

COMMON QUESTIONS ABOUT THE EHOP® PROGRAM

1. What are the Terms of an EHOP Loan?

- Town of Eagle EHOP provides loans to eligible employees of the Town who need help in purchasing their home. Funds can be used to cover the down payment and closing costs.
- You make no monthly payments during the term of the loan, until an event of repayment occurs. In the event employment is maintained through the term of the loan no interest will accrue.
- The original EHOP loan amount accrues interest at a pre-set rate determined at the time of closing. If any of the situations listed in question #3 applies to you, then you must repay your loan immediately!
- If you are required to repay your EHOP loan due to termination of employment with the Town, FP will calculate your monthly payment based upon the outstanding principal and accrued interest where the entire balance is paid in full within the original 15-year term of the loan. You will be billed monthly by FP, and all payments must be made to FP.
- The interest rate on the loan will be established at the time of loan application, based the Wall Street Journal Prime interest rate. Your interest rate will be fixed throughout the term of the loan. There are no pre-payment penalties.

2. Who Can Get EHOP?

Eligible employees must:

- work for Town of Eagle
- meet eligibility requirements established by the Town
- be able to qualify for a primary mortgage with the help of EHOP funds.
- be willing to repay the loan.
- attend home owner training.
- live in the home purchased.
- continue employment in good standing.

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. Your primary mortgage is in default or goes into foreclosure.
6. You file for bankruptcy.
7. You use your home for illegal activities.

Your Loan must be repaid in monthly installments when:

1. You voluntarily terminate employment, or you are terminated with cause.
2. You use your home for some purpose other than a residence.
3. 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 \$267,000 home and are eligible for a \$40,000 Town of Eagle EHOP loan. If your loan becomes due and payable, (see question #3) you will be required to make monthly payments under the following schedule. This scenario assumes borrower has 60 months employment vesting at time of employment termination.

1. Principal or Loan Amount:	\$40,000
2. Interest Due:	
a. Fixed Interest at closing:	5.0% (Wall Street Journal Prime Interest Rate)
b. Accrued Interest (\$40,000 X 5.0% X 60 months)	\$10,000
5. Repayment:	
a. Amortized balance	\$50,000
b. Amortizing period	120 months
c. Monthly payment	<u>\$530.33</u>
	\$63,639.21 Total Repayment

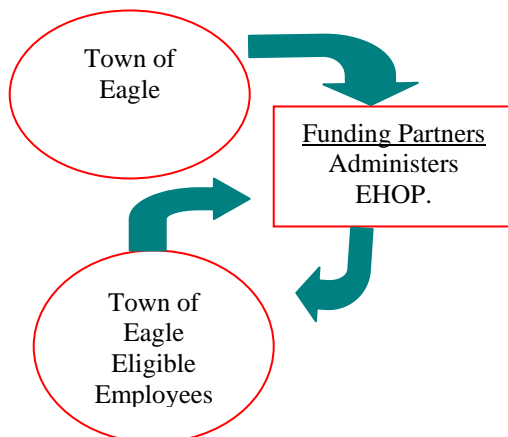
ABOUT EHOP

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

The Town of Eagle developed a set of eligibility requirements for their employees. Upon application and certification of eligibility by Town of Eagle 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®



Town of Eagle
Employee Home
Ownership Program

An Employer-Sponsored Benefit
Program

