



Impact Development Fund

Colorado Roots Down Payment Assistance Fund

Product Guideline

Eligible Borrowers:	First time homebuyers purchasing a primary residence. The home must be the borrower's primary residence while the loan is outstanding. Verification of lawful presence of Borrowers in the United States is not required.
Eligible Properties:	Single family residence, duplex, townhomes, condominiums and manufactured homes permanently affixed to permanent foundation and taxed as real property. Subject property must be located in a jurisdiction or community that has a committed Proposition 123 Local Government Affordable Housing filing with the Division of Housing – See attached Exhibit 1. Subject property on existing homes must meet Housing Quality Standards (HQS) as determined by third party inspection and cannot be located in a FEMA designated flood plain. The property must be owner/seller occupied or vacant at the time an offer is made. This must be documented by securing a copy of the appraisal, completed by a Colorado licensed real estate appraiser, which states the occupancy status of the home. <i>Tenant occupied homes are <u>ineligible</u> unless the tenant is also the purchaser.</i>
Income Maximum:	Income up to 120% or less of the most recently published HUD Area Median Income adjusted for actual household size, in the subject property county. “Annual income” for determining AMI is defined in 24 CFR 5.609, which is the source of truth for determining income, and is the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period. Qualifying income for the down payment assistance loan 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. Borrower must provide complete documentation of income and assets, including but not limited to the previous year's tax returns, pay stubs, and self-employed profit and loss statements. The income of other parties on title to the property but not living in the household and income from non-occupant co-signers also does not count towards household income is not included in the AMI calculation. Documentation the co-signer resides at another location must be provided.
Loan Amount:	Up to 10% of the purchase price of the home. \$50,000 maximum loan amount.
Debt Ratios:	Front end debt ratio at or below 38% and maximum back ratio of 45%.
Repayment:	Households earning 100% or less AMI: the loan will be repaid via principal and interest monthly payments over a period not to exceed 30 years at 1.00% interest. Households earning 101-120% AMI: the loan will be repaid via principal and interest monthly payments over a period not to exceed 30 years at an interest rate of 2.0%. 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 borrower.

Use of Funds:	Down payment, closing costs and pre-paid items related to the primary loan.
Homebuyer Training:	Required on all loans, as evidenced by an HUD approved provider.
Term:	Maximum 30 years
Loan Fees:	No origination charge collected from the borrower. Borrower will be responsible for applicable Clerk and Recorder charges to record the Deed of Trust, as well as any closing fees incurred from the Title Company/Closing Agent.
Collateral:	Second lien position on subject property is preferred; however, the Colorado Roots loan can be in a more junior lien position with prior approval from the Colorado Division of Housing as long as the other subordinate loan is from a non-profit, government entity or another DPA provider and the combined loan to value cannot exceed 100%.
Interest Rate:	Households at 100% or less AMI: 1.00% fixed interest rate Households at 101-120% AMI: 2.00% fixed interest rate
Compatible Mortgages:	DPA funds may be used in conjunction with conventional or portfolio first mortgage product except those containing a negative amortization feature or prepayment penalty. <u>FHA mortgages are not permitted.</u>
Combined Loan to Value:	Maximum CLTV is 100% of purchase price.
Minimum Investment:	Borrower must have a minimum direct transaction investment. Borrower contribution will be calculated as the greater of \$1,000 or 1.0% of the purchase price 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 must spend down all liquid assets above \$50,000 when purchasing a home. Liquid assets are those readily convertible to cash, (including but not limited to savings, checking, certificates of deposit, stock and bonds). Tax-preferred retirements accounts, college savings plans and health savings accounts are not considered liquid assets.
Affordability Period:	Borrower must <i>maintain the property as their primary residence for a period of at least 5 years</i> , regardless of loan payoff (unless the payoff is recaptured through the sale of the home or foreclosure).
Exceptions Policy:	All aspects of the DPA eligibility and underwriting criteria are subject to Staff-level exception authority.
Loan Committee Review:	IDF's Loan Committee will be responsible for an annual audit of DPA files in accordance with IDF Loan Policies and Procedures as well as Colorado Division of Housing Proposition 123 criteria.

