



EAGLE COUNTY HOUSING AND DEVELOPMENT AUTHORITY

Down Payment Assistance Policy For Short Sale Approval

Below is the policy for Short Sale approvals where Eagle County Housing and Development Authority/Eagle County Government has one or more junior liens in the form of Down Payment Assistance loans.

1. ECHDA/ECG Down Payment Assistance Loans are not forgiven.
2. A borrower must prove financial hardship and the inability to sell the collateral at a price sufficient to repay all loans in full.
3. ECHDA/ECG will request a payoff, at minimum of, 10% of **total** ECHDA/ECG DPA debt due at Short Sale Closing.
 - a. The Housing Department will negotiate a higher payoff if possible.
 - b. If the primary lender and/or borrower will not agree to a 10% payoff, ECHDA will review short sale approval on a case by case basis.
4. Borrower must sign a Promissory Note(s) to repay the remaining balance due on ECHDA/ECG DPA loan(s) at Short Sale Closing.
 - a. This note will be unsecured
5. Any applicable fees associated with the Short Sale will be added to borrower's remaining balance(s).
6. Borrower's remaining balance(s) will be re-paid in monthly payments.
7. Borrower will agree to and provide necessary documentation to allow for monthly loan repayments to be automatically deducted from a checking or savings account at Short Sale Closing.
8. Repayment period will not exceed 15 years.
9. An interest rate of at least 2.5% will apply to the remaining loan balance(s) over the repayment period. The interest rate charged may vary and will be negotiated with the borrower.
10. Repayment plans/schedules will be negotiated on a case by case basis
11. If borrower is in default on the repayment Promissory Note(s), ECHDA will pursue repayment through the collections process.