

# GARFIELD COUNTY HOUSING AUTHORITY DOWN PAYMENT ASSISTANCE PROGRAM

## What is GCHA?

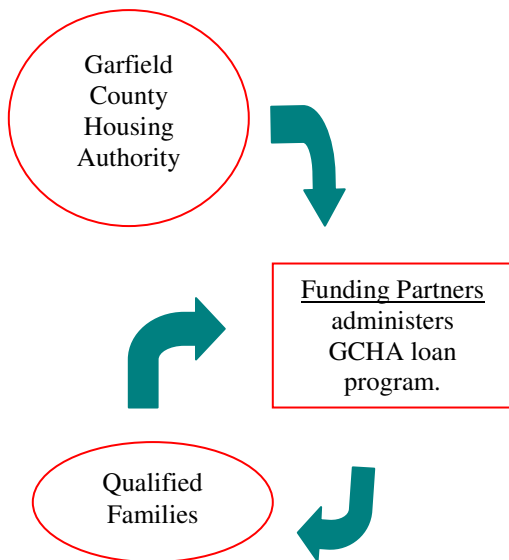
The Garfield County Housing Authority assists qualified residents between Basalt and Parachute make the dream of home ownership a reality.



In cooperation with Funding Partners, as loan administrator, the Garfield County Housing Authority down payment assistance funds are made available to qualified families. Funding Partners works with responsible mortgage professionals that provide the primary purchase loan and who apply for the Garfield County Housing Authority down payment assistance loan on behalf of the qualified family.

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

## How does the program work?



The Garfield County Housing Authority Down Payment Assistance Loan Program is administered in cooperation with



### FUNDING PARTNERS

214 SOUTH COLLEGE AVE  
2<sup>nd</sup> Floor  
FORT COLLINS, CO 80524

### PHONE

970-494-2021

### FAX

970-494-2022

### E-MAIL

[info@fundingpartners.org](mailto:info@fundingpartners.org)

### WEB ADDRESS

[www.fundingpartners.org](http://www.fundingpartners.org)

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## 1. What are the Terms of a Garfield County Housing Authority Loan?

- GCHA provides loans to families who need help to purchase a home. Funds can be used to cover the down payment and closing costs.
- Loan can be 3% of purchase price up to \$10,000.
- You make no monthly payments during the term of the loan, however, this assistance is not a grant.
- 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 GCHA 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:

- Must be working a minimum of 30 hours per week and earn 150% or less of the Area Median Income. (see income limit chart at [www.fundingpartners.org](http://www.fundingpartners.org))
- Be willing to make a minimum investment toward of the purchase of the home of 1% of the purchase price or \$2,000 whichever is *greater*.
- Be able to qualify for a mortgage with the help of GCHA 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:

1. You sell your home.
2. You refinance your home.
3. You use your home for collateral on other loans.
4. You no longer live in your home.
5. You do not pay your first mortgage or you go into foreclosure.
6. You file for bankruptcy.
7. You use your home for some purpose other than a residence.
8. You use the home for illegal activities.
9. The 15-year term of this loan is up.
10. 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!**

Example: Your family purchases a \$200,000 home. You borrow \$6,000 (or 3% of the purchase price of your home) from the Garfield County Housing Authority down payment assistance program to cover the down payment. Assume you want to sell your home in 5 years, and at that time it appraises for \$225,000. By signing the contract for this loan, you will be obligated to repay according to the calculations below.

1. Principal or Loan Amount:	\$6,000
2. Appreciation:	\$25,000 increase in value from the original purchase price of \$200,000
3. Pro Rata Share of the Equity:	3% of the \$25,000 Equity
4. Repayment:	
a. Principal	\$6,000
b. Pro Rata Equity Share	+\$ 750
	<b>\$6,750 Total Repayment</b>