



2015 MORTGAGE CREDIT CERTIFICATE (MCC) PROGRAM

To help assist qualified homebuyers to purchase their *first* home by providing them an annual tax credit.

October 7, 2014

WHAT IS A MORTGAGE CREDIT CERTIFICATE (MCC)?

Program Requirements:

- **Certificate:** The City Issues a Mortgage Credit Certificate (MCC) to a qualified low and moderate income homebuyer.
- **Tax Credit:** The MCC reduces the amount of federal income tax a homeowner pays up to \$2,000 annually. The credit equals 30% of the mortgage interest paid on the home for the year. It can be carried over for the next 3 subsequent years or until used. The Homebuyer claims the tax-credit on their annual tax return using IRS Form 8396
- **Private Activity Bonds:** The 2015 MCC Program will utilize approximately \$45,000,000 of the City's private activity bond volume cap allocation and the program will run from January 9, 2015 to December 31, 2017
- **1st Time Homebuyer and Primary Home:** It must be the Mortgagors primary home and they must be either first-time homebuyers or may not have owned a home in the past three years (**except in "Targeted Areas"** and for Qualified Veterans - see Targeted and Non-Target areas in the chart below)
- **To Help Qualify:** The credit may be used towards qualifying the borrower's income on their mortgage application with a participating mortgage lender
- **Terms, loan type and interest rate:** Mortgage loan is set by the lender, FHA, VA, & Conventional loans, mortgage rate must be fixed and not exceed 40 years. There is a \$75 application fee and 0.15% of the mortgage amount for the MCC Issuance Fee
- **Homebuyer education** required from HUD approved agencies
- **W-4 Adjustment:** The Homebuyer may adjust their W-4 to reflect the anticipated tax-credit – providing a higher monthly net income
- **MCC Program Administrator** (Raymond James) to work with staff, lenders, process application packages, issue MCCs, handle Internal Revenue Service MCC Program compliance matters (including quarterly and annual reporting), and maintain records for five years.

	Non- Targeted	Targeted
Eligible Area	Entire City and County of Denver	Federally established target areas based on HUD census tracts
Eligible Users	• First-time homebuyers	• Non-first-time homebuyers
Maximum Income (subject to change)	Household of 2 or less \$93,360 Household of 3 or more \$108,920	Household of 2 or less \$93,360 Household of 3 or more \$108,920
Maximum Home Price (subject to change)	1-Unit Home \$382,500 2-Unit Home \$489,668	1-Unit Home \$467,500 2-Unit Home \$598,483

Sample MCC Calculation for Homebuyer

Variables & Borrower Benefit Summary	
Loan Principal Amount	\$167,000.00
Mortgage Rate	4.150%
Loan Period in Years	30
Base Year of Loan	2015
Mortgage Interest Paid 2015	\$ 6,876.41
MCC Rate	30%
Allowable Tax Credit 2015	\$2,000.00
Potential Total 30 Year Credit	\$37,632.49

