

**Product Guideline  
Eagle County Division of Housing  
Down Payment Assistance Program**

Eligible Borrowers:	Borrowers must be employed within Eagle County with U.S. citizenship or otherwise legally in the United States on a permanent status and may not own other real estate at time of closing, subject to limited exceptions. Employment in Garfield and Pitkin Counties will be considered acceptable for Households purchasing in Eagle County in the Roaring Fork Valley. The purchased unit must be the borrower's primary residence while the loan is outstanding. <b><i>All borrowers must meet with the Eagle County Housing and Development staff prior to applying for this program.</i></b>
Income Threshold:	80% of the most recently published HUD Area Median Income, adjusted for actual household size within Eagle County. 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.
Eligible Properties:	Single family, duplexes, townhomes, condominiums and manufactured homes permanently affixed to permanent foundation and taxed as real property.
Minimum Income:	Recommended minimum income of 50% of the HUD Area Median Income unless prior approval is issued by ECHDA and additional counseling is provided by ECHDA.
Loan Amount:	4.5% of the contract purchase price or \$18,140 whichever is less.
Compatible Mortgages:	Eagle County Division of Housing funds may be used in conjunction with any first mortgage product except first mortgages containing a negative amortization feature or a prepayment penalty.
Max. Purchase Price:	Purchase price is limited to 95% of the Area Median Purchase Price for Eagle County.
Loan to Value:	Maximum Combined Loan to Value is 100% of purchase price.
Debt Ratio:	Recommended back ratio of 41%, with a maximum of 50% supported by verified compensating factors.
Minimum Investment:	Borrower must have a minimum direct transaction investment of 1% of the purchase price or \$1,000, <i>whichever is greater</i> , 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.
Repayment:	The loan will be repaid over a period not to exceed 30 years at an interest rate of 2.5%. The assistance will become immediately due upon the sale, transfer, refinance, when the house is no longer the primary residence, or upon the death of the buyer.
Use of Funds:	Down payment ( <b>funds can only pay for up to one-half of the down payment required by the primary mortgage</b> ), the funds can also be used for 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 30 years.
Loan Fees:	IDF origination fee shall be paid outside of closing by ECHDA, and be reflected as P.O.C. on the Closing Disclosure (CD). Fees are subject to change per Impact Development Fund (IDF) fee schedule.
Collateral:	Subordinate lien priority on subject real property.
Interest Rate:	2.5% simple interest.
Payments:	Monthly Payments are amortized over the 30 year loan term. <i>Payments can be deferred for the first 60 months of the loan upon request by the applicant and approval by ECHDA.</i>
Affordability Period:	To maintain the ongoing affordability of the property the borrower must maintain the property as their primary residence for a period of at least 5 years for loan amount less than \$15,000 and at least 10 years for loan amounts \$15,001 to \$18,140, regardless of loan payoff (unless the payoff is from the sale of the home).
Exceptions Policy:	All aspects of the Eagle County Division of Housing eligibility and underwriting criteria are subject to Staff-level exception authority. Loan terms and pricing must be approved by the ECHDA Loan Committee.

## **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. ECHDA must provide a completed Environmental Clearance form and property evaluation report for the IDF loan file. 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 paid outside of closing by ECHDA. A public recording fee for the deed of trust (4 pages) and origination fee 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 Eagle County Division of Housing loans.
Requirements:	LOAN OFFICER'S ARE REQUIRED TO PRESENT ALL EAGLE COUNTY DIVISION OF HOUSING 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 regardless of total contribution. Title will be instructed to show any excess proceeds as a principal reduction to IDF on the first mortgage Closing Disclosure (CD) and return such funds for proper credit. No changes to the Eagle County Division of Housing loan documents or loan amount shown on the CD are permitted as a result of excess proceeds.
Post Closing:	The original deed will be recorded by title with all other original Eagle County Division of Housing loan documents returned to IDF via overnight courier. Any excess proceeds will be applied as principal reduction, with applicable notice delivered to the borrower upon receipt.