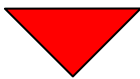


COMMON QUESTIONS ABOUT THE ECLF PROGRAM



1. What are the Terms of ECLF Loan?

- ECLF provides loans to families who need help to purchase a home. Funds can be used to cover the down payment and closing costs.
- You make no monthly payments during the term of the loan, however, this assistance is not a grant.
- Maximum assistance is the lesser of A.) 3.5% of the purchase price for price capped deed restricted properties and 2.5% of the purchase price for free market properties or B.) The amount of the Investment contributed by the borrower.
- You must repay the down payment loan within 15 years unless you are in default or one of the situations listed in question #3 applies to you. Then you must repay your loan immediately!
- When you repay your loan the amount you repay is based on how much you borrowed and how much your home has appreciated. Because we do not know how much your home will increase in value, this loan is considered an equity share mortgage. You will repay a pro rata share of the recognized appreciation (if any) based on the percentage of the ECLF loan to the original purchase price. See question 4 and read your disclosure forms carefully!
- An exception to this is if you wish to repay your loan in the first 2 years. Then you will owe only principal balance (the amount you borrowed)

2. Who Can Get Help?

Eligible families must:

- Currently work in Eagle County.
- Must qualify under the income guidelines (160% or less of the area median income for Eagle County).
- Invest at least \$3,000 of their own funds towards the purchase of the home.
- Be able to qualify for a primary mortgage with the help of ECLF funds.
- Be willing to repay the loan.
- Attend home owner training.
- Live in the home purchased.
- Not own other residential property at the time of purchase.

3. When Do I Repay the Loan?

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

- You sell your home.
- You refinance your home.
- You use your home for collateral on other loans.
- You no longer live in your home.
- You do not pay your first mortgage or you go into foreclosure.
- You file for bankruptcy.
- You use your home for some purpose other than a residence.
- You use the home for illegal activities.
- The 15-year term of this loan is up.
- If you pass away, your estate must repay this loan.

4. How Much Will I Owe?

This information is covered in detail in your Loan Disclosure documents.

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

4. How Much Will I Owe?

Example: You purchase a \$300,000 home and are eligible for a \$7,500 Eagle County Loan Fund loan. Assume you want to sell your home in 6 years, and at that time it appraises for \$350,000. By signing the contract for this loan, you will be obligated to repay according to the calculations below:

1. Principal or Loan Amount:	\$7,500
2. Appreciation	\$50,000 increase in value from the original purchase price of \$300,000
3. Pro Rata Share of the Equity	2.50% of the \$50,000 equity
4. Repayment:	
a. Principal	\$7,500
b. Pro Rata Equity Share	<u>\$1,250 (2.50% of the \$50,000 equity)</u>
	\$8,750 Total Repayment

What is ECLF?

The Eagle County Loan Fund or ECLF is made possible by the Eagle County Government to initiate a revolving loan fund dedicated to the creation and preservation of housing options that are affordable to working households in one of the most expensive regions in the country.

In cooperation with Funding Partners, as loan administrator, these funds are made available to qualified families, while developing a network of responsible mortgage professionals that provide the primary purchase loan.

The assistance provided to you through ECLF is part of a revolving pool of funds. When you repay your loan, it is used to help another family enter home ownership!

The ECLF Down Payment Assistance Loan Program is administered in cooperation with



FUNDING PARTNERS

214 SOUTH COLLEGE AVE
2nd Floor
FORT COLLINS, CO 80524

PHONE

970-494-2021

FAX

970-494-2022

E-MAIL

info@fundingpartners.org

WEB ADDRESS

www.fundingpartners.org

A COLORADO NOT-FOR-PROFIT
CORPORATION UNDER IRS SECTION
501(C)(3)

© Funding Partners for Housing Solutions, Inc.

Eagle County Loan Fund



ECLF

Down Payment Assistance Loan Program

