



**East West Hospitality  
Equity Share Down Payment Assistance Program  
Employee Home Ownership Program (EHOP)®**

Eligible Borrowers:	Full-time, year-round East West Hospitality (EWH) employees with at least five years of continuous employment with EWH and employed in Eagle County. EWH will award up to three loans annually to eligible employees meeting certain criteria. The awards will be determined by a Board and will be on a first-come-first-served basis. Employee must be pre-qualified for the primary loan and must qualify for the Eagle County Loan Fund (ECLF) down payment assistance program. Employee may not own other real estate at time of closing and must occupy home as primary residence during entirety of loan. Employee must close the loan within 90 days following the date of EWH's approval or, at EWH's election, Employee's loan may be disapproved and forfeited.
Eligible Property:	Single family homes, condominiums, townhomes, duplexes, modular homes or manufactured homes on a permanent foundation taxed as real property within the jurisdictional boundaries of Eagle County.  <b>Free-Market Properties:</b> Non-occupying co-borrower must appear on title and sign the Deed of Trust.  <b>Deed-Restricted Properties:</b> Non-occupying co-borrower cannot appear on title. No exceptions will be granted.
Income Threshold:	Complies with the ECLF income maximum criteria. As of the date of this program guideline, Borrower income, including income of non-occupying co-borrower, shall be no greater than 160% of the most recently published HUD Area Median Income adjusted for a <b>4-person household size</b> for Eagle County. Income is established by currently demonstrated income, excluding: overtime, shift bonus, commissions and bonus income that have not been earned consistently during the previous 2-year period and/or do not have a strong likelihood of continuance. <b>No income limit applied when borrower is purchasing a deed restricted unit in Eagle County. If a non-occupying co-borrower assists with the purchase of a deed restricted property, the original income limit will apply.</b>
Loan Amount:	Employees may be eligible for up to 3% of the purchase price up to a max loan amount of \$25,500.00.
Max. Purchase Price:	\$850,000.00
Employee Investment:	Employee contribution is 1% of the purchase price or 50% of the loan amount, whichever is less. Minimum employee investment is \$3,000.00.
Compatible Mortgages:	East West Hospitality EHOP loan may be used in conjunction with Conventional, Rural Development or VA loan products except first mortgages containing a negative amortization feature or a prepayment penalty. <b><u>FHA loans are NOT permitted with the East West Hospitality EHOP ECLF Equity Share loan.</u></b>

Loan to Value (LTV):	Minimum first mortgage LTV of 80% Maximum Combined LTV is 105% of purchase price.
Debt Ratio:	Maximum debt to income ratio of 45%. <i>No exceptions will be granted.</i>
Assets:	Borrower, including non-occupying co-borrower, may not have verified assets in excess of one- and one-half times the annual household income excluding retirement funds.
Repayment:	Ongoing principal and interest payments are not required. Payments for less than the full amount of principal, accrued interest, equity share and public recording fees are not accepted. The loan will become immediately due upon sale, transfer, refinance, when the home is no longer the primary residence or upon the death of the buyer. 15-year maximum term.  The loan will be 50% forgiven after ten years of full-time, year-round continued employment with EWH from the date of the loan closing. The forgiven portion of the loan will be taxable to the employee. Any early payoff of the loan by borrower before such ten-year threshold will result in a forfeiture of this forgiveness benefit.
Subordination:	There will be a separate note for the EWH loan and deed of trust securing the loan and recorded against the property. This deed of trust will be in the third lien position behind the primary loan deed of trust and the ECLF loan deed of trust. Any default on a senior loan will be a default in the EWH loan.  <b>Additional subordinations will be reviewed on a case-by-case basis.</b>
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 at closing. Fees are subject to change per Impact Development Fund (IDF) fee schedule.
Collateral:	Subordinate lien priority on subject real property.
Equity Share:	Loans repaid in full within the initial 24-month period will include loan principal only. Repayments that occur thereafter will include loan principal plus a pro rata share of recognized appreciation (if any) based upon the percentage of the ECLF loan to the original purchase price. (If EWH loan represents 3.0% of original purchase price, the borrower would repay the original principal balance plus 3.0% of the equity gain at the time of loan repayment.) At time of payoff request the appreciation of the home is established by appraisal, sales price, or satisfactory Comparative Market Analysis.
Rate Caps:	Not applicable.
Exceptions Policy:	All aspects of the EWH EHOP eligibility and underwriting criteria are subject to Staff-level authority. Loan terms, pricing and policy exceptions must be approved by EWH. Application of these guidelines is at the sole exclusive discretion of EWH.

Disclosures & Disclaimers: The benefits of this program may be taxable to employee.

THESE GUIDELINES ARE SUBJECT TO CHANGE OR TERMINATION  
WITHOUT NOTICE.

EWB has discretionary authority to interpret and apply these Guidelines and to  
determine the form of promissory note, deed of trust and other loan documents.

## Origination Procedures

Application:	<p>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.</p> <p>IDF representative will consult with the housing authority to verify deed-restriction status of property.</p>
Processing:	<p>Impact Development Fund will order title commitment and evidence of hazard insurance.</p> <p>Final loan documents are delivered electronically to loan officer for presentation to borrower. All outstanding items must be cleared prior to funding.</p>
Closing:	<p>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.</p>
Fees Collected:	<p>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 EWH EHOP.</p>
Requirements:	<p>LOAN OFFICERS ARE REQUIRED TO PRESENT ALL EAST WEST HOSPITALITY 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.</p>
Settlement:	<p>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 Closing Disclosure (CD) and return such funds for proper credit. No changes to the EWH EHOP loan documents or loan amount shown on the CD are permitted.</p>
Post Closing:	<p>The original deed will be recorded by title with all other original EWH EHOP documents returned to IDF via overnight courier.</p>

**East West Hospitality EHOP Maximum Loan Amount will be set at Loan Commitment Date – if a borrower should desire additional proceeds, the process will begin again and the entire loan amount will be subject to funds availability.**