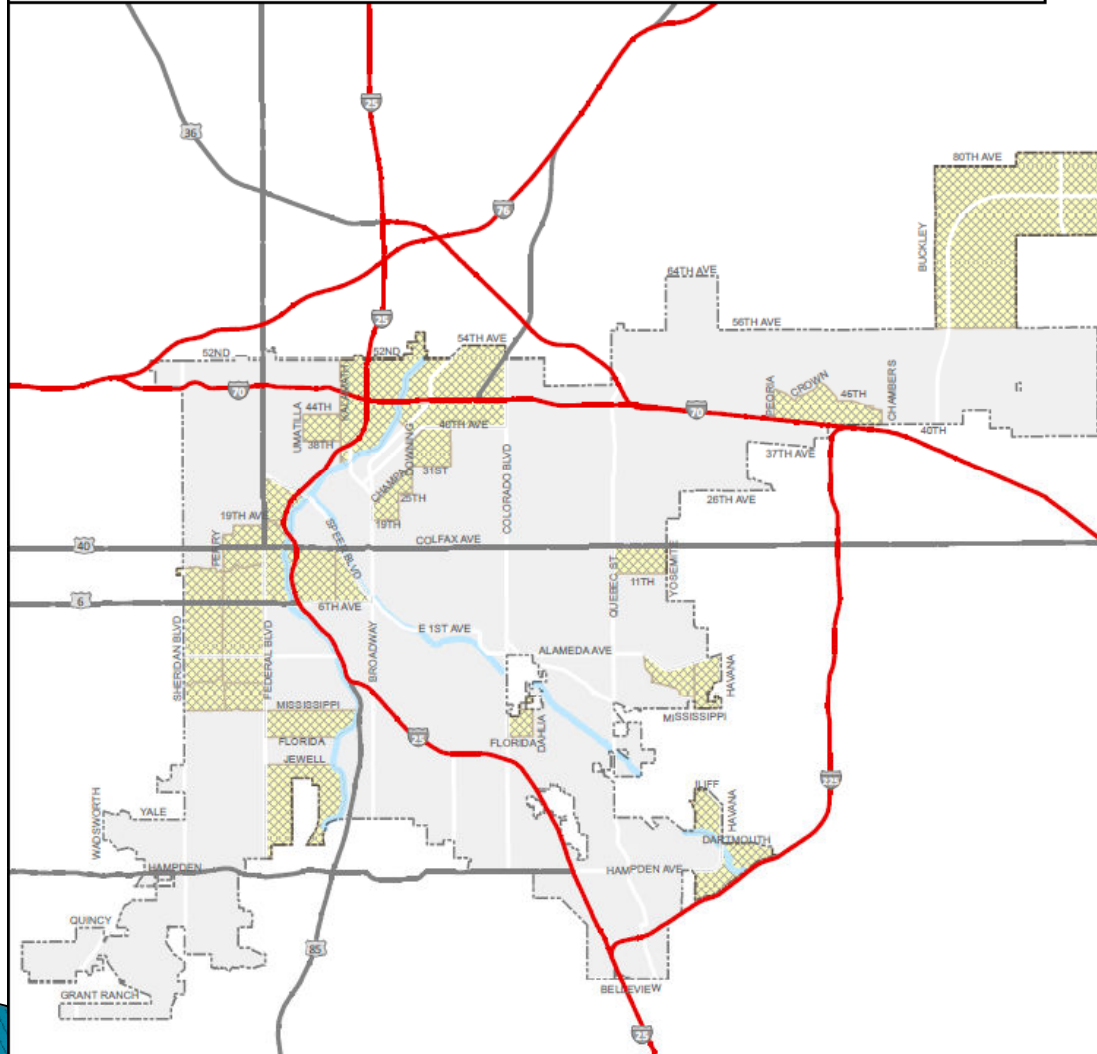
Mortgage Credit Certificate Schedule						
Year	Mortgage Interest	MCC Rate	Gross Tax Credit	Carry-Forward	3 year Accumulation	Allowable Tax Credit
2015	\$ 6,876.41	30%	\$2,062.92	\$62.92	\$62.92	\$2,000.00
2016	\$ 6,755.22	30%	\$2,026.56	\$26.56	\$89.49	\$2,000.00
2017	\$ 6,628.90	30%	\$1,988.67	\$11.33	\$89.49	\$2,000.00
2018	\$ 6,497.23	30%	\$1,949.17	\$0.00	\$26.56	\$1,975.73
2019	\$ 6,360.00	30%	\$1,908.00	\$0.00	\$0.00	\$1,908.00
2020	\$ 6,216.96	30%	\$1,865.09	\$0.00	\$0.00	\$1,865.09
2021	\$ 6,067.88	30%	\$1,820.36	\$0.00	\$0.00	\$1,820.36
2022	\$ 5,912.48	30%	\$1,773.75	\$0.00	\$0.00	\$1,773.75
2023	\$ 5,750.52	30%	\$1,725.16	\$0.00	\$0.00	\$1,725.16
2024	\$ 5,581.70	30%	\$1,674.51	\$0.00	\$0.00	\$1,674.51
2025	\$ 5,405.74	30%	\$1,621.72	\$0.00	\$0.00	\$1,621.72
2026	\$ 5,222.34	30%	\$1,566.70	\$0.00	\$0.00	\$1,566.70
2027	\$ 5,031.19	30%	\$1,509.36	\$0.00	\$0.00	\$1,509.36
