



Yampa Valley Housing Authority Product Guideline Countywide Down Payment Assistance Program

Eligible Borrowers:	Borrowers purchasing a home who do not own other real estate at time of closing. Borrower must be employed a minimum of 1650 hours annually (32 hours weekly)
Property Type	Permanently affixed Single family residences, townhome, condominium or duplexes located within the Routt County (please see page 5 for map). Home must be primary residence.
Income Threshold:	Up to 150% of the most recently published HUD Area Median Income, adjusted for actual household size for Routt County. Income is established by the currently demonstrated income, excluding overtime, shift bonus, commission and bonus income that have not been earned consistently for the most previous 2-year period with a strong likelihood of continuance.
Loan Amount:	10% of the purchase price with a maximum of \$20,000.
Interest Rate:	YVHA loan will carry a fixed interest rate, established at the time of application, equal to the Wall Street Journal Prime Rate minus 2.00%.
Compatible Mortgages:	YVHA funds may be used in conjunction with fixed rate Conventional, Rural Development, FHA, VA, and fixed rate portfolio programs. <i>Use with intermediate variable rate terms (i.e. FLEX, My Community, 5/1, 7/1, etc.) requires specific YVHA approval.</i>
Combined Loan to Value:	Maximum Combined Loan to Value is 105% of purchase price.
Debt Ratio:	A total Debt to Income Ratio (Back Ratio) shall not exceed 45%.
Minimum Investment:	Borrower must have a minimum direct transaction investment of 1% of the purchase price or \$1,000, whichever is greater, from a source acceptable to the primary lender. The funds may be a gift from a family member. In no case may the Seller or premium pricing of the mortgage interest rate satisfy this minimum requirement.
Assets:	Borrower must show a demonstrated need of the down payment assistance loan to YVHA.
Repayment:	No monthly payments are required; interest will accrue based on Wall Street Journal Prime Rate - 2.00% as calculated at the time of application. The YVHA Loan will become immediately due in the form of a balloon payment of principal and accrued interest upon the sale, transfer, refinance, when the house is no longer the primary residence, or upon the death of the borrower. <i>Subordinations will be reviewed on a case by case basis.</i>
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: Loan term is 15 years.
- Loan Fees: \$350 Origination Fee shall be charged only at the time of loan closing and reflected on the final Closing Disclosure (CD). If multiple YVHA down payment assistance loan resources are used for one transaction only one Origination Fee shall be charged.
- Collateral: Subordinate lien priority on subject real property.
- Exceptions Policy: YVHA's Down Payment Assistance Program will not be subject to exception lending. However, the program will be reviewed no less than annually to take into account reasons for turn downs and adjust the program upon approval of the Board of Directors.

Origination Procedures

- Application: Mortgage loan officer submits Loan File Checklist to Impact Development Fund (IDF), complete with all documentation shown on the form. A loan commitment is generally issued within 48 hours, or less, **of review and action of YVHA**. Any remaining documentation requirements will be detailed.
- Processing: Impact Development Fund will order title commitment and evidence of hazard insurance. Final loan documents are delivered electronically to the first mortgage loan officer and Title Company for presentation to borrower. All outstanding items must be cleared prior to funding.
- Closing: IDF will deliver closing instructions and loan proceeds direct to the Title Company. Wires are sent 24 hours prior to the scheduled closing date, the loan officer must advise of any schedule changes as soon as possible.
- Fees Collected: The IDF origination 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 Final Closing Disclosure (CD). All settlement figures should appear on a separate CD as prepared by IDF. IDF will review and approve the final first mortgage CD prior to funding to ensure minimum borrower investment is satisfied.
- Requirements: **LOAN OFFICER'S ARE REQUIRED TO PRESENT ALL YVHA 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 IDF on the closing disclosure and return such funds for proper credit. No changes to the YVHA loan documents or loan amount shown on the CD are permitted as a result of excess proceeds.
- Post Closing: The original deed will be recorded by title with all other original YVHA loan documents returned to IDF via overnight courier. Any excess proceeds will be applied as principal reduction, with applicable notice delivered to the borrower upon receipt.