



NoCo Foundation Down Payment Assistance Equity Share Product Guideline

Eligible Borrowers:	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. Occupying borrowers must have 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.
Service Area:	Larimer and Weld Counties.
Eligible Properties:	Single family homes, condominiums, townhomes, duplexes, modular homes or manufactured homes on a permanent foundation taxed as real property within NoCo Foundation's (Foundation) Service Area.
Max. Purchase Price:	\$650,000
Income Maximum:	<p>Borrower's income, including income of non-occupying co-borrower, shall be no greater than 120% of the most recently published HUD Area Median Income adjusted for actual household size for the applicable County the subject property is located in.</p> <p>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.</p>
Loan Amounts:	Up to 15% of the purchase price.
Use of Funds:	Down payment, closing costs and pre-paid items related to the primary loan. NoCo Foundation loan may be stacked with other down payment assistance programs.
Compatible Mortgages:	Funds may be used in conjunction with conforming conventional and certain portfolio programs that offer fixed or intermediate variable rate terms designed for entry-level buyers. (i.e., FLEX, My Community, 5/1, 7/1, etc.). <i>FHA, VA, Subprime and other non-conforming products are <u>not permitted</u>.</i>
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 equal to or greater than of 5% of the purchase price.
Assets:	Borrower may not have verified net assets in excess of one and one half times the household income, excluding government approved retirement funds.
Exceptions Policy:	All aspects of the program eligibility and underwriting criteria are subject to Foundation's exception authority.

Repayment: 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 NoCo Foundation.

Equity Share Example:	Original Purchase Price	\$600,000
	NoCo Foundation DPA Loan	\$90,000
	DPA to Original Purchase Price Ratio	15%
	<u>Payoff Calculation:</u>	
	Future Sales Price	\$800,000
	Gross Appreciation	\$200,000 <i>Shared</i>
	Shared Appreciation (\$200,000 x 15%)	<u>\$30,000</u> Borrower
	Borrower Realized Appreciation	\$170,000
	NoCo Foundation DPA Loan Principal	\$90,000 <i>Equity</i>
	<u>Equity Share</u>	<u>\$30,000</u>
	Total DPA Loan Repayment	\$120,000

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: Impact Development Fund (IDF) origination fee charged at closing. Fees are subject to change per IDF Fee Schedule.

Collateral: Subordinate lien secured by a Deed of Trust on subject real property.

Origination Procedures

Application:	Primary mortgage loan officer shall submit to IDF the Loan File Checklist complete with all documentation shown on the form.
Processing:	IDF will order title commitment and evidence of hazard insurance. Final equity share 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 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 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 NoCo Foundation DPA loan documents returned to IDF via overnight courier.

IDF and the NoCo 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, or national origin.