



Product Guideline
City of Aspen
Employer Assisted Housing Benefit
Employee Home Ownership Program-EHOP®

Purpose:	Provide a secured, subordinate loan to assist eligible employees in good standing with the purchase of a primary residence. This benefit is offered on a first-come, first-served basis.
Eligible Borrowers:	Regular full-time employees in good standing, with the City who own no other residential property within the ownership exclusion zone identified by Aspen Pitkin County Housing Authority (APCHA). One employee loan per household. Human Resources shall approve all loans to evaluate employee eligibility.
Eligible Property:	Primary residence only. Aspen Pitkin Housing Authority (APCHA) properties only. Eligible homes must be real property, permanently attached to a foundation and conform to all prevailing building code standards.
Income Threshold:	Income limitations and a household's net assets are determined by APCHA ownership guidelines. Currently, a household's net assets shall not exceed \$900,000, per APCHA.
Loan Amount:	Employees may be eligible for up to 10% of the purchase price or \$30,000, whichever is less for a primary mortgage loan amount of \$800,000 or less.
Compatible Mortgages:	Employees and co-borrower(s) must qualify for primary mortgage financing through a reputable lending institution offering terms acceptable to both the employee and the City. Subprime, Interest-only, negative amortizing, balloon and short-term adjustable rate mortgages <i>not permitted</i>.
Loan to Value:	Maximum Combined Loan to Value is 100% of purchase price.
Debt Ratio:	Maximum of 43% DTI
Minimum Investment:	None
Interest Rate:	Fixed at time of application. Equal to most recently published 10-year U.S. Treasury rate.
Repayment:	Monthly payment of principal and interest to fully amortize the loan within the original term. Lump sum repayment is required upon property sale, refinance of the primary mortgage, or the home is no longer occupied as the primary residence. <i>There are no prepayment penalties.</i>
Use of Funds:	Down payment, closing cost, interest rate buydown of primary mortgage only. Borrower may not receive any loan proceeds at closing.
Homebuyer Training:	Fannie, Freddie, HUD or CHFA approved Homeownership counseling is strongly encouraged prior to loan closing from an approved provider. Required for first time homebuyers.
Term:	Maximum term is 15 years.
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. City of Aspen EHOP loan must assume 2 nd lien position.

Exceptions Policy: All aspects of City of Aspen eligibility and underwriting criteria are subject to city staff exception authority. Loan terms and pricing must be approved by the City of Aspen.

Origination Procedures

Application: Mortgage loan officer submits Loan File Checklist to Impact Development Fund, complete with all documentation shown on the form. A loan commitment is usually issued within 48 hours, or less. Any remaining documentation requirements will be detailed.

Processing: Impact Development Fund will order 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). All settlement figures should appear on a separate Closing Disclosure. IDF will review and approve the final statement prior to funding. Title insurance is not required for City of Aspen EHOP loans.

Requirements: LOAN OFFICER'S ARE REQUIRED TO PRESENT ALL CITY OF ASPEN EHOP 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: No changes to the City of Aspen EHOP loan documents or loan amount shown on the Closing Disclosure are permitted.

Post-Closing: The original deed will be recorded by Title Company with all other original City of Aspen EHOP loan documents returned to IDF via overnight courier.