



**Product Guideline - Eagle County Loan Fund
Amortized Loan Down Payment Assistance Program
FOR USE WITH FHA MORTGAGES**

- Eligible Borrowers:** Borrowers must be employed within Eagle County with U.S. citizenship or otherwise legally in the United States on a permanent status and may not own other real estate at time of closing, subject to limited exceptions. Employment in Garfield and Pitkin Counties will be considered acceptable for Households purchasing in Eagle County in the Roaring Fork Valley. The purchased unit must be the borrower's primary residence while the loan is outstanding. *All borrowers must meet with the Eagle County Housing and Development staff prior to applying for this program.*
- Eligible Property:** Single family homes, condominiums, townhomes, duplexes, modular homes or manufactured homes on a permanent foundation taxed as real property within the jurisdictional boundaries of Eagle County.
- Income Threshold:** *A household whose purchase is funded by a mortgage insured by FHA shall have a household income no greater than 140% of the most recently published HUD Area Median Income adjusted for household size for Eagle County. Income is established by the currently demonstrated income, excluding: overtime, shift bonus, commissions and bonus income that have not been earned consistently during the previous 2-year period and/or do not have a strong likelihood of continuance.*
- Loan Amount:** Up to 5% of purchase price. Minimum loan amount of \$15,000.00 with a maximum loan amount of \$42,500.00.
- Max. Purchase Price:** \$850,000.00
- Borrower Investment:** Borrower must have a direct transaction investment of 50% of the total loan amount. Minimum borrower investment is \$3,000.00.
- Employer Contribution:** If a Borrower's employer is willing to contribute to a Borrower's home purchase by making a loan to ECLF for the benefit to the employee, Eagle County will include that contribution in the Loan Amount and will increase the Loan Amount accordingly. Should an employer be willing to make a grant to ECLF for the benefit of the employee, Eagle County can include up to two times the amount of the grant in the Loan Amount and will increase the Loan Amount accordingly.
- Compatible Mortgages:** Eagle County Loan Fund **Amortized Loan CAN** be used in conjunction with a FHA first mortgage product. *Other down payment assistance programs can be used but must be in 3rd lien position.*
- Loan to Value:** Minimum first mortgage LTV of 80%
 Maximum Combined Loan to Value is 105% of purchase price.
- Debt Ratio:** Maximum of 45%. *No exceptions will be granted.*
- Assets:** Borrower may not have verified assets in excess of one and one half times the annual household income excluding retirement funds.

Repayment: Monthly payments are required and the loan will be amortized and repaid over a period not to exceed 15 years at an interest rate of 2.5%. 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 buyer. The loan will become immediately due upon sale, transfer, refinance, when the home is no longer the primary residence or upon the death of the buyer.

Subordinations will be reviewed on a case by case basis.

Early Repayment: If the ECLF Amortized Loan is repaid in full within the initial first 24 months of the loan a credit will be given at the time a payoff is calculated reflecting a credit of all interest paid within the initial 24 months.

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.

Interest Rate: 2.5% simple interest.

Loan Fees: Impact Development Fund (IDF) origination fee charged at closing. Fees are subject to change per IDF fee schedule.

Collateral: Subordinate lien priority on subject real property.

Rate Caps: Not applicable.

Exceptions Policy: All aspects of the Eagle County Loan Fund eligibility and underwriting criteria are subject to Staff-level authority. Loan terms, pricing and policy exceptions must be approved by Eagle County. Application of these guidelines is at the sole exclusive discretion of Eagle County.

Origination Procedures

Application:	Mortgage loan officer submits Loan File Checklist to Impact Development Fund (IDF), complete with all documentation shown on the form. A loan commitment is usually issued within 48 hours, or less. 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). IDF will review and approve the final first mortgage CD prior to funding. Title insurance is not required for Eagle County Loan Fund loans.
Requirements:	LOAN OFFICERS ARE REQUIRED TO PRESENT ALL EAGLE COUNTY LOAN FUND 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 Closing Disclosure (CD) and return such funds for proper credit. No changes to the Eagle County Loan Fund loan documents or loan amount shown on the CD are permitted.
Post Closing:	The original deed will be recorded by title with all other original Eagle County Loan Fund documents returned to IDF via overnight courier.

ECLF Maximum Loan Amount will be set at Loan Commitment Date – if a borrower should desire additional proceeds, the process will begin again and the entire loan amount will be subject to funds availability.