



Product Guideline
Town of Eagle
Employer Assisted Housing Benefit
Employee Home Ownership Program-EHOP®

- Eligible Borrowers: Regular full time permanent employees with the Town of Eagle with at least 6 months service with the Town. One employee loan per household.
- Eligible Property: Primary residence only located within Eagle County. Eligible homes must be real property, permanently attached to a foundation and conform to all prevailing building code standards.
- Income Threshold: None
- Loan Amount: Employees may be eligible for up to \$40,000 within the Town of Eagle, and up to \$20,000 outside the Town of Eagle but located within Eagle County.
- Compatible Mortgages: Employees and co-borrowers must qualify for primary mortgage financing through a reputable lending institution offering terms acceptable to both the employee and the Town. 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.). *FHA, Subprime and other non-conforming products are **not permitted**.*
- Loan to Value: Maximum Combined Loan to Value is 105% of purchase price.
- Minimum Investment: Employee must make a minimum contribution towards the purchase price and related settlement charges equal to \$3,000. Settlement charges may include all or part of the one-time processing fee for this loan.
- Interest Rate: EHOP loan will carry an interest rate established at time of loan application, equal to the following rate schedule:
- | Loan Amount | Interest Rate |
|---------------------|---|
| \$10,000 or less | Zero percent |
| \$10,001 - \$40,000 | Equal to the long term AFR index as published by IRS during the month of EHOP application |
- Debt Ratio: Maximum of 45% DTI
- Repayment: Monthly payment of principal and interest to fully amortize the loan within the original term. Lump sum repayment is required upon property sale, refinance of the primary mortgage, or the home is no longer occupied as the primary residence. *There are no prepayment penalties.*
- 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.
- Term: Maximum term is 15 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.
- Exceptions Policy: All aspects of Town of Eagle EHOP eligibility and underwriting criteria are subject to Staff-level exception authority. Loan terms and pricing must be approved by the Town of Eagle.

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: IDF 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). All settlement figures should appear on a separate Closing Disclosure. IDF will review and approve the final first mortgage CD prior to funding. Title insurance is not required for Town of Eagle EHOP loans.
- Requirements: LOAN OFFICER'S ARE REQUIRED TO PRESENT ALL TOWN OF EAGLE EHOP 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: No changes to the Town of Eagle EHOP 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 Town of Eagle EHOP loan documents returned to IDF via overnight courier.