

Program Overview Exhibit A-26	
	Down Payment/Closing Cost Assistance
Program Intent	This program provides down-payment/closing cost assistance to first-time homebuyers (or have not owned a home in the last 3 years) in purchasing a home in St. Louis Park. Employees of St Louis Park businesses would be eligible for additional funds to encourage them to live where they work.
Interest Rate	0%
Amortization Type	Deferred
Loan Amount	Up to \$15,000 (not to exceed 5% of the purchase price). An additional \$5,000 for employees of St. Louis Park businesses and/or St. Louis Park renters. An employee must: work at least 20 hrs/wk, business must be physically located in SLP, have been employed at least 6 mths and not have used this program in the past. Owners of the business or self employed borrowers are not eligible. A renter must have been renting in St. Louis Park for at least 6 months prior to purchase. This can be verified by any of the following: Current Lease, Letter of Affidavit from the Property Owner/Manager that the renter was there for 6 months and verification of 6 months paid rent (for properties with 12+ units) or Verification of paying rent to a family member for at least 6 months, if no Lease.
Total Project Cost/Match	A minimum of \$3,000 must be contributed by or on behalf of the borrower. There is no contribution requirement for veterans. Acceptable contributions include: earnest money, buyer funds brought to closing, seller paid closing costs and gifts. A gift letter to document that the source is from a relative. Proceeds can not be from a loan or other debt instrument to meet the minimum contribution.
Term	20 years. 100% of the loan is due if the property is sold, transferred or no longer occupied by the borrower within 20 years of loan closing. Loan is 100% forgiven after 20 years if not sold, transferred or becoming non-owner occupied.
Eligible Borrowers	All borrowers must be a US Citizen or Permanent Legal Resident of the United States with a Social Security Number
Rent Restrictions and Requirements	N/A
Ineligible Borrowers	Non Permanent Legal Residents and business entities

Eligible Properties	1-2 unit properties, townhomes or condominiums. First mortgage must be a fixed rate and not have a balloon payment. Property must not be in a flood plain.
In-Eligible Properties	<ul style="list-style-type: none"> *Non-owner occupied (aka Absentee Owned) *Dwellings with more than 2 units *Cooperatives *Manufactured homes * Properties used for commercial purposes
Ownership/Occupancy	Owner occupied only
Loan-to-Value	N/A
Income Limits	100% household of 4 for a household of 1 or 2 and 115% household of 4 for a household of 3 or more. Income is based on the adjusted gross income from most recent federal tax return. If a tax return is not required to be filed by the borrower(s) than income will be based on projected income. If income has changed from the previous years tax return it may be reviewed on a case by case basis.
Debt-to-Income Ratio	N/A
Multiple Loans per Property/Borrower	Can only be used one time by borrower(s)
Eligible Improvements / Use of funds	Funds can be used for down-payment or closing costs. The borrower cannot receive any portion of these funds in cash.
Ineligible Improvements	N/A
Sweat Equity/Homeowner Labor	N/A
Property Inspection	N/A
Post-Install Inspection	N/A
Contractors/ Permits	N/A
Bids	N/A
Work Completion	N/A
Underwriting	The homebuyer(s) MUST attend a Home Strech workshop or other valid homebuyers course offered through an approved counseling agency by the US Department of Housing and Urban Development (HUD) and provide evidence prior to closing.

Disbursement of Funds	Funds will be disbursed to the Closing Agent, for the Benefit of the Borrower, in coordination with the purchase closing.
Loan Servicing	CEE
SLP Origination Fees	\$1,100
Annual Administration Fee	\$5,000
Program Set Up Fee (one time)	
Borrower/Applicant Fees	All applicable mortgage filing fees, wire transfer fees, title work, credit report, flood and any other applicable closing cost associated with the loan.
Residential Advisor Visit ("RAV"), Prioritization Inspection (PI) and Post Installation Inspections (PII)	\$275 per RAV and PI and \$175 per PII