

COMMON QUESTIONS ABOUT THE FP LOAN PROGRAM

1. What are the Terms of an FP Loan?

- FP provides loans to families who need help to purchase a home, and are first-time homebuyers. Funds can be used to cover the down payment and closing costs.
- The loan has monthly payments.
- The interest rate on the FP loan is an adjustable rate. The interest rate is fixed at 6.0% for the first 60 months of the loan. The interest rate shall be recalculated during the month 59 of the loan and annually thereafter. Adjustments to the rate shall be based upon the Prime Rate, as published in the *Wall Street Journal* on the first day of the adjustment month, plus a margin of 3.5%. The minimum interest rate is 6.0% and the maximum interest rate is 8.5%.
- The FP down payment assistance loan will be repaid with monthly payments that fully amortize the loan within the 10 year term.

2. Who Can Get FP Help?

Eligible families must:

- be low income (see income insert) and earn 80% or less of the Area Median Income, adjusted for household size, for the county the home being purchased is located in.
- have \$1,000 of their own money
- be able to qualify for a FirstBank primary mortgage with the help of FP funds
- be willing to repay the loan
- attend home owner training
- live in the home purchased

3. When Do I Repay the FP Loan?

The loan is repaid in the 10 year loan term with amortized monthly payments, unless one of the following situations applies. If this should happen, the full balance of your loan is due immediately:

1. You sell your home.
2. You refinance your home.
3. You use your home for collateral on other loans.
4. You no longer live in your home.
5. You do not pay your first mortgage or you go into foreclosure.
6. You file for bankruptcy.
7. You use your home for some purpose other than a residence.
8. You use the home for illegal activities.
9. If you pass away, your estate must repay this loan.

4. FP Loan Service Area

The FP loan is for borrowers purchasing a primary residence and using FirstBank for their primary mortgage within the following counties of Colorado:

Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Eagle, El Paso, Jefferson, Larimer, Summit and Weld Counties.

5. FP Loan Amount

The FP loan amount is 5% of the contract price or \$10,000, whichever is less.

6. FP Compatible Mortgages

FP funds may be used in conjunction with FirstBank portfolio programs that offer fixed rate or intermediate variable rate terms designed for entry level buyers. ***Subprime, FHA and other non-conforming products are not permitted.***

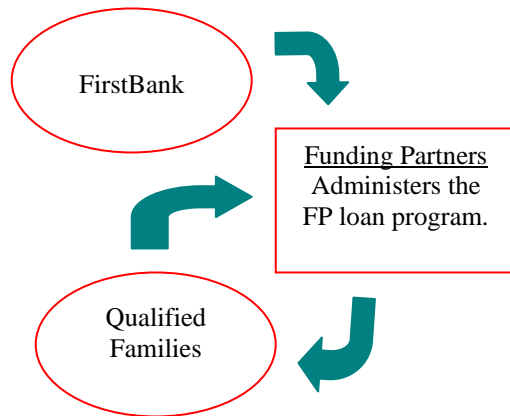
ABOUT THE FP LOAN PROGRAM

The FP loan program is made possible by a unique partnership between Funding Partners and FirstBank and is available throughout the FP Loan Program service area.

FirstBank, under separate charters, made the initial investment in Funding Partners for Housing Solutions, which is a non-profit Community Development Financial Institution, to pilot this down payment assistance program.

Funding Partners, in turn, makes these funds available to qualified families, working in conjunction with the FirstBank mortgage loan officers that provide the primary purchase loan.

The assistance provided to you through FP is part of a revolving pool of funds. When you repay your loan, it is used to help another family enter home ownership!



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FUNDING PARTNERS



FP Down Payment Assistance Loan Program

