

HOUSING SERVICES OF UTAH VALLEY
P.O. BOX 1906 OREM, UTAH 84059
(801-687-3696)
LOAN TO OWN Program

Mortgage Lender / Real Estate Agent,

As your clients become interested in participating in the Loan to Own Program which is a Federally funded program, processed by Housing Services, there are certain things you may want to know before submitting an application:

Housing Services along with Utah Valley Consortium of Cities and County (UVCCC), who is our funding source, require that:

- We can only take second position
- We only second behind FHA or Conventional fixed rate loans. We can do 2/1 buydowns (but have to run ratios at the third year rate) and we can pay for loan discount points.
- There can be no co-signers involved.
- The purchase price of the home cannot exceed \$ 232,305
- The client is buying in an eligible City in Utah County which are;
Orem, Lehi, Lindon, Payson, Pleasant Grove, Spanish Fork, Springville, and Unincorporated Utah County (Rural farmland, not in an incorporated City)
- They are under the income limits which are;

Family Size	1	2	3	4	5	6	7	8
Income Limit	\$35,200	\$40,250	\$45,250	\$50,300	\$54,300	\$58,350	\$62,350	\$66,400

- The client=s debt to income ratios meet HSUV guidelines (which is in the application packet)
- The client is buying a single family home (condos and townhomes are eligible)
- The client completes the HSUV Application and check list.

Age of Home

- If the home is NEWER than 30 years the client is eligible for \$ 5,000 toward 2 the required down payment and the one time closing costs (does not include pre-paid items or reserves).
- If the home is OLDER than 30 years the client is eligible for \$ 15,000 which will pay for the one time closing costs (does not include pre-paid items or reserves) and the balance will go toward down payment.
We will ask for a Good Faith Estimate showing the distribution of the \$ 15,000 before we can take the file to loan committee.

Terms of the Loan

- No interest
- No Payments
- Second Trust Deed
- The loan will be due and payable to Utah Valley Consortium, in full when the client no longer occupies the property as their principal place of residence at any time during the first five years of the loan. On the anniversary date of the sixth year, 20 % of the principal loan amount will be forgiven, and an additional 20 % every year thereafter, until the loan is completely forgiven on the 10th year anniversary date. There will be no credit issued for partial years.

Fees for the Program

- Borrowers pay a \$ 25.00 fee to HSUV at the time of Application
- \$ 150.00 of the total loan of \$ 5,000 or \$ 15,000 will be used for a limited title insurance policy and recording fees, that should be charged to the borrower at the time of closing.

Time Frame

- The time frame for the loan to be processed, approved, and funded is about 2 to 3 weeks.
- Housing Services attends Loan Committee every Friday.
- Orders checks every Monday and has a check by the same Thursday.

The funds are used on a first come first serve basis and there are limited funds available, HSUV will post on their website when we can fund only 10 - 15 more loans.

There are certain items needed from you as the Mortgage Officer that make it possible for the borrower=s application to be processed in a timely manner. These items listed below, are the items needed before I can take the borrower to Loan Committee;

- A copy of the Good Faith Estimate
- A copy of the credit report
- I will also need the first three pages of the appraisal (before the date of closing).

These items can be faxed or sent with the borrower=s application, however we do not accept faxed applications they must be mailed. The fax number is [801-406-4719](tel:801-406-4719), attention Chelsey. If you need further assistance or have any questions please feel free to call or e-mail me, (801)-358-6073 or chelsey.lto@gmail.com

If you need copies of the application or information visit our website at www.housingservicesut.org .

Sincerely,

Program Director
Housing Services of Utah Valley, Inc.