



## Eagle County Housing and Development Authority ADU Program

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Eligible Borrowers:	Borrower must be the owner of an Eligible Property within Eagle County. Eligible Property is determined by Eagle County Housing and Development Authority. If a borrower is referred to IDF, property has already been determined as “eligible”.
Eligible Property:	The program will support the construction or build-out of ADUs within or attached to existing structures containing the principal use of the property, or detached from that structure, that are on a permanent foundation taxed as real property within the jurisdictional boundaries of Eagle County. Owner is responsible for completion of all due diligence and for confirming property eligibility based on zoning and local regulations, at time of application. Proof of approval from Homeowners Association(s), Design Review Board, and municipality or Eagle County, as applicable will be required.
Income Threshold:	None
Loan Amount:	Up to \$150,000 ( <i>IDF Staff will always assume max loan amount unless told otherwise by Eagle County Housing and Development Authority.</i> )
Borrower Investment:	Borrower will pay closing fees directly to Impact Development Fund. These include credit report fees, recording fees, and origination fees.
Loan to Value:	Maximum loan to value or combined loan to value of 90% based on appraised value.
Debt Ratio:	Maximum of 45%. <i>If above 45% IDF Staff will request an exception from ECHDA.</i>
Assets:	No restrictions
Repayment:	Principal and interest payments are required after initial period of one (1) year. Payments for less than the full amount of principal, accrued interest and public recording fees are not accepted.
<b>Subordinations will be reviewed on a case-by-case basis.</b>	
If sale or refinance of the subject property occurs within the term of the loan, the loan may be re-subordinated with the new buyer under certain conditions. Partial payments may be accepted. Loan can be repaid in full at any time without penalty. The Owner must notify IDF and ECHDA at least thirty (30) days prior to a sale or refinance of the property.	
Use of Funds:	Construction or build-out of ADUs within or attached to existing structures containing the principal use of the property, or detached from that structure, that are on a permanent foundation taxed as real property within the jurisdictional boundaries of Eagle County
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. Borrower is required to pay all applicable loan fees outside of closing directly to IDF.
Collateral:	First or second lien on subject real property.

Deferment:	During the first one (1) year of the Term (the “initial period”) the Loan shall not carry any interest and no Loan payments shall be due. After the expiration of the initial period, the Loan shall carry a maximum simple interest rate of 3% annually for the remainder of the Term or until the Loan is paid in full, whichever occurs first. Loan payments of principal and interest may be made on an annual basis.
Interest Rate:	After the initial period the interest rate is 3%.
Deed Restriction:	A Deed Restriction will be recorded against the property, specifically identifying the ADU, for a term of 15 years. The restriction will limit the use of the ADU to comply with the program guidelines. ECHDA Staff will file the Deed Restriction.
Acceleration:	Eagle County may accelerate and declare the Note principal and accrued interest to be immediately due and payable in full upon notification of any of the following events: <ol style="list-style-type: none"> <li>1. Loan proceeds are used for something other than ADU construction;</li> <li>2. The ADU is rented to someone other than an Eligible Household;</li> <li>3. The ADU is rented on a short term basis;</li> <li>4. The Owner fails to certify or recertify a Renter;</li> <li>5. The Loan is not paid when due in accordance with the Note;</li> <li>6. The unit remains vacant for a period of 90 days or greater, and/or;</li> <li>7. The rental rate exceeds the rental rates determined by 100% AMI for Eagle County, to include utilities and fees, as published by the Colorado Housing and Finance Authority.</li> </ol>
Exceptions Policy:	All aspects of the Eagle County ADU program’s eligibility and underwriting criteria are subject to Staff-level authority. Loan terms, pricing and policy exceptions must be approved by Eagle County. Application of these guidelines is at the sole exclusive discretion of Eagle County.

### **Origination Procedures**

Application:	Applicant is referred to Impact Development Fund through Eagle County. IDF loan officer will request all necessary documentation from applicant via email.  IDF representative will consult with the housing authority to verify loan amount.
Processing:	IDF will order evidence of hazard insurance.  Final loan documents are emailed to borrower with closing instructions.
Closing:	IDF will deliver loan proceeds directly to borrower(s) via ACH after executed loan documents and origination fee check are received.
Fees Collected:	The origination fee is collected via mail from borrower in addition to the public recording fee for the deed of trust (5 pages) and will appear on the Closing Disclosure (CD).
Post Closing:	The original deed will be recorded by IDF’s Servicing Department with all other original ADU documents returned to IDF.