

Grand County Housing Authority

Down Payment Assistance Program Information for Lenders & Real estate Agents

PROGRAM OBJECTIVES

Grand County Housing Authority (hereafter known as GCHA) offers this Down Payment Assistance Program (DPA) for eligible Grand County residents using funds from various governmental and private entities. It is the intent of GCHA and its Funding Partners to provide homeownership opportunities to qualifying households that meet program annual income limits. A complete list of current Annual Income Limits can be found in Applicant Eligibility, Section 8. Qualified homebuyers may apply for funding needed for down payment and closing costs to purchase a home. GCHA can assist qualified applicants with up to 10,000.00 in assistance. Additional funds may be made available through our funding partners. The GCHA Down Payment Assistance Program is subject to availability of funds. Multiple/Leveraged fund sources can be used for each qualifying applicant for down payment assistance. Grand County Housing Authority is an EQUAL HOUSING OPPORTUNITY LENDER. Grand County Housing Authority does not discriminate against any person in its lending practices because of RACE, COLOR, RELIGION, SEX, HANDICAP, SEXUAL ORIENTATION, or FAMILIAL STATUS. This program and its terms are subject to revision. Questions regarding implementation or interpretation of this plan shall be directed to the GCHA.

APPLICANT ELIGIBILITY

Certain applicant eligibility requirements as listed in this section apply to all DPA programs administered by the GCHA. Specific eligibility requirements as established by our funding partners may exist for their respective programs and are described in the Loans Terms and Repayment Option Section

1. This program is not limited to 1st time homebuyers or low-income households.
2. Applicants must first pre-qualify for a first mortgage at a lending institution. The income used to pre-qualify for the first mortgage is also the income that will be used to qualify for the down payment assistance loan.
3. Applicant must have greater of \$1,000 or 1% of the purchase price of the home of his/her own money to use toward the down payment.
4. The home must be the borrower's primary residence for the duration of the loan; it may not be used as a rental property.
5. To qualify for down payment assistance, applicants must work a minimum of 32 hours per week or 1600 hours per year in Grand County as an employee or as a sole proprietor who is actively involved in his/her own business.
6. Applicants may NOT own real estate, unless it will be used for building a home with funds being requested through loan.
7. Applicants must complete the Grand County Home Buyers Education Workshop prior to closing date.
8. Applicants must meet the income guidelines as established by the funding partners. Applicants annual household income must meet current program annual income limits:

Annual Income Limits

Family Size	1	2	3	4	5	6	7	8
Maximum Income	79,800	91,200	102,600	113,850	123,000	132,150	141,300	150,300

9. Applicant's assets may not exceed the level as determined by the funding partners. The following are excluded from assets:
 - ⇒ Clothing
 - ⇒ Furnishings
 - ⇒ Vehicles
 - ⇒ Retirement accounts

10. GCHA, its board and its funding partners reserve the right to review each case based on extenuating circumstances.
11. GCHA allows a co-signor; however, the co-signor's name must NOT appear on the First Deed of Trust. If it does, then that person's income **MUST** be included in the household income calculations.

PROPERTY ELIGIBILITY

1. Property must be located within Grand County.
2. Purchase price must not exceed the lending institution's appraisal.
3. The property must be "real property."
4. At the time of closing, the home inspection must be completed. GCHA staff will inspect homes for HUD.
5. The home must be the Borrower's primary residence for the duration of the loan, and may not be used as a rental property. The loan will become due in full upon failure of the borrower(s) to maintain the property as their principal residence.

LOAN APPLICATION PROCESS

1. The Applicant needs to contact GCHA for the Pre-Screening Process. Sheena at 970-725-3071
2. The Applicant submits a completed application to GCHA, along with:
 - ⇒ A copy of the first mortgage loan application (can be sent by the lender, if borrower cannot provide document at time of application).
 - ⇒ A copy of the Borrower's pre-qualification for his/her first mortgage loan
 - ⇒ A *signed* Income Certification form
 - ⇒ Tax returns as required by the mortgage lender.
 - ⇒ Last three (3) pay stubs
 - ⇒ A signed a purchase & sale contract.
 - ⇒ A copy of the home inspection, if completed.
 - ⇒ A copy of the Home Buyer's Class completion certificate
3. GCHA will review the application to verify the applicant's eligibility. An eligibility determination letter will be sent to the applicant.
4. At this point, any special provisions set forth in the contract will be considered.
5. If approved, GCHA will determine the loan amount including any terms, and send a commitment letter to the homebuyer and their Lender. The homebuyer will have 5 business days to review and return the signed commitment letter agreeing to the terms of the loan.

GCHA & FUNDING PARTNERS

SPECIFIC LOAN TERMS & REPAYMENT OPTIONS

GCHA's funding partners have additional requirements, as well as alternate payment options that may be used. Depending on funding sources, availability of funds, and applicant eligibility, the following options may be available. GCHA may also, at its discretion, offer applicants a loan that combines funding from 2 or more sources.

