

EXHIBIT A1

PROGRAM GUIDELINES

This document includes guidelines for the BURNSVILLE
LOAN PROGRAMS

BURNSVILLE LOAN PROGRAM GUIDELINES

Center for Energy and Environment (CEE) shall serve as the administrator for the City of Burnsville Economic Development Authority Loan Programs.

Down-payment Assistance Deferred Loan

Interest Rate: 0.25% simple interest

Loan Amount: 10% of the Sales Price. Funds to be used as downpayment towards the purchase of the home. Down-payment funds will be used to originate Burnsville Local Affordable Housing Aid dollars. Program set up and loan origination fees will be funded by Economic Development Authority levy funds. CEE will invoice the city accordingly.

Borrower Contribution: At least 1% of the purchase price is provided by the Borrower(s) own funds and used towards either the purchase downpayment or closing costs. Does not include any seller contributions.

Loan term: 30 years. If the property is owned and occupied by the Borrower the loan is 100% forgiven. If the property is sold, transferred or no longer occupied by the Borrower prior to 30 years 100% of the loan is due. No penalty for early repayment.

Eligible Properties: Owner-occupied properties with up to 4 dwelling units located within the boundaries of the City of Burnsville. Condominiums and townhomes are eligible. Purchase price not to exceed **\$410,000**.

Ineligible Properties: Dwellings that are more than 4 units, cooperatives, properties held in a Trust and properties used for commercial purposes.

Eligible Borrowers: Borrower(s) must be a permanent legal resident. The 1st mortgage must be a fixed interest rate and Contract-for-Deeds are NOT eligible.

Ineligible Borrowers: Not a legal resident.

Credit Requirements: 1) No outstanding judgements or collections. 2) Bankruptcy must have been discharged for at least 18 months prior to loan closing (without reasonable explanation). 3) The redemption period on prior foreclosures must have occurred at least 18 months prior to the loan application date. 4) Generally, no more than two 60-day late payments on credit report (without reasonable explanation). 5) No defaulted government loans.

Ownership/Occupancy: Owner-occupied only.

Loan to Value Ratio: N/A

Income Limit: 80% AMI based on household size and adjusted gross income from the most recent tax return. If a tax return is not required to be filed by the borrower(s) then income will be determined by the projected income over the next 12 months.

Loan Security: All loans will be secured with a mortgage.

Borrower Fees: Borrower will be responsible for mortgage filing and service fees, credit report fees and any other applicable closing fees.

Disbursement Process: Loan funds will be made payable and delivered to the title/closing agent. The down-payment and closing cost assistance deferred loan will be signed at closing of the purchase mortgage.

General Program Conditions for Loan Programs

Application Processing: Loans will be distributed on a first come first served basis as applicants qualify.

Applicants must provide a completed application package including the following to be considered for funding.

- Completed and signed application form
- Proof of income
- Proof of Identity (driver's license, passport, etc.)
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- Other miscellaneous documents that may be required.

Disbursement Process: Funds for the Down-Payment Assistance Deferred Loan are paid to the closing agent or title company.