



Product Guideline
Pitkin County - Employer Assisted Housing Benefit
Employee Home Ownership Program-EHOP®

- Eligible Borrowers: Regular employees who work at least 1,500 hours a year or more for Pitkin County. One employee loan per household, one time use per employee. Borrowers may not own or have an ownership interest in other developed residential property within the [APCHA Home Ownership Exclusion Boundary](#), (may own commercial or vacant land).
- Eligible Property: **Primary residence only.** Properties located within all of Pitkin County, and parts of Eagle, Gunnison and Garfield counties along RFTA corridor to Rifle, Hwy 133 to Marble, or Frying Pan. Eligible homes must be permanently attached to a permanent foundation and conform to all prevailing building code standards.
- Income Maximum: None
- Asset Maximum: Net asset cap not to APCHA Net Assets Guidelines for RO category
- Loan Amount: Employees may be eligible for up to 15% of the purchase price up to a max loan amount of \$50,000.
- Compatible Mortgages: Employees and co-borrowers must qualify for primary mortgage financing through a reputable lending institution offering terms acceptable to both the employee and the County. May be used in conjunction with conforming conventional and certain portfolio programs that offer fixed or intermediate variable rate terms designed for entry-level buyers. (i.e. FLEX, My Community, 5/1, 7/1, etc.). *FHA, Subprime and other non-conforming products are **not permitted.***
- Loan to Value: Maximum Combined Loan to Value is 105% of purchase price.
- Minimum Investment: Employee must make a minimum contribution towards the purchase price and related settlement charges equal to 2% of the purchase price or \$3,000, whichever is greater. Settlement charges may include all or part of the one-time processing fee for this loan.
- Interest Rate: EHOP loan will carry a fixed interest rate, established at the time of application, equal to 110% of the Long-Term Applicable Federal Rate as published during the month the EHOP application is received from the primary mortgage lender. <https://apps.irs.gov/app/picklist/list/federalRates.html>
- Max Debt to Income: Maximum DTI ratio of 45%
- Forgiveness: Employees with uninterrupted service and in good standing with Pitkin County and all terms of the loan agreement will receive a principal reduction equal to 50% of the interest paid at the time of loan maturity. Any principal balance forgiven by the County will be reported to the IRS as Other Employee Compensation to the employee in the month which forgiveness is granted and is subject to payroll taxes and withholding.
- Repayment: Monthly payment of principal and interest. Payments calculated on a 30 year amortization schedule and balloon payment at the 15 year maturity. Balloon payment will consist of remaining outstanding balance less any forgiveness approved by the County in accordance with the schedule above. Prior to maturity, lump sum repayment is required upon property sale, refinance of the primary mortgage, or the home is no longer occupied as the primary residence. *There are no prepayment penalties.*

Re-subordinations in the case of refinancing the principal loan will be allowed on a case by case basis upon the approval of Pitkin County.

Use of Funds:	Down payment, closing costs and pre-paid items related to the primary loan.
Homebuyer Training:	Required on all loans, as evidenced by a Fannie Mae, Freddie Mac, HUD or CHFA-approved provider.
Term:	Maximum term is 15 years.
Loan Fees:	IDF origination fee charged to the borrower at closing. Fees are subject to change per Impact Development Fund (IDF) fee schedule.
Collateral:	Subordinate lien priority on subject real property.
Exceptions Policy:	All aspects of Pitkin County EHOP eligibility and underwriting criteria are subject to Staff-level exception authority. Loan terms and pricing must be approved by the Pitkin County.

Origination Procedures

Application:	Mortgage loan officer submits Loan File Checklist to IDF, complete with all documentation shown on the form. Any remaining documentation requirements will be detailed.
Processing:	IDF 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 CD. IDF will review and approve the final first mortgage CD prior to funding. Title insurance is not required for Pitkin County EHOP loans.
Requirements:	LOAN OFFICER'S ARE REQUIRED TO PRESENT ALL PITKIN COUNTY 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 Pitkin County EHOP loan documents or loan amount shown on the CD are permitted.
Post Closing:	The original deed will be recorded by title with all other original Pitkin County EHOP loan documents returned to IDF via overnight courier.