Program	Maximum loan amount	Interest Rate	Terms & requirements
Colorado Division of Housing (DOH)	5% of purchase price Up to \$10,000	3%, fixed compounded	<ul style="list-style-type: none"> ⇒ Up to 20-year amortization ⇒ Monthly payments ⇒ \$225 loan fee
CMHC assigned to GCHA	5% of purchase price Up to \$10,000	3% or 5 % 3% if income does not exceed 80% 5% if above 80% < 150%	<ul style="list-style-type: none"> ⇒ Up to 20-year amortization ⇒ Monthly payments ⇒ \$225 loan fee
Town of Granby	Up to \$5,000	3% if 70 - 80 AMI 5% if 80 -150%	<ul style="list-style-type: none"> ⇒ "Point System" application to Town ⇒ Minimum of 20 points. ⇒ Final loan approval resides with Town of Granby

FOR ADDITIONAL GUIDELINES APPLICABLE TO GCHA FUNDED PROGRAMS, CONTACT THE GRAND COUNTY HOUSING AUTHORITY

SALE OR TRANSFER OF PROPERTY

1. The GCHA loan is not assumable.
2. The loan becomes payable in full upon:
 - ⇒ Transfer or conveyance of ownership
 - ⇒ Failure of the Borrower(s) to maintain the property as the Borrower(s) principal residence
 - ⇒ Payment in full of the first mortgage on the property.
 - ⇒ Default of Promissory Note.

LATE PAYMENTS AND DELINQUENCIES

1. A late fee of \$10 will be assessed on the 16th day of each month for payment not received by the 15th of each month. Delinquent letters will be sent out 15 days after last payment was received, then at 30 day intervals.
2. GCHA will send borrowers to collections when the following circumstances occur:
 - ⇒ If the Borrower's account with GCHA is 60 days past due with no communication from borrower, GCHA will send the past due amount to collections. The Borrower must continue to make regular monthly payments as per their loan agreement on the remaining balance. If borrower does not make monthly payments, the entire loan balance will be turned over for legal collections.
 - ⇒ If the borrower's first mortgage goes into foreclosure and the borrower has not made payment arrangements with GCHA, the entire loan balance will be turned over for legal collections.
 - ⇒ If the borrower ceases to use the home as their primary residence, GCHA will turn the entire loan balance over to legal collections. GCHA may choose to pursue foreclosure on the property as allowed in Promissory Note.
3. GCHA reserves the right to consider individual circumstances and to renegotiate repayment terms with borrowers. Borrowers may contact GCHA to request a temporary reduction or deferral of payments due to a crisis such as unexpected loss of employment, death in the family, etc. GCHA will work with each situation to determine appropriate repayment terms. The Borrower would then be required to sign a repayment agreement. If Borrower does not hold to the terms of the agreement, GCHA will turn the loan over for legal collections.

REFINANCING POLICY

1. It is *not* GCHA's policy to subordinate its loan to a refinanced first mortgage. If the Borrower is consolidating debt or taking out any cash, subordination shall not be available – no exceptions.
2. GCHA will *consider* subordinating its loan if the refinance of the primary mortgage will significantly decrease the interest rate and mortgage payment and maintain GCHA's original Loan-to-Value position.
 - ⇒ The Lender requesting a subordination agreement must provide the final figures on a settlement statement to GCHA, along with a prepared subordination agreement.
 - ⇒ If GCHA is required to prepare subordination agreement, a \$50.00 fee will be charged. No fee will be charged if the Lender provides the documents.
 - ⇒ The Lender must specify how they would like the signed original subordination returned to them or it will be sent back using the U.S. Mail.
 - ⇒ GCHA will have subordination agreement signed within a maximum of 14 business days under most circumstances.
 - ⇒ Lenders requesting Loan Verifications and Payoff Amounts must fax a formal request to GCHA at (970-725-3071)
 - ⇒ A Borrower's Release of Information Authorization must accompany the request.
 - ⇒ Housing Authority staff will not release any information over the phone.
 - ⇒ Once a faxed request and authorization has been received, allow 48 hours for requested information to be returned.

APPEALS PROCESS

If an applicant has a grievance concerning the actions of the GCHA staff or the procedures of GCHA with regard to his/her application for Down Payment Assistance, the applicant shall send their complaint to the Executive Director and Chairperson of the Board of Commissioners of GCHA. All complaints or grievances must be submitted in writing within 15 days of disputed action, and must include all pertinent information, complaints, comments and relief sought. The Executive Director will respond to the applicant in writing within 15 days of receiving the complaint or appeal. The Executive Board will hold a hearing with the applicant and GCHA staff in attendance. The Board shall make a determination based on the findings of the hearing, put those findings in writing, and mail such information to the applicant. A copy will be kept on file at the GCHA office. All GCHA Executive Board determinations are final.