



Product Guidelines
City of Louisville
Historic Preservation Loan Fund

- Eligible Borrowers:** Applicants may include natural persons and/or legal entities registered in good standing with the Colorado Secretary of State. All borrowers and guarantors must demonstrate U.S. citizenship or permanent legal residency in the United States.
- Eligible Properties:** Physical structures located within Louisville city limits and Historic Old Town Louisville, and landmarked pursuant to Louisville Municipal Code Chapter 15.36. If the structure is not eligible for landmark designation, a conservation easement for preservation of the site or structure (or portion thereof) of historical significance must be granted to the City.
- Eligible Projects:** Preservation, restoration and rehabilitation of external, structural and mechanical elements of a property. Project scope may include sustaining the existing form, preserving the integrity, stabilization and adapting the property for contemporary use within the bounds of historic, architectural and cultural values. Up to 10% of the loan amount may be designated for one-time actions considered routine maintenance items, including painting. A structural assessment shall be required pursuant to Section 2 of City of Louisville City Council Resolution No. 2, Series 2012, before an applicant may apply for a loan.
- Income Verification:** Income is established according to an average of the most recent two-year period. For individuals, income documentation will consist of 30-day paystubs and/or federal tax returns for the most recent 2-year period depending upon employment status. Income will exclude overtime, shift bonus, commission and bonuses that have not been earned consistently during the period.
- Legal entities must provide federal tax returns for the most recent 2-year period plus year-to-date financial statements. Guarantors must provide personal returns for the most recent 2-year period.
- Collateral & Easement:** Grant of deed of trust in favor of the City for the full loan amount recorded upon the subject property. Additionally, a conservation easement (for non-landmarked property) will be recorded against the property, per Resolution No. 4, Series 2014, Section 2 (g).
- Combined Loan to Value:** Total of all existing liens plus proposed loan amount not to exceed 100% of market value as provided in the most recent available valuation by the Boulder County Assessor.
- Loan Amount:**
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| Owner-Occupied Residential: | Minimum \$2,500 |
| Commercial: | Minimum \$2,500 |
- Debt Ratio:**
- Owner-Occupied Residential: Total monthly contractual debt divided by monthly income shall not exceed 45%.
- Commercial: Net operating income divided by combined debt service shall not be less than 1.25.
- Repayment:** Monthly payments of principal and interest to fully amortize the loan within the established term. Loan will become immediately due upon sale, transfer, refinance, or when a home is no longer occupied as the primary residence, and may provide for default and acceleration in the event of noncompliance with the conditions of the loan.
- Term:**
- | | |
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| Owner-Occupied Residential: | Loan amount ≤ \$10,000 maximum term 7 years |
| | Loan amount > \$10,000 maximum term 20 years |
| Commercial: | Loan amount > \$10,000 maximum term 15 years |

The conservation easement required in connection with a loan for non-landmarked property may be divested only with City Council approval, and no divestment may be approved prior to 15 years after the granting of the easement.

Loan Fees: Owner-Occupied Residential: \$400 paid at time of loan closing
 Commercial: \$500 or 1.0% of loan amount, whichever is greater
 As amended from time-to-time according to the most recently published IDF Loan Fee
 Schedule.
 Public recording fees, shipping and credit reporting fees shall apply.

Interest Rate: Fixed rate equal to *Wall Street Journal Prime* as established at time of program application
 to the city minus 2.00%. (WSJ Prime Rate – 2.00% = Interest Rate)

Origination Procedures

- Project Review:** Property owner(s) must first meet with designated City staff to present project scope, elements and budget (“project application”). Upon favorable review, the proposed project will be reviewed by the City Historic Preservation Commission for a recommendation to approve, reject or modify the proposed project. The Commission’s recommendations regarding the proposed work and grant funding, if any, will be forwarded to City Council for final determination.
- Application:** Upon City Council approval of a project request, property owner(s) will complete and submit a loan application to Impact Development Fund (IDF) for consideration of additional financial support. A credit determination and initial disclosures are typically issued within 48 hours, or less of receiving a complete application package. Any remaining documentation requirements will be detailed.
- Processing:** IDF will verify detail submitted by the applicant, assemble additional documentation as necessary and confirm all loan terms with the applicant prior to loan closing.
- Project Initiation:** Upon notification of approval and acceptance of all loan terms, property owner(s) must enter into a formal agreement with the City which incorporates an approved project application, easement(s) and restrictions. With the completed agreement property owner(s) will be authorized to initiate proposed work. Only under the limited circumstances shown below will loan proceeds be made available prior to final completion of the project.
- Closing:** Property owner(s) and/or worker(s) will advise IDF of the firm completion date at the earliest possibility. Upon completion to the satisfaction of the property owner(s), IDF will deliver all loan documents to the borrower(s) and guarantor(s), as applicable, with a minimum review time of 3 business days prior to execution. Borrower(s) must arrange to have all signatures notarized on the security instrument and promptly return all original documents to IDF via overnight courier. Loan documents will include a certification of completion and lien waiver affidavit signed by the borrower(s), project worker(s), and suppliers as applicable.
- Disbursement:** Provided all original documents have been received and owner-occupied residential borrower(s) have not exercised their right to cancel within 3 business days of the promissory note (rescission period), IDF will disburse all proceeds of the loan. Unless otherwise approved prior to closing, proceeds will be delivered directly to worker(s) and/or supplier(s) by electronic clearing.
- Exception:** Loan amounts in excess of \$50,000 may be eligible for incremental disbursements based upon progress thresholds determined prior to final completion. In such cases, loan closing will occur prior to commencement of project work.
- Post Closing:** An original deed of trust will be recorded with the Boulder County Clerk & Recorder to secure all program loans. The conservation easement required as a condition of funding (for non-landmarked properties) will be recorded with the Boulder County Clerk and Recorder. All original files will be retained by IDF for servicing through the life of the loan. All payments, questions and requests related to a loan should be directed to IDF, acting as agent for the City of Louisville.