Origination Procedures

Application:	Mortgage loan officer submits Loan File Checklist to Impact Development Fund ("IDF"), complete with all required documentation. A loan commitment is usually issued within 48 hours, or less. Any remaining documentation requirements will be detailed.
Processing:	IDF will order site specific flood cert. for the subject property. IDF will order evidence of hazard insurance and a copy of the title commitment. Final loan disclosures are delivered electronically to the first mortgage loan officer and settlement agent at the Title Company for balancing prior to presentation to the borrower. All required loan disclosures will be delivered directly to the borrower in accordance with federal and state mortgage regulations. All outstanding items must be cleared prior to funding.
Closing:	IDF will deliver closing instructions, final loan document package and loan proceeds direct to title. Wires are sent 24 hours prior to the scheduled closing date.
Fees Collected:	A public recording fee for the deed of trust and reasonable closing fees assessed by the Title Company will appear on the DPA Closing Disclosure (CD). IDF will review and approve the final first mortgage CD prior to funding. Title insurance is not required for the DPA subordinate mortgage.
Requirements:	Both the borrower and first mortgage 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 to the borrower. No changes to the DPA loan documents or loan amount shown on the CD are permitted as a result of excess proceeds.
Post-Closing:	The original Deed of Trust will be recorded by title with all other original 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.
Equal Opportunity Lender:	IDF does 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.





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Service Area List

Akron, Town of

Alamosa, City of

Archuleta, County of

Aspen, City of

Avon, Town of

Baca, County of

Basalt, Town of

Bennett, Town of

Berthoud, Town of

Boulder, City of

Boulder, County of

Breckenridge, Town of

Brush, City of

Carbondale, Town of

Center, Town of

Central, City of

Clear Creek, County of

Cortez, City of

Costilla, County of

Craig, City of

Creede, City of

Crested Butte, Town of

Crestone, Town of

Cripple Creek, City of

Del Norte, Town of

Dolores, County of

Dolores, Town of

Dove Creek, Town of

Durango, City of

Eads, Town of

Eagle, County of

Eagle, Town of

Eaton, Town of

Empire, Town of

Erie, Town of

Estes Park, Town of

Firestone, City of

Flagler, Town of

Fort Collins, City of

Fort Lupton, City of

Fort Morgan, City of

Fraser, Town of

Garden City, Town of

Garfield, County of

Georgetown, Town of

Gilpin, County of

Granada, Town of

Granby, Town of

Grand Lake, Town of

Grand, County of

Greeley, City of

Gunnison, City of

Gunnison, County of

Gypsum, Town of

Haswell, Town of

Hinsdale, County of

Holly, Town of

Holyoke, Town of

Hugo, Town of

Idaho Springs,

Ignacio, City of

Julesburg, Town of

Kiowa, County of

Kit Carson, Town of

Kremmling, Town of

La Jara, Town of

La Plata, County of

La Veta, Town of

Lafayette, City of

Lake City, Town of

Lamar, City of

Larimer, County of

Limon, Town of

Log Lane Village, Town of
Longmont, City of
Louisville, Town of
Loveland, City of
Lyons, Town of
Mancos, Town of
Meeker, Town of
Mineral, County of
Minturn, Town of
Monte Vista, City of
Montezuma, County of
Mount Crested Butte, Town of
Mountain Village, Town of
Nederland, Town of
New Castle, Town of
Ouray, City of
Ouray, County of
Ovid, Town of
Pagosa Springs, Town of
Parachute, Town of
Phillips, County of
Pitkin, County of
Platteville, Town of
Poncha Springs, Town of
Pritchett, Town of
Prowers, County of
Pueblo, City of

Pueblo, County of
Rangely, Town of
Red Cliff, Town of
Rico, Town of
Ridgway, Town of
Rifle, City of
Rio Grande, County of
Saguache, Town of
Saguache, County of
San Luis, Town of
San Miguel, County of
Sedgwick, City of
Sedgwick, County of
Sheridan Lake, Town of
Silt, Town of
Silver Cliff, Town of
Silver Plume, Town of
Silverthorne, Town of
Silverton, Town of
Snowmass Village, Town of
South Fork, Town of
Southern Ute, Tribe of
Springfield, Town of
Sterling, City of
Superior, Town of
Telluride, Town of
Trinidad, City of
Ute Mountain Ute, Tribe of

Vail, Town of
Walsh, Town of
Washington, County of
Wiggins, Town of
Wiley, Town of
Windsor, Town of
Winter Park, Town of
Wray, City of
Yuma, City of
Yuma, County of