2028	\$ 4,831.94	30%	\$1,449.58	\$0.00	\$0.00	\$1,449.58
2029	\$ 4,624.27	30%	\$1,387.28	\$0.00	\$0.00	\$1,387.28
2030	\$ 4,407.82	30%	\$1,322.34	\$0.00	\$0.00	\$1,322.34
2031	\$ 4,182.20	30%	\$1,254.66	\$0.00	\$0.00	\$1,254.66
2032	\$ 3,947.05	30%	\$1,184.12	\$0.00	\$0.00	\$1,184.12
2033	\$ 3,701.95	30%	\$1,110.58	\$0.00	\$0.00	\$1,110.58
2034	\$ 3,446.48	30%	\$1,033.94	\$0.00	\$0.00	\$1,033.94
2035	\$ 3,180.21	30%	\$954.06	\$0.00	\$0.00	\$954.06
2036	\$ 2,902.67	30%	\$870.80	\$0.00	\$0.00	\$870.80
2037	\$ 2,613.39	30%	\$784.02	\$0.00	\$0.00	\$784.02
2038	\$ 2,311.88	30%	\$693.56	\$0.00	\$0.00	\$693.56
2039	\$ 1,997.61	30%	\$599.28	\$0.00	\$0.00	\$599.28
2040	\$ 1,670.05	30%	\$501.02	\$0.00	\$0.00	\$501.02
2041	\$ 1,328.64	30%	\$398.59	\$0.00	\$0.00	\$398.59
2042	\$ 972.78	30%	\$291.84	\$0.00	\$0.00	\$291.84
2043	\$ 972.78	30%	\$291.84	\$0.00	\$0.00	\$291.84
2044	\$ 215.28	30%	\$64.58	\$0.00	\$0.00	\$64.58
	\$125,613.60		\$37,684.08			\$37,632.49



