



Product Guideline
Mt. Crested Butte Water & Sanitation District
Employer Assisted Housing Benefit
Employee Home Ownership -EHOP®

Purpose:	Provide a secured, subordinate loan to assist eligible employees in good standing with the purchase of a primary residence. This benefit is offered on a first-come, first-served basis.
Eligible Borrowers:	Non-probationary regular full-time employees in good standing with The District who own no other residential property in Gunnison County. Employees who own residential property outside of Gunnison County must have the property currently listed for sale or rented at fair market value. One employee loan per household. District Manager shall evaluate employee's eligibility to participate in the program.
Eligible Property:	Primary residence only. Property located in Gunnison County within 20-minute response time, an area generally defined to the north as the Town of Mt. Crested Butte, to east and west as the Town of Crested Butte and Meridian Lake Park, and to the south as Crested Butte South Metropolitan District. Eligible homes must be real property, permanently attached to a foundation and conform to all prevailing building code standards. Any exceptions shall be upon approval of the District Manager.
Income Threshold:	None
Loan Amount:	10% of the purchase price, maximum \$20,000
Compatible Mortgages:	Employees and co-borrower(s) must qualify for primary mortgage financing through a reputable lending institution offering terms acceptable to both the employee and the District. Subprime, Interest-only, negative amortizing, balloon and short-term adjustable rate mortgages not permitted.
Loan to Value:	Maximum Combined Loan to Value is 100% of purchase price.
Debt Ratio:	Maximum of 45% DTI
Minimum Investment:	Borrower must have a minimum investment of 1% of the purchase price from a source acceptable to the primary lender or \$3,000 whichever is greater. In no case may the Seller or the premium pricing of the mortgage interest rate satisfy the minimum requirement.
Interest Rate:	Interest rate index established at time of application as published on ColotrustPlus, + 2.00% margin. <i>Employee shall receive a discounted interest rate equal to ColotrustPlus + 1.00% while employed with the District.</i> If employee terminates employment with the District, the interest rate will default back to the note rate as established at application.
Repayment:	Monthly payment of principal and interest to fully amortize the loan within the original term. Lump sum repayment is required upon property sale, refinance of the primary mortgage, or the home is no longer occupied as the primary residence. <i>There are no prepayment penalties.</i>
Use of Funds:	Down payment, closing cost, interest rate buydown of primary mortgage only. Borrower may not receive any loan proceeds at closing.

Homebuyer Education:	Fannie, Freddie, HUD or CHFA approved Homeownership counseling is strongly encouraged prior to loan closing from an approved provider. Required for first time homebuyers.
Term:	Maximum term is 15 years.
Loan Fees:	\$400 payable at time of loan closing. Subject to change per Impact Development Fund (IDF) fee schedule.
Collateral:	Subordinate lien priority on subject real property.
Exceptions Policy:	All aspects of The District's EHOP eligibility and underwriting criteria are subject to MCBWSD exception authority.

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. 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 shall be collected at closing, in addition to the public recording fee for the deed of trust (4 pages), and will appear on the Closing Disclosure. All settlement figures should appear on a separate Closing Disclosure. FP will review and approve the final first mortgage CD prior to funding. <i>Title insurance is required for MCBWSD EHOP loans.</i>
Requirements:	LOAN OFFICER'S ARE REQUIRED TO PRESENT ALL 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 EHOP loan documents or loan amount shown on the Closing Disclosure are permitted.
Post-Closing:	The original deed will be recorded by Title Company with all other original EHOP loan documents returned to IDF via overnight courier.