

COMMON QUESTIONS ABOUT THE EHOP® PROGRAM

1. What are the Terms of an EHOP Loan?

- Eagle County EHOP provides loans to eligible employees of the County who need help in purchasing their home. Funds can be used to cover the down payment and closing costs.
- Maximum assistance is the lesser of A.) 3.5% of the purchase price for price capped deed restricted properties and 2.5% of the purchase price for free market properties or B.) The amount of the Investment contributed by the employee.
- You make no monthly payments during the term of the loan; however this assistance is not a grant.
- You must repay the EHOP down payment assistance loan within 15 years unless you are in default or one of the situations listed in question #3 applies to you, then you must repay your loan immediately!
- When you repay your loan the amount you repay is based on how much you borrowed and how much your home has appreciated. Because we do not know how much your home will increase in value, this loan is considered an equity share mortgage. You will repay a pro rata share of the recognized appreciation (if any) based on the percentage of the EHOP loan to the original purchase price. See question 4 and read your disclosure forms carefully!
- An exception to this is if you wish to repay your loan in the first 2 years. Then you will owe only the principal balance (the amount you borrowed).

2. Who Can Get EHOP?

Eligible employees must:

- Work for Eagle County
- Meet eligibility requirements established by Eagle County.
- Be able to qualify for a primary mortgage with the help of EHOP funds.
- Invest at least \$3,000 of their own funds towards the purchase of the home.
- Be willing to repay the loan.
- Attend home owner training.
- Live in the home purchased.

3. When Do I Repay the Loan?

The loan must be repaid within 15 years unless one of the following situations applies. The full balance of your loan is due immediately when:

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 your home for illegal activities.
9. The 15 year term of this loan is up.
10. If you pass away, your estate must repay this loan.

4. How Much Will I Owe?

This information is covered in detail in your Loan Disclosure documents.

Example: You purchase a \$300,000 home and are eligible for a \$7,500 Eagle County EHOP loan. Assume you want to sell your home in 6 years, and at that time it appraises for \$350,000. By signing the contract for this loan, you will be obligated to repay according to the calculations below:

1. Principal or Loan Amount:	\$7,500
2. Appreciation	\$50,000 increase in value from the original purchase price of \$300,000
3. Pro Rata Share of the Equity	2.5% of the \$50,000 equity
4. Repayment:	
a. Principal	\$7,500
b. Pro Rata Equity Share	<u>\$1,250 (2.5% of the \$50,000 equity)</u>
	\$8,750 Total Repayment

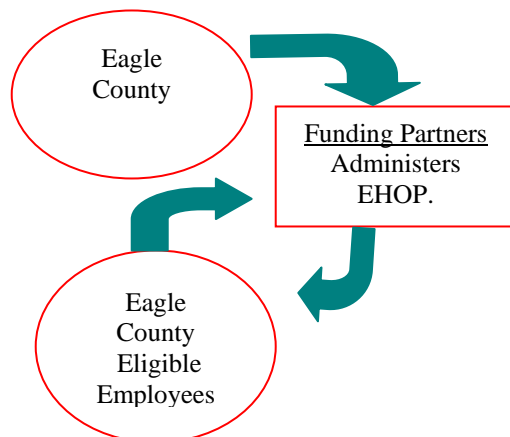
ABOUT EHOP

The Employee Home Ownership Program, or EHOP, is made possible by a unique partnership between Funding Partners and Eagle County working together to build stronger communities, while developing greater opportunities for safe, stable and affordable housing for their primary workforce.

Eagle County developed a set of eligibility requirements for their employees. Upon application and certification of eligibility by the Eagle County Human Resources department, the employee is then referred to Funding Partners to complete the home-buying process.

Funding Partners, in turn, refers the employee to a certified counseling agency that will provide the employee with valuable knowledge regarding the rights and responsibilities of home ownership. Upon completion, the employee is then referred to a list of responsible mortgage professionals that can provide the primary purchase loan and complete the home purchase.

EHOP is a tool to attract and retain a highly qualified workforce, while fostering loyalty and pride in your community!



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FUNDING PARTNERS
EHOP®



Eagle County
Employee Home
Ownership Program

An Employer-Sponsored Benefit
Program