DENVER
THE MILE HIGH CITY

2015 Mortgage Credit Certificate Program

City and County of Denver
Office of Economic Development



Program Description

The 2015 Denver MCC program allows qualifying borrowers to receive an annual federal income tax credit = 30% of the annual interest they pay on their mortgage loan.

First-time Homebuyers

Cannot have owned a home in the past three years (except in "Targeted Areas"). Targeted Areas are census tracts designated by HUD as underserved in mortgage loan origination.

Eligible Areas:	Non-Targeted	Targeted
	Entire City & County of Denver	Designated Census Tracts

Eligible Users:	First-time homebuyers	Non first-time homebuyers

Maximum Household Income*	Non-Targeted	Targeted	
	Household size of 2 or less	\$93,360	\$93,360
	Household size of 3 or more	\$108,920	\$108,920

Maximum Home Cost*	Non-Targeted	Targeted	
	1-unit home	\$382,500	\$467,500
	2-unit home	\$489,668	\$598,483

*subject to change

- City & County of Denver
- Targeted Areas

Map Date: September 2014. Map Created By: Denver Office of Economic Development. Data Sources: DenverGIS, HUD, City and County of Denver.



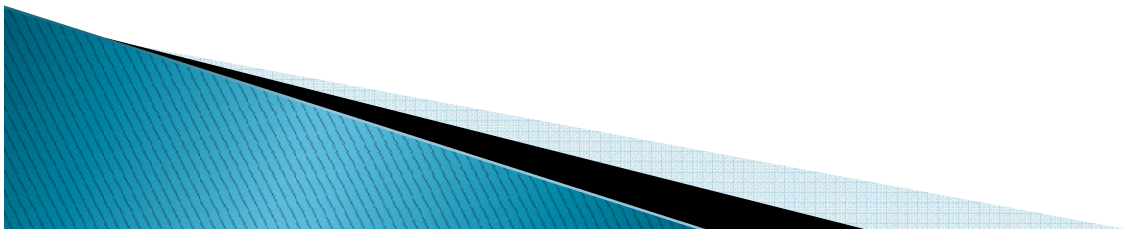
DENVER 2012 & 2009 MCC PROGRAM RESULTS

▶ The 2012 Mortgage Credit Certificate Program

- Fully originated the \$25 million of available program funds.
- **139 first-time homebuyer families** used the MCC Program.
- The **average** participant **income** was **\$51,643** compared to a median income for the Denver PMSA of \$78,200, based on 2014 HUD Median Income.
- The **average home purchase price** was **\$191,057** compared to the Denver PMSA of \$271,969 based on Metro list data April 2014.
- 2012 MCC Program will expire officially on December 31, 2014.

▶ The 2009 Mortgage Credit Certificate Program

- Originated \$21.6 million of \$25 million of available program funds.
- **130 first-time homebuyers** used the MCC Program.
- The **average** participant **income** was **\$50,226** compared to a median income for the Denver PMSA of \$78,200, based on 2011 HUD Median Income.
- The **average home purchase price** was **\$180,370** compared to the Denver PMSA of \$271,969.00 based on Metro-list data April 2011.
- 2009 MCC Program expired on December 31, 2011.

