



Product Guidelines
Alpine Bank
Down Payment Assistance Program

Eligible Borrowers:	First-time buyers with U.S. citizenship or permanent resident alien status purchasing a primary residence within those counties of Colorado identified within the assessment and/or service areas of Alpine Bank.
Income Threshold:	80% of the most recently published HUD Median Family Income . 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:	Up to 15% of the contract purchase price.
Compatible Mortgages:	Down Payment Program funds may be used in conjunction with Alpine Bank portfolio or brokered programs that offer fixed rate terms designed for entry-level buyers. <i>Subprime, FHA and other non-conforming products are not permitted.</i>
Loan to Value:	Maximum Combined Loan to Value is 95% of purchase price.
Debt Ratio:	No front end housing ratio is applied. All debt, including all proposed financing shall not exceed 45% of verified gross monthly income or as otherwise limited by underwriting requirements of the primary mortgage.
Minimum Investment:	Borrower must have a minimum direct transaction investment equal to 5% of the purchase price 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 mortgage.
Homebuyer Training:	Required on all loans, as evidenced by a Fannie Mae, Freddie Mac, HUD or CHFA-approved provider.
Terms:	Monthly payment of principal and interest based upon a 30-year amortization payment schedule with all principal and accrued interest to be payable no later than 10 years from the date of the loan. ACH payment draft required through Alpine Bank.
Loan Fees:	Impact Development Fund (IDF) origination fee charged at closing. Fees are subject to change per IDF fee schedule.
Collateral:	2 nd lien priority subordinate only to an Alpine Bank originated mortgage on subject property. Collateral property must be eligible through secondary mortgage market conduits. Property must be located within Delta, Eagle, Garfield, La Plata, Mesa, Montrose, Ouray, Pitkin, Routt, San Miguel or Summit counties of Colorado.
Interest Rate:	The interest rate shall be fixed at a rate equal to the rate offered under the primary mortgage with no prepayment penalties.
Exceptions Policy:	Credit Risk Manager for Alpine Bank must provide prior approval for all policy exception requests.

Origination Procedures

- Application:** Alpine Bank mortgage loan officer submits Loan File Checklist to Impact Development Fund (IDF) complete with all documentation shown on the form. Any remaining documentation requirements will be detailed. IDF will distribute the loan disclosures for the down payment assistance loan to the loan officer for delivery to the Borrower within 3 business days of receipt of the application.
- Processing:** IDF will order title commitment and evidence of hazard insurance. Final loan documents are delivered electronically to loan officer through the Alpine Bank underwriting department for presentation to borrower. All outstanding items must be cleared prior to funding.
- Closing:** IDF will deliver closing instructions to title naming Alpine Bank as Lender. Alpine Bank to execute wire transfer of loan proceeds direct to title. As wires are set-up prior to the scheduled closing date, the loan officer must advise of any schedule changes at the earliest possibility.
- 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:** ALPINE BANK 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 unless the minimum down payment requirement has been met. In the event the Closing Disclosure reflects excess proceeds to the Borrower resulting in a Borrower contribution less than the required minimum, a new loan amount must be properly disclosed and new documents prepared. No changes to program loan documents or loan amount shown on the Closing Disclosure 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 Alpine Bank via overnight courier. Alpine Bank will scan original loan documents and forward a copy loan package to IDF in electronic format. Application fee proceeds shall be sent IDF.
- Servicing:** IDF shall retain copies of the loan package for its permanent records to facilitate ongoing loan servicing functions provided by IDF. All borrower inquiries and post closing activities related to the down payment assistance loan shall be directed to IDF and reported to Alpine Bank according to servicing procedures.