketing fluff. The structure of the program genuinely allows borrowers to stretch further than a standard Fannie Mae loan would permit.

Here is why the program can increase buying power so dramatically: the CHFA second mortgage has no monthly payment, so it generally does not add to the borrower's debt-to-income ratio, or DTI. DTI is the percentage of a borrower's gross monthly income that must go toward required monthly debts, including the proposed housing payment, car loans, credit cards, and other obligations. Because the assistance provides a larger down payment without creating another monthly payment, more of the borrower's qualifying income can support the first mortgage.

The engine behind that boost is CHFA's **DPA Second Mortgage Loan**, which can cover up to 25 percent of the first mortgage amount. Borrowers can use it for down payment, closing costs, prepaids, or even principal reduction. And unlike most second-lien assistance, this one carries no monthly payment and no prepayment penalty. As the document notes, ***"Full repayment [is required] upon payoff of first mortgage loan, sale/refinance of home, or if home is no longer borrower's primary residence."***

For a teacher trying to buy in our Denver market — where entry-level homes routinely push past $500,000 — that extra leverage can be the difference between competing and sitting on the sidelines. But the program comes with a feature that deserves careful attention: ***shared appreciation.***

When the homeowner eventually sells, refinances, or pays off the loan, CHFA calculates how much the home has appreciated and takes a percentage of that gain. The percentage is tied directly to how much assistance the borrower used. For example, a buyer who takes the full 25 percent second mortgage on a $437,500 home would owe 20 percent of the appreciation.

In the program's own illustration, ***"$42,500 × 20% = $8,500"*** in shared appreciation owed. This is not a penalty; it's the mechanism that keeps the Public-School Permanent Fund replenished so future educators can benefit. But it does mean homeowners won't keep the full upside when they sell. In a rising market, that's a real cost. In a flat or declining market, the shared appreciation drops to zero.

The question for teachers becomes: Is the tradeoff worth it?

For many, the answer will be yes. The ability to buy now — rather than watch prices climb further out of reach — can outweigh the future sharing of appreciation. And because the DPA reduces the first-mortgage balance, monthly payments may be more manageable than a conventional loan at the same price point.

Still, this is not a one-size-fits-all solution. Buyers should model different scenarios, including modest appreciation, strong appreciation, and no appreciation at all. They should also understand that the program cannot be combined with other CHFA offerings.

Colorado's educators deserve pathways into homeownership that reflect their importance to our communities. CHFA Schools to Home is a thoughtful attempt to provide one. But like any powerful tool, it works best when borrowers understand exactly how it operates and how it will shape their long-term financial picture.

If you're a teacher considering a purchase this year, this program is worth a close look. The key is going in with eyes wide open.

I'm happy to help you buy a home under this program, but I'm not your loan officer. If you want to learn more about this program, I suggest you call my favorite loan officer, **Jaxzann Riggs** at **303-990-2992.**

## FHA's 'Kiddie Condo' Program Is Good Alternative to Dorm Rental

Here is another program I learned about from Jaxzann Riggs. I have helped parents of students attending the Colorado School of Mines purchase a home with multiple bedrooms so their son or daughter can rent rooms to fellow students, minimizing their own housing costs.

FHA's Kiddie Condo program offers a practical alternative to paying dorm rent, allowing families to build equity while housing a college student. The program lets a parent and child co-sign an FHA loan, using the student's residence as the primary home. Because FHA permits co-borrowers who don't live in the property, parents can leverage their stronger credit and income, while the student meets the occupancy requirement by living there during school.

The property can be a condo, townhouse, or single-family home with up to four units. That flexibility allows families to offset costs by renting additional bedrooms or units to other students. FHA's low down payment — typically 3.5% — keeps upfront costs manageable, and its more forgiving credit standards make qualification easier than conventional financing.

For many families, the financial logic is compelling. Instead of spending $12,000 to $20,000 per year on dorm housing, those dollars can support a mortgage that builds long-term value. Appreciation, potential rental income, and eventual resale can turn a college expense into an investment.

### Yes, a Condo for Only $150,000!

This 1-bedroom/1-bath condo is the lowest priced 574-sq.-ft. unit in Aurora's great Sable Cove subdivision. To appreciate its updated features, take the narrated video tour at www.GRElistings.com, then call me at **303-525-1851** for a private showing!

## Five Indoor Air Hazards Buyers Should Test For

Colorado's indoor air concerns fall into five categories. Each poses distinct risks, each requires specific testing, and each can influence negotiations, repair requests, and long-term health.

### Radon

Radon is a naturally occurring radioactive gas that enters through soil, foundations, and crawlspaces. It's the leading cause of lung cancer among non-smokers, and it's present in homes of every age, price point, and neighborhood.

Radon tests use calibrated continuous monitors placed for 48 hours. Results are straightforward: if levels exceed 4.0 pCi/L, mitigation is recommended.

### Mold and Moisture

Mold is rarely the root problem; moisture is. Colorado's dry climate can lull buyers into thinking mold is uncommon, yet basements, bathrooms, and poorly ventilated crawlspaces can have embedded moisture.

Testing includes air sampling, surface sampling, and moisture mapping using infrared cameras. The real value lies in identifying water intrusion from roof leaks, foundation seepage, plumbing failures, or poor ventilation.

### Asbestos

Many older Colorado homes contain asbestos in popcorn ceilings, duct insulation, floor tiles, and mastic. Asbestos is safe when undisturbed, but dangerous when cut, sanded, or demolished.

Testing requires certified inspectors who collect bulk samples for laboratory analysis. Air testing is reserved for situations where disturbance is suspected.

### Lead-Based Paint

Homes built before 1978 may contain lead-based paint, especially in Denver's older neighborhoods and mountain towns with historic housing stock. Lead dust is most dangerous to children, but harmful to adults as well.

Testing involves XRF scanning and dust wipe sampling. Mitigation ranges from encapsulation to full removal, depending on severity and renovation plans.

### Carbon Monoxide and Gas Leaks

Any home with fuel-burning appliances should be evaluated for carbon monoxide, natural gas leaks, and back drafting. Inspectors use electronic sniffers, CO monitors, and draft tests to ensure appliances vent properly.

## Townhome Features Lower Price & New Carpeting


This contemporary townhome at **13527 W. 63rd Way** features over 2,250 finished square feet, highlighted by soaring vaulted ceilings and slab-granite kitchen countertops. All new berber carpeting was just installed on all three levels plus the stairs. The sunny dining area opens to a spacious private patio. Energy-conscious buyers will appreciate the ChargePoint EV charging station in the 2-car garage. The finished basement contains a large family room which served the seller as a third bedroom suite with egress windows and an ensuite 3/4 bath. With two bedrooms, a versatile loft (could be enclosed to make another bedroom), and a location near Arvada's top amenities, this home offers the perfect balance of space and convenience. Our lender will pay for the buyer's appraisal if hired. ***This home has the lowest price per square foot of its competing listings.*** View a narrated video tour at www.GRElistings.com.



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