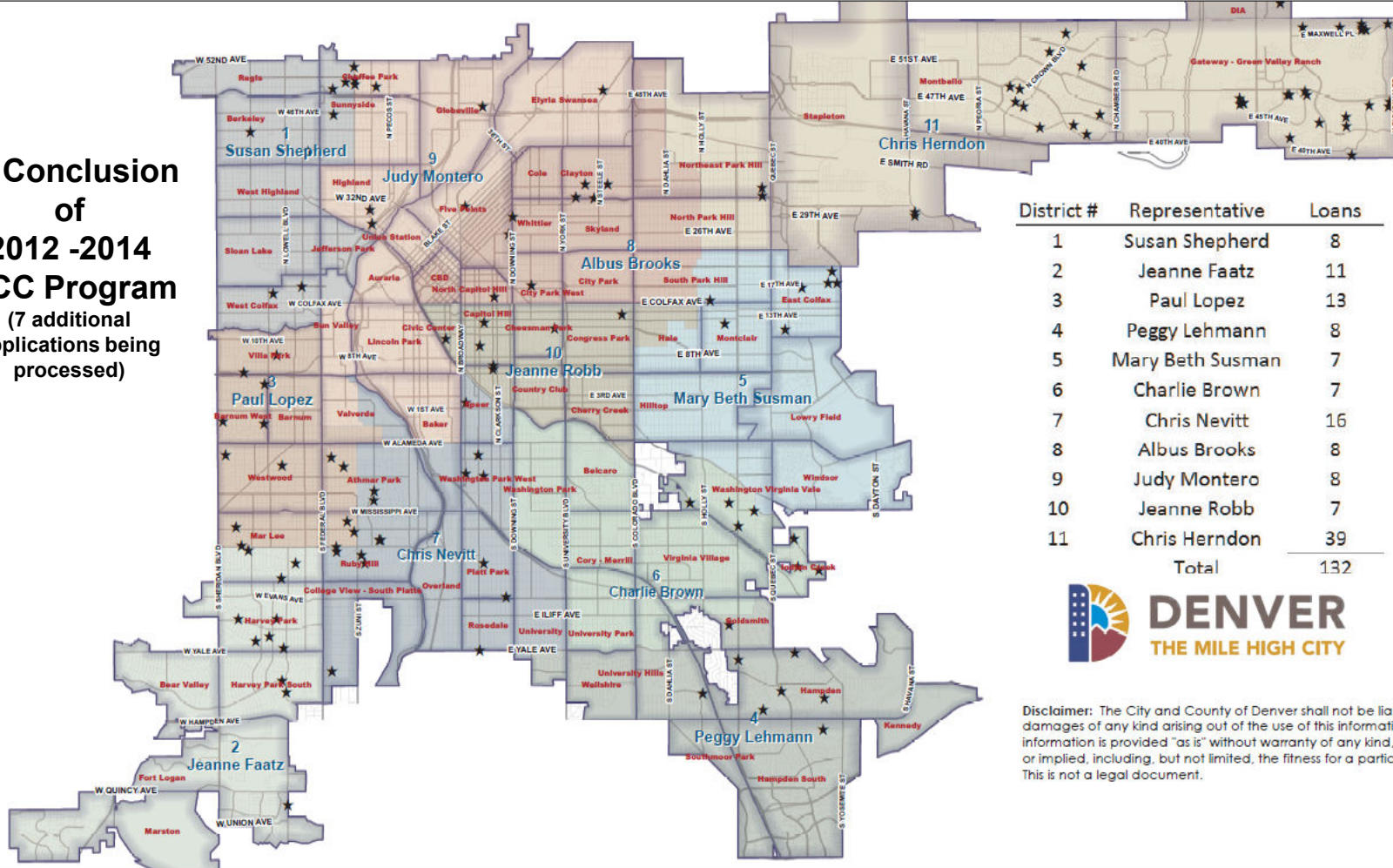


Mortgage Credit Certificate Program

Location of Homes Receiving Tax Credit

As of October 1, 2014

**At Conclusion
of
2012 -2014
MCC Program
(7 additional
applications being
processed)**



District #	Representative	Loans
1	Susan Shepherd	8
2	Jeanne Faatz	11
3	Paul Lopez	13
4	Peggy Lehmann	8
5	Mary Beth Susman	7
6	Charlie Brown	7
7	Chris Nevitt	16
8	Albus Brooks	8
9	Judy Montero	8
10	Jeanne Robb	7
11	Chris Herndon	39
Total		132



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Mortgage Lender Participation

2012-2014 MCC Program Number of Loans Per Lender

Mortgage Lender Fees for 2015:

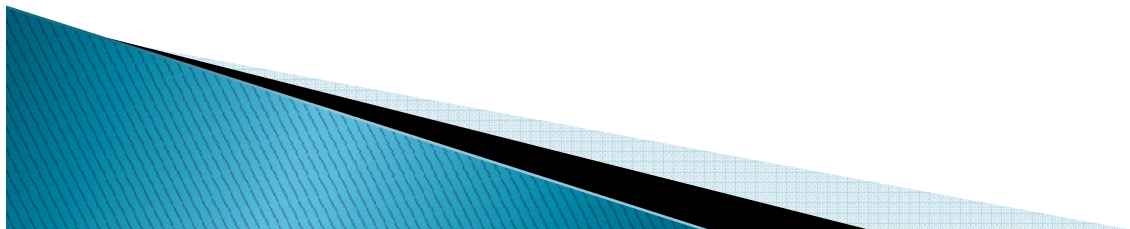
\$400.00
(one-time fee, non-refundable)

Company Name	No. of Loans
American Liberty Mortgage	2
Bank of America	1
Citywide Home Loans	18
Colorado Mortgage Alliance	1
Cornerstone Home Lending, Inc.	9
Cornerstone Mortgage	7
Envoy Mortgage	1
Fairway Mortgage Corporation	1
Georgetown Mortgage	2
Guild Mortgage	28
Loan Simple	1
Megastar Financial Corp	1
New American Funding	1
Paramount Home Loans, Inc.	1
Real Estate Mortgage Network	2
Summit Mortgage Corporation	17
Sun West Mortgage	1
The Mortgage Network	7
Universal Lending Mortgage	20
Uptown Mortgage	11
WR Starkey Mortgage	1

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PROGRAM FINANCING TEAM

Issuer	<i>City and County of Denver</i>
Co-Bond Counsel	<i>Kutak Rock LLP</i> <i>Reno & Cavanaugh PLLC</i>
Financial Advisor	<i>First Southwest Company</i>
Program Marketer/ Administrator	<i>Raymond James & Associates</i>



