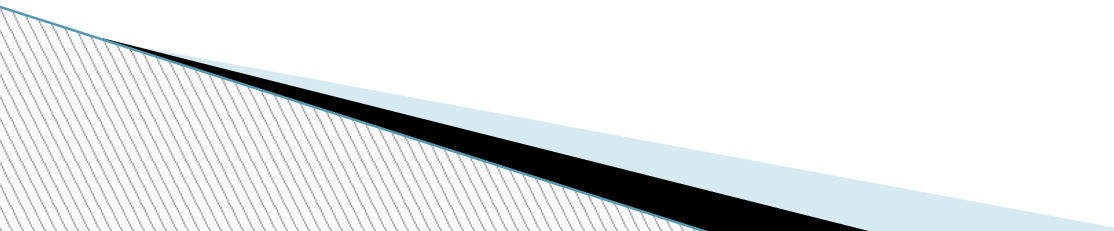




Garfield County Housing Authority

**Down Payment Assistance
Loan Program**

What is GCHA's Loan Program?

- ▶ The Garfield County Housing Authority assists qualified residents between Basalt and Parachute make the dream of home ownership a reality.
 - ▶ In cooperation with Funding Partners, as the loan administrator, the Garfield County Housing Authority down payment assistance funds are made available to qualified families. **Funding Partners works with responsible mortgage professionals that provide the primary purchase loan and who apply for the GCHA down payment assistance loan on behalf of the qualified family.**
 - ▶ The assistance provided to you through GCHA is part of a revolving pool of private funds. When the loan is repaid, it is used to help another family enter home ownership.
- 

Start with your choice of mortgage lender.
Lender works with FP to identify Borrower's needs.

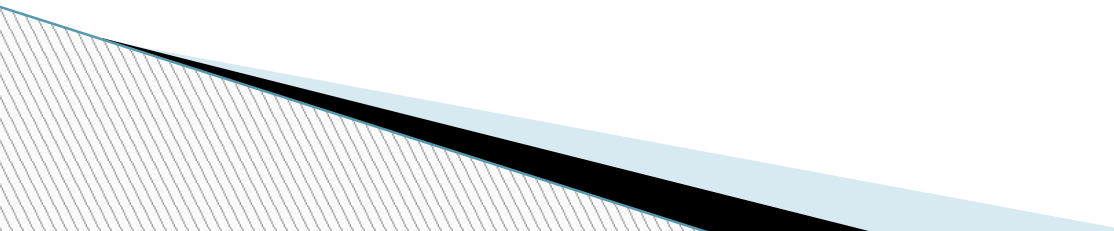


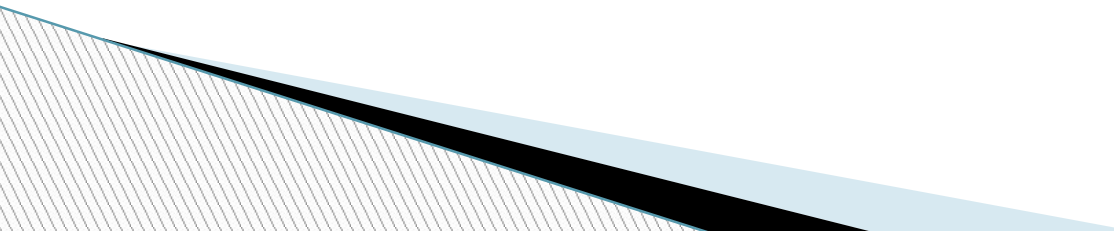
Family repays FP based on individual terms



FP wires DPA \$ to closing

1. WHAT ARE THE GCHA LOAN GUIDELINES?

- ▶ GCHA provides loans to families who need help to purchase a home. Funds can be used to cover the down payment and closing costs.
 - ▶ Loan can be 3% of purchase price up to \$10,000.
- 

- ▶ Borrower may choose to not make monthly payments during the term of the loan; however, this assistance is not a grant.
 - ▶ Loans must be repaid within the term established up to a maximum of 15 years, unless the loan is in default, or one of the situations listed in question #3 applies.
(Those circumstances trigger immediate loan repayment!)
- 

Shared Equity Feature:

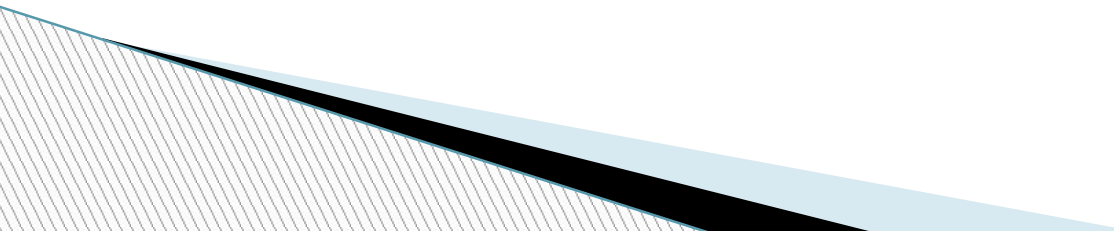
If the borrower chooses to NOT make monthly payments) the repayment amount is based on the original loan and how much the home as appreciates in value.

