



Product Guideline
Town of Eagle
Employer Assisted Housing Benefit
Employee Home Ownership Program-EHOP®

Eligible Borrowers:	Regular full time permanent employees with the Town of Eagle with at least 6 months service with the Town. One employee loan per household.
Eligible Property:	Primary residence only. Property must be located within 60 miles of regular job location. Eligible homes must be real property, permanently attached to a foundation and conform to all prevailing building code standards.
Income Threshold:	None
Loan Amount:	Employees may be eligible for up to 15% of the purchase price or \$50,000 whichever is less.
Compatible Mortgages:	Employees and co-borrowers must qualify for primary mortgage financing through a reputable lending institution offering terms acceptable to both the employee and the Town. May be used in conjunction with conforming conventional and certain portfolio programs that offer fixed or intermediate variable rate terms designed for entry-level buyers. (i.e. FLEX, My Community, 5/1, 7/1, etc.). <i>FHA, Subprime and other non-conforming products are <u>not permitted</u>.</i>
Loan to Value:	Maximum Combined Loan to Value is 105% of purchase price.
Minimum Investment:	Employee must make a minimum contribution towards the purchase price and related settlement charges equal to \$3,000. Settlement charges may include all or part of the one-time processing fee for this loan.
Interest Rate:	EHOP loan will carry an implied interest rate established at time of loan application, equal to the current <i>Wall Street Journal</i> Prime interest rate.
Repayment:	<p>Interest shall not accrue and only applied upon notification of loss of eligibility or default under terms of Promissory Note and Deed of Trust, retroactive to the original Note date. Upon event of repayment, employee shall be notified by the City or its assigned agent of the original principal balance, the Note interest rate, as identified within the Promissory Note, monthly payment amount and payment due date. Events of repayment in whole or according to a monthly amortization schedule include: sale of subject property; refinance of the primary mortgage instrument; at the time the home no longer constitutes the employee's primary residence; upon termination of employment for any reason; or the employee is in default of any terms or conditions of the first mortgage. Upon notification from the Town or its agent that the loan is due and payable, due to termination or Note default, the employee will have no more than 60 days to begin repayment of outstanding principal balance plus accrued interest and other applicable charges. Principal and accrued interest shall be payable monthly in an amount sufficient to fully amortize the loan upon maturity of the Note.</p>

In the event employment has been maintained through the term of the loan, no interest will accrue and only the original principal balance, plus applicable charges, will be due and payable at that time. *There are no prepayment penalties.*

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:	\$400 Application Fee shall be charged only at the time of loan closing and reflected on the Closing Disclosure.
Collateral:	Subordinate lien priority on subject real property.
Exceptions Policy:	All aspects of Town of Eagle EHOP eligibility and underwriting criteria are subject to Staff-level exception authority. Loan terms and pricing must be approved by the Town of Eagle.

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 \$400 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. All settlement figures should appear on a separate Closing Disclosure. FP will review and approve the final statement prior to funding. Title insurance is not required for Town of Eagle EHOP loans.
Requirements:	LOAN OFFICER'S ARE REQUIRED TO PRESENT ALL TOWN OF EAGLE EHOP 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:	No changes to the Town of Eagle EHOP 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 Town of Eagle EHOP loan documents returned to FP via overnight courier.