



**Telluride Foundation  
Housing Opportunity Fund  
Equity Share Down Payment Assistance Program**

**Eligible Borrowers:** Borrower (at least one Borrower in a co-borrower situation) must work full-time (no less than 1,400 hours annually) in the Telluride Foundation's Service Area for at least the past 12 months. Borrowers may not presently own any other property (residential, commercial, improved or land). The purchased unit must be the Borrower's primary residence while the loan is outstanding.

**Telluride Service Area:** Service Area is San Miguel & Ouray Counties, west Montrose County (Nucla and Naturita) and the town of Rico in Dolores County.

**Eligible Properties:** Single family homes, condominiums, townhomes, duplexes, modular homes or manufactured homes on a permanent foundation taxed as real property located within the Telluride Foundation's Service Area.

**Purchased home must be or become "Deed Restricted" to ensure its affordability in perpetuity.\***

*\*For homes located in Nucla and Naturita the home does NOT need to be Deed Restricted.*

**Max. Purchase Price:** \$850,000; except in Nucla and Naturita (Montrose County) where the max. purchase price is \$300,000.

**Income Threshold:** Borrower's income, including income of non-occupying co-borrower, shall be no greater than 150% of the most recently published HUD Area Median Income adjusted for actual household size for the applicable County the subject property is located in. 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.

**Loan Amounts:** Up to 20% of purchase price with maximum loan amounts as follows:

- The maximum loan amount in Ouray County and the town of Rico in Dolores County is \$50,000.
- The maximum loan amount in Nucla and Naturita (Montrose County) is \$30,000.
- The maximum loan amount in San Miguel County determined on a case-by-case basis depending on subject property location.

**Application of Funds:** Funds may only be used for down payment, closing costs, and pre-paid items related to the primary loan. Telluride Foundation loan may be stacked with other down payment assistance programs.

**Compatible Mortgages:** Down payment assistance loan may be used in conjunction with conforming conventional or portfolio products. *FHA, VA, Subprime and other non-conforming products are not permitted.*

**Loan to Value:** Maximum Combined Loan to Value is 100% of purchase price.

**Debt Ratio:** Maximum back ratio of 45%.

**Minimum Investment:** Borrower must have a minimum investment of \$1,000.

Assets:	Borrower may not have liquid assets in excess of one and one half times the household income, excluding retirement accounts.																				
Repayment:	<b>Loans repaid in full within the initial 36 month period will include loan principal only.</b> Monthly principal and interest payments are not required. The Equity Share down payment assistance loan may be repaid at any time and there is no prepayment penalty. Loan is due upon sale, transfer of title, when the primary mortgage is paid off, or when the property is no longer owner-occupied. Repayments will include principal plus a pro rata share of the recognized appreciation (if any) based upon the percentage of the down payment assistance loan amount to the original purchase price. At the time of pay off request, the appreciation of the home is established by a borrower-paid appraisal, sales price or satisfactory Comparative Market Analysis completed by Impact Development Fund and approved by the Telluride Foundation.																				
Equity Share:	<p><b><u>EXAMPLE:</u></b></p> <table> <tr> <td>Purchase Price</td><td>\$600,000</td></tr> <tr> <td>Telluride Foundation DPA Loan</td><td>\$50,000</td></tr> <tr> <td>Principal to Original Sales Price Ratio</td><td>8%</td></tr> <tr> <td>Sales Price</td><td>\$700,000</td></tr> <tr> <td>Gross Appreciation</td><td>\$100,000</td></tr> <tr> <td>Shared Appreciation (\$100,000 x 8%)</td><td><b><u>\$8,000</u></b></td></tr> <tr> <td>Borrower Realized Appreciation</td><td><u>\$92,000</u></td></tr> <tr> <td>Telluride Foundation DPA Loan Principal</td><td>\$50,000</td></tr> <tr> <td>Equity Share</td><td><u>\$8,000</u></td></tr> <tr> <td>Total Loan Repayment</td><td><b><u>\$58,000</u></b></td></tr> </table>	Purchase Price	\$600,000	Telluride Foundation DPA Loan	\$50,000	Principal to Original Sales Price Ratio	8%	Sales Price	\$700,000	Gross Appreciation	\$100,000	Shared Appreciation (\$100,000 x 8%)	<b><u>\$8,000</u></b>	Borrower Realized Appreciation	<u>\$92,000</u>	Telluride Foundation DPA Loan Principal	\$50,000	Equity Share	<u>\$8,000</u>	Total Loan Repayment	<b><u>\$58,000</u></b>
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Repayment Incentive:	Loans repaid in full within the initial 36 month period will include loan principal only and are not subject to the equity share.																				
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.																				
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.																				
Rate Caps:	Not Applicable.																				
Subordinations:	All subordination requests will be reviewed on a case-by-case basis and are subject to approval by the Telluride Foundation.																				
Exceptions Policy:	All aspects of the Telluride Foundation down payment assistance loan eligibility and underwriting criteria are subject to Telluride Foundation exception authority.																				

## Origination Procedures

Application:	Mortgage loan officer shall submit to Impact Development Fund the Loan File Checklist complete with all documentation shown on the form.
Processing:	Impact Development Fund will order title commitment and evidence of hazard insurance. Final equity share documents are delivered electronically to loan officer for presentation to borrower. All outstanding items must be cleared prior to funding.
Closing:	Impact Development Fund will deliver closing instructions and loan proceeds directly to the title company. Funds transferred by wire should be sent 24 hours prior to scheduled closing date. The loan officer shall 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.
Requirements:	The Eligible Borrower's loan officer shall present all required documents at, or prior to, closing. The borrower and loan officer shall execute the Lender Certification form, acknowledging disclosure of all loan terms and contact information.
Settlement:	No changes to loan documents or loan amount shown on the Closing Disclosure are permitted.
Post Closing:	The original deed will be recorded by title with all other original Telluride Foundation loan documents and returned to Impact Development Fund via overnight courier.

*IDF and the Telluride Foundation do not discriminate against anyone through its lending practices or in any other decision-making processes due to race, color, religion, gender, disability, sexual preference, age, family status and/or national origin.*