Because we do not know how much a home will increase in value, this loan is considered an equity share mortgage.

The Borrower will repay a pro rata share of the recognized appreciation (if any) based on the percentage of the GCHA loan to the original purchase price.

See Question 4 and read the disclosure forms carefully!

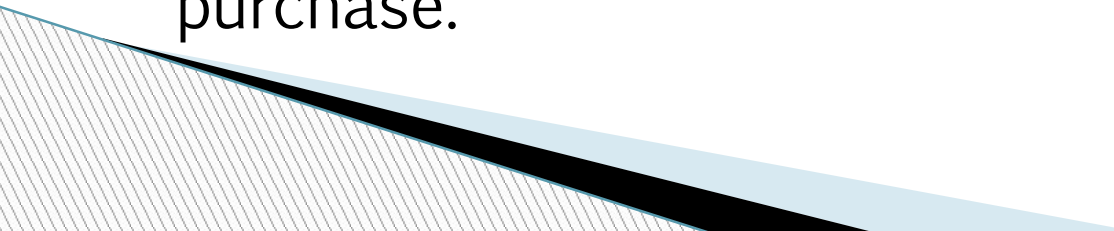


- ▶ If the borrower can and wishes to repay the GCHA loan in the first 2 years, then the borrower will owe only the *principal balance* (the amount borrowed.)
There is ZERO interest if loan is paid back in the first 2 years.
 - ▶ Borrower must not have non-retirement income assets in excess of one and one half times the household income at the time of purchase.
 - ▶ There is no price cap on the purchase price of the home. DPA is only available after the mortgage lender has qualified the buyer.
- 

2. WHO IS QUALIFIED?

Eligible families:

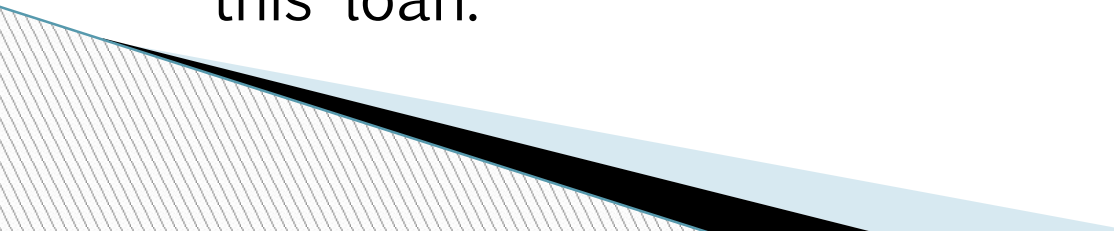
- ▶ Must be working a minimum of 30 hours per week and earn 150% or less of the Area Median Income. (*see income limit chart at www.fundingpartners.org*)
- ▶ Be willing to make a minimum investment toward of the purchase of the home of 1% of the purchase price or \$2,000 whichever is greater.

- ▶ Be able to qualify for a mortgage with the help of GCHA funds.
 - ▶ Be willing to repay the loan.
 - ▶ Attend home owner training.
 - ▶ Live in the home purchased as your primary residence.
 - ▶ Not own other residential property at the time of purchase.
- 

3. WHEN MUST THE LOAN BE REPAID?

The loan must be repaid within 15 years unless one of the following situations applies. If this should happen, the full balance of the loan is due immediately:

- 1) Sale of the home.
- 2) Refinance. (Exceptions may apply.)
- 3) The home is used as collateral on other loans.
- 4) First mortgage is delinquent or is in foreclosure.

- 5) Borrower files for bankruptcy.
 - 6) Borrower no longer lives in home or if home is used for some purpose other than borrower's primary residence.
 - 7) The home is used for illegal activities.
 - 8) The 15-year term of the loan is up.
 - 9) If the borrower passes away, the estate must repay this loan.
- 

4. SHARED EQUITY LOAN?

Or, How Much Will The Borrower Owe?

This information will be covered in detail in the Loan Disclosure documents.

READ THESE DOCUMENTS CAREFULLY BEFORE AGREEING TO THE TERMS OF THIS LOAN!

Example:

1.	Principal or Loan Amount	\$ 6,000	3% of \$200,000 purchase price
2.	Appreciation	\$25,000	- increase in value from the original purchase price of \$200,000
3.	Pro Rata Share of the Equity	3%	of the \$25,000 appreciation or equity = \$750
4.	Repayment		
	a. Principal	\$ 6,000	
	b. + Pro Rata Equity Share	<u>750</u>	
		\$ 6,750	TOTAL REPAYMENT

How to Apply for the Program

- ▶ Have your mortgage lender (banker or broker) contact Funding Partners:



Funding Partners for Housing Solutions

330 S. College Avenue, Suite 400, Fort Collins,
CO 80524

Phone: 970-494-2021 / Fax: 970-494-2022