



## **Product Guideline**

### **IDF Down Payment Assistance Program**

Eligible Borrowers:	First-time buyers with U.S. citizenship or permanent resident alien status purchasing a primary residence within all Colorado counties that are considered in FirstBank's trade area. <b>Borrower's must obtain their primary mortgage from FirstBank.</b>
Income Threshold:	80% of the most recently published HUD Area <b>Family Median Income</b> . Income is established by the currently demonstrated income, excluding overtime, shift bonus, commission and bonus income that have not been earned consistently for the most previous 2-year period with a strong likelihood of continuance.
Loan Amount:	5% of the contract purchase price or \$20,000, whichever is less. <i>For leasehold properties the leasehold value on the property only from the appraisal will be used to determine the loan amount instead of the purchase price.</i>
Compatible Mortgages:	IDF funds may be used in conjunction with conventional conforming and certain bank portfolio programs that offer fixed or intermediate variable rate terms designed for entry-level buyers. (i.e. 5/1, 7/1 and 30-year fixed). <b><i>Subprime, FHA and other non-conforming products are not permitted.</i></b>
Loan to Value:	Maximum Combined Loan to Value is 105% of purchase price.
Minimum Investment:	Borrower must have a minimum direct transaction investment of \$1,000 from a source acceptable to the primary lender. In no case may the Seller or premium pricing of the mortgage interest rate satisfy this minimum requirement.
Assets:	Borrower may not have verified assets in excess of one and one half times the household income.
Use of Funds:	Down payment, closing costs and pre-paid items related to the primary loan.
Interest Rate:	Fixed at 6.00%.
Debt Ratio:	No housing ratio is applied. All debt, <i>including all proposed financing</i> shall not exceed 50% of verified gross monthly income. <u>Must receive an Approve/Eligible from FirstBank LP/DU.</u>
Terms:	Monthly payment of principal and interest based upon a fully amortizing 15-year term. ACH payment draft required through a participating depository institution.
Loan Fees:	IDF origination fee charged at closing. Fees are subject to change per Impact Development Fund (IDF) fee schedule.
Collateral:	Subordinate lien priority on subject real property.
Homebuyer Training:	Required on all loans, as evidenced by a Fannie Mae, Freddie Mac, HUD or CHFA-approved provider.
Exceptions Policy:	IDF must provide prior approval for all policy exception requests.

## Origination Procedures

- Application:** FirstBank mortgage loan officer submits Loan File Checklist to Impact Development Fund, complete with all documentation shown on the form. Any remaining documentation requirements will be detailed. Impact Development Fund will distribute the initial Loan Estimate (LE) for the down payment assistance loan to the borrower within 3 business days of receipt of the application.
- Processing:** Impact Development Fund will order a copy of the title commitment and evidence of hazard insurance. Final loan documents are delivered electronically to loan officer for presentation to borrower. All outstanding items must be cleared prior to funding.
- Closing:** IDF will deliver closing instructions and loan proceeds direct to title. Wires are sent 24 hours prior to the scheduled closing date, so the loan officer must advise of any schedule changes as soon as possible.
- Fees Collected:** The origination fee is collected at closing, in addition to the public recording fee for the deed of trust (4 pages), and will appear on the Closing Disclosure (CD). IDF will review and approve the final first mortgage CD prior to funding. Title insurance is not required for program loans.
- Requirements:** FIRSTBANK LOAN OFFICER'S ARE REQUIRED TO PRESENT ALL LOAN DOCUMENTS AT, OR PRIOR TO, CLOSING. Both the borrower and loan officer must execute the Lender Certification form, acknowledging disclosure of all loan terms and contact information.
- Settlement:** Borrower may NOT receive any proceeds at the time of settlement regardless of total contribution. Title will be instructed to show any excess proceeds as a principal reduction to IDF on the first mortgage CD and return such funds for proper credit. No changes to program loan documents or loan amount shown on the CD are permitted as a result of excess proceeds.
- Post Closing:** The original deed will be recorded by title with all other original program loan documents returned to IDF via overnight courier. Any excess proceeds will be applied as principal reduction, with applicable notice delivered to the borrower upon receipt.