



Impact Development Fund City of Boulder House to Home Ownership (H2O) Shared Appreciation Down Payment Assistance Program Guidelines

Eligible Borrowers:	Borrowers who have not owned a residence within the past three (3) years, unless divorced within that period. This applies to all signers to the loan. Borrowers must work within the City limits of Boulder, unless retired or permanently disabled.
Eligible Properties:	Permanently affixed real property unencumbered by deed restriction and not governed under a land trust agreement. Property must be located within the City Limits of Boulder.
Income Threshold:	150% of the most recently published HUD Area Median Income, adjusted for actual household size for Boulder County. <i>Refer to Income and Asset limits Table on page 3.</i>
Loan Amount:	30% of home purchase price up to a maximum of one-hundred thousand dollars (\$100,000.00).
Compatible Mortgages:	H2O may be used in conjunction with Conventional loans or first mortgage financing that meets the City Loan Requirements. <i>FHA, VA, Subprime and other non-conforming products are <u>not permitted</u>.</i>
Loan to Value:	Maximum Combined Loan to Value is one hundred percent (100%) of purchase price.
Debt Ratio:	Maximum back ratio of 45%.
Minimum Investment:	Borrower must have a minimum direct transaction investment of one percent 1% 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:	<i>See Income and Asset Limits Table on page 3.</i>
Payments:	Principal and interest payments are not required. Payments for less than the full amount of principal, accrued interest and public recording fees are not accepted. Subsequent subordination requests for cash-out refinances are not permitted.
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 a Fannie Mae, Freddie Mac, HUD or CHFA-approved provider. Borrower must also attend the City of Boulder Homeownership Programs Orientation.
Term:	Maximum term is thirty (30) years.
Loan 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.
Repayment:	Loans repaid in full within the initial 24-month period will include loan principal only. Repayments that occur thereafter will include loan principal plus a pro rata share of recognized appreciation (if any) based upon the percentage of the H2O loan to the original purchase price. (If H2O loan represents 15% of original purchase price, the Borrower would repay the original principal balance plus 15% of the appreciation gain at the time of loan repayment.) At time of pay off request the appreciation of the home is established by appraisal, sales price or satisfactory Comparative Market Analysis completed by Impact

Development Fund and approved by the City of Boulder. If the value has decreased the loan payoff will include loan principal only.

Equity Share:

EXAMPLE:

Purchase Price	\$500,000
H2O Shared Appreciation DPA Loan	\$100,000
Principal to Original Sales Price Ratio	20%
Sales Price	\$700,000
Gross Appreciation	\$200,000
Shared Appreciation (\$200,000 x 20%)	<u>\$40,000</u>
Borrower Realized Appreciation	\$160,000
H2O Shared Appreciation DPA Loan Principal	\$100,000
Equity Share	<u>\$40,000</u>
Total Loan Repayment	\$140,000

Exceptions Policy:

All aspects of the City of Boulder H2O eligibility and underwriting criteria are subject to City staff-level exception authority. Loan terms and pricing must be approved by IDF.

Origination Procedures

Application:

Mortgage loan officer submits Loan File Checklist to Impact Development Fund, complete with all documentation shown on the form. 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 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). IDF will review and approve the final first mortgage CD prior to funding. Title insurance is not required for City of Boulder H2O loans.

Requirements:

LOAN OFFICERS ARE REQUIRED TO PRESENT ALL CITY OF BOULDER H2O 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 City of Boulder H2O 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 City of Boulder H2O 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.

Program Requirements

City of Boulder House to Home Ownership (H2O) Down Payment Assistance (DPA) Loan Program Guidelines

2026 Income and Asset Limits Table

Number of People	Income Max 150% AMI	Assets Max
1 person	\$157,500	\$158,250
2 People	\$180,000	\$180,750
3 People	\$202,500	\$203,400
4 People	\$225,000	\$225,990
5 People	\$243,000	\$244,050
6 People	\$261,000	\$262,050
7 People	\$279,000	\$280,200
8 People	\$297,000	\$298,200

Income Threshold: Income is established by currently demonstrated income, excluding any of the following, which have not been earned consistently during the previous two (2) year period and do not have a strong likelihood of continuance:

- Overtime
- Shift bonus
- Commissions
- Bonus Income

Assets: Retirement assets with Internal Revenue Service early withdrawal penalty are not counted against the asset limits up to the following amounts:

- Under Age 40: \$30,000.00
- Ages 40-55: \$55,000.00
- Over Age 55: \$110,000.00

The amount of the Borrower's down payment, up to twenty percent (20%) of the purchase price, is not counted against the asset limit. For Borrowers who are retired or permanently disabled, the amount of the down payment up to one hundred percent (100%) of the purchase price is not counted against the asset limit.

Impact Development Fund and the City of Boulder do not discriminate against anyone through their lending practices or in any other decision-making processes due to race, color, religion, gender, disability, sexual preference, age, family status, or national origin.

