



Product Guideline

Eagle Ranch Housing Corporation Equity Share Assistance Program

Eligible Borrowers:	Borrowers must be employed or currently residing 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.
Eligible Property:	Single family homes, condominiums, townhomes, duplexes within the Eagle Ranch development.
Income Threshold:	No income limit. 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:	Maximum is \$15,000.00
Borrower Investment:	Minimum borrower investment is \$3,000.00.
Max. Purchase Price:	\$600,000.00
Compatible Mortgages:	ERHC 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 ERHC loan.</u>
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>
Repayment:	No monthly payments are required. Payments for less than the full amount of principal, equity share and public recording fees are not accepted. The ERHC Loan will become immediately due in the form of a balloon payment of principal and equity share upon the sale, transfer, refinance, when the house is no longer the primary residence, or upon the death of the buyer. <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:	Maximum term is 15 years.
Loan Fees:	FP origination fee charged at closing. Fees are subject to change per Funding Partners (FP) fee schedule.
Collateral:	Subordinate lien priority on subject real property.
Equity Share:	Repayments will include loan principal plus a pro rata share of recognized appreciation (if any) based upon the percentage of the ERHC loan to the original purchase price. (If ERHC 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.
Exceptions Policy:	All aspects of the ERHC Loan Fund eligibility and underwriting criteria are subject to Staff-level authority. Loan terms, pricing and policy exceptions must be approved by ERHC. Application of these guidelines is at the sole exclusive discretion of ERHC.

Origination Procedures

- Application:** Mortgage loan officer submits Loan File Checklist to Funding Partners, complete with all documentation shown on the form. 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 origination fee is collected at closing, in addition to the public recording fee for the deed of trust (4 pages), and will appear on the Closing Disclosure (CD). FP will review and approve the final first mortgage CD prior to funding. Title insurance is not required for ERHC loans.
- Requirements:** LOAN OFFICERS ARE REQUIRED TO PRESENT ALL ERHC LOAN 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 (CD) and return such funds for proper credit. No changes to the ERHC loan documents or loan amount shown on the CD are permitted.
- Post Closing:** The original deed will be recorded by title with all other original ERHC documents returned to FP via overnight courier.