



SUMMIT REVOLVING LOAN FUND

SPECIAL ASSESSMENTS (HOA) AND REHABILITATION / MAINTENANCE REPAIRS LOAN PROGRAM GUIDELINES

Borrower(s) should contact the Summit Combined Housing Authority (SCHA) to obtain an application for the Special Assessments (HOA) and Rehabilitation / Maintenance Repairs loan program. The goal of the program is to help qualified moderate-income families assist with Special Assessments (HOA) and Rehabilitation / Maintenance Repairs. The service area is Summit County, Colorado.

Qualification for a loan is as follows:

- 1) The application, along with all needed documentation, must be received a **minimum of 4 weeks** prior to the closing date.
- 2) A \$350.00 application fee is required at the time of application.
- 3) Borrower(s) annual income must be above the currently published 50% AMI amount for the applicable household size.
- 4) Borrower's annual income cannot exceed the currently published 160% AMI amount for the applicable household size.
- 5) The household size will be based on the actual number of persons in the household. Persons who are pregnant at the time of application will be considered two (2) persons for household size determination.
- 6) Borrower(s) must have an acceptable credit score on a tri-merge credit bureau report (minimum credit score of 620, with high and low scores thrown out) with no outstanding judgments or liens. In certain instances where a borrower does not have an established credit history, a non-traditional analysis may be performed.
- 7) Borrower(s) must have adequate cash flow to repay both the new SRLF loan and current mortgage obligation(s).
- 8) Borrower(s) total assets must be documented on the loan application.
- 9) At least one borrower in the household must work an average of at least 30 hours/week on an annual basis providing products or services to businesses or residents of Summit County.
- 10) Borrower(s) will schedule a 1:1 Housing Support meeting with a SCHA HUD Certified staff member. This will cover personal budgeting with a new, added loan. This must be completed before any funds are issued.
- 11) Obtaining this loan will be subject to SCHA's credit and underwriting standards.
- 12) Applications are reviewed on a case-by-case basis. Not all HOA Assessments and Rehabilitation/ Maintenance Repairs are accepted.

Loan terms are as follows:

- 1) Loan Terms



Amortized Term	Minimum Loan Amount	Maximum Loan Amount
10 Year	\$5,000	\$15,099
15 Year	\$15,100	\$20,999
20 Year	\$21,000	\$40,000

- 2) The value of a property after the completion of HOA Assessments / and or Maintenance Repairs construction activities must not exceed ninety-five percent (95%) of the Maximum Resale Price that is done by SCHA.
- 3) All liens on the property must be taken into consideration. The total debt on the home should not exceed its Maximum Resale Value.
- 4) The loan must be in second position or higher.
- 5) Funds will be paid directly to the HOA Property Management or directly to the General Contractor for Maintenance Repairs.
- 6) No cash back to the Borrower(s) after the HOA Special Assessments or Maintenance repairs are completed.
- 7) The interest rate is 2%. If the loan goes into default, as defined in the Promissory Note and/or Deed of Trust, the interest rate will increase to 6% until the default is cured.
- 8) The Borrower(s) must occupy the property as his/her/their primary residence (meaning living in the unit fulltime year-round) during the entire period of the loan terms.
- 9) Borrower(s) will be responsible to pay the recording filing fee for Deed of Trust currently posted by the Summit County Clerk and Recorder.
- 10) The borrower(s) will be responsible to pay the prorated interest rate for date that the loan has closed and for the remaining days till the end of that month.
- 11) The Promissory Note will commence on the 1st Day of the following month, after the loan has closed.
- 12) Borrower(s) may not rent the property or any portion thereof without prior written approval from SCHA.
- 13) Rentals with terms less than 6 months are prohibited. If the property is subject to an additional restrictive covenant, the terms of that covenant must also be followed.
- 14) Co-signers are not permitted on the fee simple title (e.g., a warranty deed).

Property eligibility is as follows:

- 1) The property must be physically located within Summit County, Colorado.
- 2) Ownership of the property must be held in a fee simple title (e.g., a warranty deed).
- 3) The property must be one of the following types:
 - a. Single-family homes
 - b. Duplexes
 - c. Town homes
 - d. Condominiums
 - e. Any of the above, on Community Land Trust property

The primary mortgage must meet the following requirements:

- 1) The loan term must not exceed 30 years.
- 2) The loan must not have negative amortization, interest-only payments, or a balloon payment.
- 3) The loan should allow prepayment without penalty.
- 4) Co-signers are permitted on the primary mortgage if they are not on title occupying the property.

Summit Combined Housing Authority Lending Practices

As a multi-jurisdictional housing authority pursuant to Colorado Revised Statutes Section 29-1-204.5, as amended, SCHA is exempt from the Secure and Fair Enforcement¹ for Mortgage Licensing Act of 2008 (SAFE Act).



Equal Opportunity Statement –Summit Combined Housing Authority will not discriminate against anyone in our lending practices or in any other of our decision-making processes because of race, color, religion, gender, handicap, family status or national origin. If you or a member of your household is an individual with a disability, you have the right to request a reasonable accommodation for that disability.