First-Time Homebuyers Have Many Lending Benefits Available to Them

Colorado's first-time homebuyers have more help available in 2026 than at any point in the past decade, thanks to a layered mix of state, federal, and local programs designed to reduce upfront costs and expand access to ownership. At the center of this ecosystem is CHFA, the Colorado Housing and Finance Authority, whose down-payment assistance has become the most widely used tool for buyers who can afford a mortgage but struggle to save enough cash for the down payment.

REAL ESTATE TODAY

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NOTE: ***You don't have to be a true first-time homebuyer to qualify for these programs. If you haven't owned a home for three years, you are considered a first-time homebuyer.***

CHFA's assistance comes in two forms: a true grant worth up to three percent of the loan amount, which never has to be repaid, and a zero-interest second mortgage worth up to four percent of the purchase price, which carries no monthly payment and is repaid only when the home is sold or refinanced.

These programs are designed to bridge the gap created by Colorado's high home prices, where even a three-percent down payment can exceed $16,000. CHFA pairs this assistance with below-market interest rates, making monthly payments more manageable for first-time buyers who are often juggling rent, student loans, and rising living costs.

CHFA's first-mortgage products, including FirstStep and FirstStep Plus, are built specifically for first-time buyers using FHA loans, though CHFA also supports conventional, VA, and USDA mortgages. The agency's programs are available statewide and can be layered with federal options such as FHA's 3.5-percent-down loans, VA's zero-down benefit for eligible veterans, and USDA's zero-down rural loans.

These federal programs remain essential tools for first-time buyers, especially in communities where incomes and home prices make conventional financing difficult. CHFA's guidelines also allow participation by qualifying repeat buyers, but the agency remains the primary gateway for Coloradans entering the market for the first time.

Beyond CHFA, Colorado's cities and counties have expanded their own down-payment assistance programs, many of which can be stacked with CHFA to dramatically reduce upfront costs. Denver, Boulder, and other Front Range communities offer grants and deferred-payment loans ranging from $10,000 to more than $50,000, depending on income and location.

Boulder's targeted programs can reach as high as $50,000, while Denver's grants typically fall around $10,000. These local initiatives are designed to keep moderate-income households in the communities where they work, especially as rising home prices push many buyers farther from job centers.

The most dramatic growth, however, has come from Colorado's mountain counties, where workforce-housing shortages have pushed local governments to create unusually large assistance packages. In places like Summit, Eagle, and Pitkin counties, down-payment programs can reach well into the six-figure range, with some offering up to $200,000 for qualifying buyers. These programs are typically reserved for local workers, essential-service employees, or long-time residents who would otherwise be priced out of the communities they serve. The goal is not only to help first-time buyers but also to stabilize local economies that depend on year-round workers in health care, education, hospitality, and public safety.

Colorado also offers a federal Mortgage Credit Certificate (MCC) through CHFA, which can reduce a buyer's federal tax liability by $1,500 to $2,500 per year, depending on loan size and interest paid. When combined with CHFA's grants, local assistance, and federal loan options, the MCC can make ownership significantly more affordable over the long term.

Taken together, these programs form a layered affordability system that gives first-time buyers multiple pathways into homeownership. CHFA remains the backbone, but the growing network of city, county, and workforce-housing initiatives reflects Colorado's recognition that affordability challenges vary widely across the state.

For buyers willing to navigate the options, 2026 offers more support than ever—often enough to turn a distant goal into a realistic first step toward owning a home.

Every Colorado lender can work with CHFA and these other programs, but if you don't have one you're already working with, I recommend working with **Jaxzann Riggs** of **The Mortgage Network**, who can be reached at **303-909-2992**. Another lender I like is **Wendy Renee** of **Fairway Independent Mortgage**, who has her office in our storefront at 1214 Washington Avenue. Reach her at **303-868-1903.**

What Buyers Should Notice During a Showing

A home tour is the buyer's first chance to understand how a property actually lives, and it should be approached with the same quiet attentiveness you'd bring to a test drive. You're not performing an inspection — that comes later — but you are gathering impressions that reveal how well the home has been cared for and whether it fits your daily rhythms.

Start outside, because the exterior often tells the truth before the interior does. A roof with visibly curling shingles, gutters pulling away from fascia, peeling paint, or cracked walkways all suggest deferred maintenance. You're not diagnosing structural issues, just noting what your eyes can plainly see. Pay attention to drainage clues such as standing water or soggy soil, and take in the general upkeep of the yard. A tidy exterior usually reflects a homeowner who stays ahead of problems.

Inside, let your senses guide you. Ceilings and walls can reveal more than sellers intend: stains, bubbling paint, or freshly applied patches may hint at past moisture. Floors tell their own story as you walk, Soft spots, sloping, or uneven transitions can signal age or movement. Open and close a few windows and interior doors. Sticking or warping is often a sign of settling, while fogged double-paned windows point to failed vapor seals. Odors matter, too. A musty smell can indicate moisture, while an air freshener may be masking something less pleasant. None of these observations replace an inspector's findings, but they help you decide what questions to ask later.

Kitchens and baths deserve a few functional tests. Run water briefly to gauge pressure and drainage, and take a quick look under sinks for staining or moisture. Toilets should feel stable when you gently nudge them, and exhaust fans should operate with a simple flip of the switch.

One additional check I always recommend is running the hot water in the primary bath and kitchen sink to see how long it takes to get hot. You're not evaluating the water heater itself, but you are learning how the home behaves in everyday use. Slow delivery can indicate long pipe runs, aging equipment, or simply a system that needs attention.

Mechanical systems are mostly the inspector's domain, yet you can still observe obvious clues. Listen to the furnace or air conditioner when it cycles on. Loud banging, rattling, or grinding noises are worth noting. A quick visual scan of the water heater and other mechanicals may reveal rust, leaks, or signs of age. Again, you're not diagnosing, just observing.

Beyond condition, a showing is your chance to understand livability. Notice how rooms flow, whether natural light reaches the spaces where you'll spend the most time, and whether storage feels adequate. Bring your phone for photos and a tape measure for key furniture placement. If possible, tour with the other decision-makers in your life so everyone sees the same things.

Finally, step outside and absorb the neighborhood. Listen for traffic, pets, or other noise that might affect daily comfort. Look at nearby homes to gauge how the block is cared for, and consider the convenience of parks, shops, and commute routes. A home tour is not an inspection, but it is a powerful first filter. The more you notice now, the more confidently you can move forward—either toward an offer or toward the next showing.

New Law Raises Pollution Requirement of Home Furnaces

Colorado's new Ultra-Low NOx law, HB23-1161, took effect January 1, 2026, reshaping what builders and homeowners can install when replacing gas heating equipment. The law does not ban gas furnaces or water heaters, but it does prohibit selling or installing new models unless they meet strict ultra-low nitrogen oxide (NOx) emission limits. NOx pollution contributes to smog and respiratory problems, and the state's goal is to cut those emissions sharply.

Under the rule, any newly installed gas furnace must meet an emissions limit of 14 ng/J of heat output, a standard now common in California but new to Colorado. Gas water heaters face similar requirements. Existing systems are unaffected; homeowners can keep their current equipment as long as it works.

One additional change arrived July 31, 2026, when the ENERGY STAR efficiency threshold for qualifying furnaces rose from 95% to 97% AFUE, affecting buyers comparing high-efficiency options.

For homeowners, the practical impact comes when a replacement is needed: compliant gas models may cost more, but rebates and electrification incentives can offset upgrades. For builders, the rule accelerates a shift toward cleaner combustion and, increasingly, toward electric heat pumps.

As always, confirm details with your HVAC professional.

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