Impact Development Fund
Shared Appreciation Down Payment Assistance Program Guidelines
for Dearfield Fund Purchase Program

Eligible Homebuyers

Eligible homebuyers must be first-time homebuyers who currently reside in a Colorado low- or moderate-income census tract, defined as a tract with median family income at or below 80% of area median income under FFIEC designations, and who are planning to buy a home in the State of Colorado. (See pages 5 through 14 for eligible census tracts). Applicant(s) must be U.S. Citizens or have lawful permanent resident status. Homebuyers must qualify as first-time buyers under FNMA guidelines. The purchased unit must be the homebuyer's primary residence while the investment is outstanding.

Eligible Property

Single-family homes, condominiums, townhomes, duplexes, and factory-built/manufactured homes that are attached to a foundation in the State of Colorado. Properties with a land trust from Elevation Community Land Trust and properties with a Habitat for Humanity deed restriction are eligible for Dearfield financing; *any other land trust or deed restriction programs must be vetted and approved by the Dearfield staff prior to loan submission.*

Approved Lender

First mortgage lenders must be on the Dearfield's Approved Lender list or in the case of CHFA originated loans, on the CHFA Participating Lender List. For lender inquires on program participation, lender must contact: loanservicing@dearfieldfund.com

Compatible Mortgages

Primary mortgage must be an approved Conventional Fannie Mae or portfolio loan product. The Dearfield down payment assistance program is **not** compatible with Conventional Freddie Mac or Government loans (FHA, VA, or RD).

Compatible Loan Terms

Fixed-rate mortgages or adjustable-rate mortgages with an initial fixed-rate period of at least seven (7) years.

Income Threshold

Applicant(s) income not to exceed 150% of the most recent published HUD Median Family Income for the HUD defined area in which the subject property is located, adjusted for household size.

Total Debt Ratio

Maximum back end ratio of forty eight percent (48%).

Loan Amount

Up to 20% of purchase price with a maximum of fifty thousand dollars $50,000.00.

Max. Purchase Price

Maximum purchase price is limited to the Federal Housing Finance Agency (FHFA) conforming loan limit values. Resource here: https://www.fhfa.gov/news/news-release/fhfa-announces-conforming-loan-limit-values-for-2026. *The higher loan limits for high cost areas in select Colorado counties are not considered.*

Homebuyer Equity

The borrower equity contribution is the **lesser** of:

- 1% of the purchase price or two (2) months mortgage payment as reserves (can be satisfied through the equivalent total in grants/gifts) or
- The minimum contribution as per the first mortgage lender requirements.

Loan-to-Value Ratio	Minimum first mortgage Loan-to-Value ratio (LTV) of 80%. Maximum Combined LTV ratio is 105% of purchase price.
Repayment	Monthly payments are not required. The Principal Amount (initial down payment support), and Shared Equity (any share of home value appreciation, if applicable), will become due immediately upon sale, transfer, refinance, or when the home is no longer the primary residence.
Equity Share	Full Principal Amount repayment of the loan within eighteen (18) months of closing will only require repayment of the initial Principal Amount received from the down payment assistance loan. Repayments that occur after 18 months will require repayment of the Principal Amount of the down payment assistance loan and the *lower* of 8% or pro-rata share of recognized appreciation (if any).
Use of Funds	Down payment, closing costs, prepaid items related to the primary loan, and permanent rate buy-downs (restrictions apply, see below). Up to $10,000 of the total Dearfield loan can be used for a permanent rate buy-down. **Funds cannot be used for temporary rate buydown or temporary reductions in rates.**
Term	Loan term must match the primary loan with a maximum of thirty (30) years.
Loan Fees:	IDF origination fee charged at closing and paid by homebuyer. Fees are subject to change per Impact Development Fund (IDF) fee schedule.
Collateral	Subordinate lien on subject real property. For conventional and portfolio products: Dearfield loan in second lien position. For CHFA loans: Dearfield loan in the third lien position, when paired with a CHFA + DPA loan offering.
Exceptions Policy	All components of Dearfield loan structure, eligibility, and underwriting criteria are subject to the Dearfield's staff authority. Any exceptions to the criteria stated above are subject to the Dearfield's staff approval.

Origination Procedures

Application	Mortgage loan officer submits Loan File Checklist to Impact Development Fund (IDF), 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 the loan officer for presentation to the borrower. All outstanding items must be cleared prior to funding.
Closing	**Impact Development Fund will be the lender of record on the loan closing documents and will originate, close, and fund the Dearfield loans.** IDF will deliver closing instructions and loan proceeds directly 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 and paid by the homebuyer. The public recording fee for the deed of trust (4 pages) is required 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 the Dearfield loan.
Requirements	LOAN OFFICERS ARE REQUIRED TO PRESENT ALL DEARFIELD LOAN DOCUMENTS AT, OR PRIOR TO, CLOSING. Both the homebuyer and loan officer must execute the Lender Certification form, acknowledging disclosure of all loan terms and contact information.
Settlement	The homebuyer 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 Closing Disclosure (CD) and return such funds for proper credit. No changes to the Dearfield loan documents or down payment equity amount shown on the CD are permitted.
Post-Closing	The original deed will be recorded by title with all other original Dearfield loan documents returned to IDF via overnight courier.

Illustrative Financing

Equity Share Example:

Purchase Price:	$500,000.00
Dearfield DPA Loan	$50,000.00
Sales Price	$700,000.00
Gross Appreciation	$200,000.00
Shared Appreciation ($200,000 x 8%*)	$16,000.00
Borrower Realized Appreciation	**$184,000.00**
Dearfield DPA Loan Principal	$50,000.00
Equity Share	$16,000.00
Total Loan Repayment	$66,000.00

*Max 8% Shared Appreciation Cap at repayment of loan.

The Dearfield loan principal plus shared appreciation is due 30 years from the date of purchase, or when the home is sold or refinanced.

Impact Development Fund and the Dearfield Fund 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.