



DENVER
THE MILE HIGH CITY

City of Denver & Metro Mayors Caucus Participating Jurisdictions 2013 Metro Mortgage Assistance Program

Program Benefit: The 2013 City and County of Denver Metro Mortgage Assistance Program will provide a competitive 30-year fixed-rate mortgage down payment assistance (DPA) grant equal to 4% of the mortgage amount to qualifying low and moderate income homebuyer families throughout the City and County of Denver, and in certain surrounding communities that choose to participate. Current participants besides the City of Denver include Arvada, Aurora, Brighton, Boulder, Boulder County, Broomfield, Centennial, Dacono, Edgewater, Englewood, Golden, Jefferson County, Lakewood, Littleton, Parker, Sheridan, Westminster, Wheat Ridge).

Program Mortgage Rate: Will be slightly above market rate. The program mortgage rate will change periodically to stay competitive with the market.

Program DPA: Each homebuyer family will receive a non-repayable DPA grant for down payment and closing costs equal to 4% of the initial principal balance of the mortgage loan. This is funded by the City of Denver at mortgage loan closing. The net DPA is 3%, taking into account the 1% origination fee. Lender income is 2%, coming from the 1% origination fee at loan closing and 1% SRP (0.50% for VA loans) upon sale of the loan to the Servicer.

Program Size: \$20,000,000 revolving.

Program Period: Denver anticipates an initial two-year program term, though it would be extendable by the City thereafter, for "continuous origination."

Eligible Mortgages: The normal tax-exempt bond or MCC program requirements (income & purchase price limit, and first-time homebuyer requirement) will not apply. In addition, the homebuyers will not be subject to "Recapture Tax." Denver has set the following requirements for eligible homebuyers:

- 1) **No First-time Homebuyer Requirement**
- 2) **Maximum Credit Qualifying Income: \$91,100 (2 or fewer)/\$103,000 (3 or more)**
- 3) **Maximum Home Purchase Price: None**

Eligible Loans: FHA, VA, all 30-year, fixed rate & poolable into GNMA Certificates, minimum 640 FICO score, maximum 45 debt-to-income (DTI) ratio. All homebuyers must receive homebuyer education from a HUD-approved counseling agency. Loans must be "underwriter certified" within 15 days of loan reservation, closed within 45 days, and purchased by the Servicer within 70 days. Refinances are not permitted, except for loans currently serviced by US Bank.

Eligible Loan Area: Mortgage loans under the program may be made to qualifying borrowers throughout the City and County of Denver, and in the participating MMC jurisdictions.

Participating Lenders: Must be approved by Denver and the Servicer, sign a Participating Lender Agreement with the Servicer, sign a Lender Agreement with the Denver, pay an annual fee to Denver of \$1000, and receive webinar training from Administrator eHousing and the Servicer.

Please go to www.denvergov.org/oed and click on "Housing Assistance" and then "Metro Mortgage Assistance Program" tab for current participating lenders.

To Become a Participating Lender: Please contact Stacy Houston with Raymond James at: stacy.houston@raymondjames.com.

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