



Product Guideline
Eagle County Loan Fund
Equity Share Down Payment Assistance Program
FOR USE WITH CONVENTIONAL, RD, OR VA 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. The purchased unit must be the borrower's primary residence while the loan is outstanding. <i>All borrowers must meet with the Eagle County Housing and Development staff prior to applying for this program.</i>
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 with a conventional mortgage shall have a household income no greater than 160% of the most recently published HUD Area Median Income adjusted for a 4 person household size for Eagle County. Income is established by 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:	<i>Maximum is \$10,000</i>
Borrower Investment:	Borrower must have a direct transaction investment of 50% of the total loan amount. Minimum borrower investment is \$3,000.
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.
Max. Purchase Price:	\$450,000
Compatible Mortgages:	Eagle County Loan Fund Equity Share loan may be used in conjunction with Conventional, Rural Development or VA loan products except first mortgages containing a negative amortization feature or a prepayment penalty. <u>FHA loans are NOT permitted with the ECLF Equity Share loan.</u> <i>Other down payment assistance programs can be used but must be in 3rd lien position.</i>
Loan to Value:	Maximum Combined Loan to Value is 105% of purchase price.
Debt Ratio:	Maximum of 45%. <i>No exceptions will be granted.</i>
Assets:	Borrower may not have verified assets in excess of one and one half times the household income excluding retirement funds.
Repayment:	Principal and interest payments are not required. Payments for less than the full amount of principal, accrued interest and public recording fees are not accepted. 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. Resubordinations will be allowed on a case by case basis.
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:	\$350 Application Fee shall be charged only at the time of loan closing and reflected on the HUD1 Settlement Statement.
Collateral:	Subordinate lien priority on subject real property.
Equity Share:	Loans repaid in full within the initial 24 month period will include loan principal only. Repayments that occur thereafter will include loan principal plus a pro rata share of recognized appreciation (if any) based upon the percentage of the ECLF loan to the original purchase price. (If ECLF loan represents 3.5% of original purchase price, the borrower would repay the original principal balance plus 3.5% of the equity gain at the time of loan repayment.) At time of pay off request the appreciation of the home is established by appraisal, sales price or satisfactory Comparative Market Analysis.
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 Funding Partners, 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:	Funding Partners 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:	FP 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 Application Fee of \$350 is collected at closing, in addition to the public recording fee for the deed of trust (4 pages), and will appear on the HUD1 Settlement Statement. All settlement figures should appear on a separate HUD1 Settlement Statement. FP will review and approve the final statement 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 FP on the Closing Disclosure and return such funds for proper credit. No changes to the Eagle County Loan Fund 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 Eagle County Loan Fund documents returned to FP 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.