REAL ESTATE EDUCATION SERIES

First-Time Homebuyer Programs in Colorado

Where to look for help with the upfront cost of buying

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If saving for a down payment or closing costs is holding you back, ask about assistance before you start making offers. In Colorado, options include statewide programs, local programs, and nonprofit loans. The right fit depends on your finances, the property address, and what you would owe later.

1 Statewide: Colorado Housing and Finance Authority (CHFA)

Through a participating lender, you may pair an eligible CHFA first mortgage with a grant or a deferred second mortgage. The grant does not require repayment. The deferred loan can come due when you sell, refinance, pay off the first mortgage, or stop using the home as your primary residence. Compare the first mortgage rate with and without assistance.

2 Colorado Springs and El Paso County: Pikes Peak assistance

The county program offers eligible buyers a zero-interest, deferred second mortgage with forgiveness over time. The home must be in El Paso County, including Colorado Springs. First-time buyer status is not required. Ask what balance would remain due if you sell or refinance before full forgiveness.

3 Nonprofit assistance: Colorado Housing Assistance Corporation

CHAC offers repayable second mortgages for eligible buyers. Availability and terms vary by program and funding. Some loans require monthly payments, while others defer payments. Ask your lender to verify current availability, buyer contribution, education, and counseling requirements.

4 Denver and participating Front Range areas: metroDPA

If you are shopping outside El Paso County, check the address against current local program coverage. Denver lists metroDPA as a second mortgage with no interest or monthly payments. Ask when the balance becomes due and which first mortgages can be paired with it.

Ask how your program defines “first-time buyer”

Some programs look at whether you owned a home during a recent period. Others do not require first-time buyer status. Ask about income, purchase price, occupancy, credit, and education requirements before ruling yourself out.

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Compare cash at closing with what you may owe later

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A low-down-payment mortgage and down payment assistance solve different problems. The mortgage sets the financing terms; assistance can help cover eligible upfront costs. Ask your lender whether the two can be combined for the home you want to buy.

5 Start with the first mortgage

Compare conventional and FHA loans if you have limited savings. If eligible, also ask about VA or USDA financing, which can offer no-down-payment options. Check the property and borrower requirements. Even with no down payment, you may still need money for closing costs, prepaid expenses, and inspections.

6 Know what you are signing

A grant typically does not require repayment if you meet its terms. A deferred second mortgage postpones payments but may come due later. A forgivable second mortgage reduces the amount you owe only if you meet its conditions. Request the repayment triggers and any forgiveness schedule in writing.

7 Compare offers with and without assistance

Ask the lender to price the same home both ways. Compare the first mortgage rate, total monthly payment, cash to close, and the second mortgage terms. If you may sell or refinance in five years, ask what you would owe then and whether the assistance still saves you money.

8 Confirm eligibility before you make an offer

Speak with a participating lender early. Confirm funding, property address, minimum buyer contribution, required education, and processing time. Ask when assistance can be reserved, and leave room in your budget for costs it does not cover.

Illustration: deferred does not mean forgiven

Suppose a deferred second mortgage provides $10,000 at closing, has no interest or fees, and has no forgiveness. If you sell and the loan becomes due, the full $10,000 remains payable from your proceeds or other funds.

Program sources (reviewed November 2026): CHFA | El Paso County | CHAC | Denver metroDPA | CFPB loan options
Educational information. Programs, rates, funding, and eligibility can change. Confirm terms with the provider and your lender.

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