Private Activity Bonds (PAB) Fed/State Initial Allocation – 2014

\$100 per capita rate x state pop. = Total PAB Cap

Colorado was awarded \$ 526,836,700 in 2014

50% of Cap

State Authorities

- CHFA
- Colorado Agriculture Development Authority
- CollegelInvest

50% of Cap

Local Governments

- 49 local governments
- populations exceeding 22,133
- 2014 Denver cap is \$31,730,950

Statewide Balance

- Remaining or relinquished PAB Cap
- Available to all upon application to DOLA
- September 15th, relinquished PAB Cap becomes part of the statewide balance
- December 31st, unallocated PAB Cap expires unless distributed to a local authority with the ability to carry forward up to 3 years

Private Activity Bond Use Schedule

Benefits, Cap, Fees

- Once a local government is awarded the PAB Cap, the IRS allows the PAB Cap to be carried forward up to 3 years
- There is no cost to the City to receive or carry forward any award of PAB Cap (Only if used)
- In 2011, 2012 and 2013 the City applied for and received additional PAB Cap from the unused Statewide balance.

Available PAB CAP						
Year	PAB CAP	Uses	Project	Remaining	Carried Forward	Expiration
2014	\$ 31,730,950	\$ (15,000,000)	2015 MCC Program (Proposed)	\$ 16,730,950	Allocation for 2014	12/31/2017
2013	\$ 80,000,000	\$ (506,442)	2015 MCC Program (Proposed)	\$ 79,493,558	Additional Allocation	12/31/2016
2013	\$ 29,493,558	\$ (29,493,558)	2015 MCC Program (Proposed)	\$ -	Allocation for 2013	12/31/2016
2012	\$ 50,000,000	\$ (21,614,125)	2300 Welton	\$ 28,385,875	Multifamily (8328)	12/31/2015
2012	\$ 28,771,795	\$ (5,000,000)	MCC Program	\$ 23,771,795	\$5M Single & Multifamily (8328)	12/31/2015
2011	\$ 18,000,000	\$ (16,000,000)	Park Hill Village	\$ 2,000,000	Multifamily (8328)	12/31/2014
2011	\$ 26,385,875	\$ (26,385,875)	\$1.3M - 2300 Welton/MCC Program	\$ -	\$25M Single & Multifamily (8328)	12/31/2014
TOTAL	\$ 264,382,178	\$ (114,000,000)		\$ 150,382,178		
			<u>Induced Projects</u>	<u>Unassigned</u>		
				\$ -		
			Total Induced	\$ -		
			Total Remaining after Unassigned	\$ 150,382,178		

DOLA PAB Fee Calculation

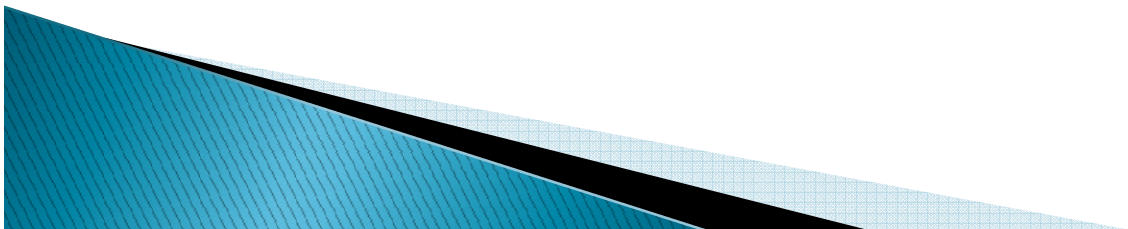
Source	Percent	Amount Issued	Fee
Direct Allocation Fee	0.010%	44,493,558.00	4,449.36
Statewide Balance Fee	0.250%	506,442.00	1,266.11
TOTAL		45,000,000.00	5,715.46



DENVER[®]
THE MILE HIGH CITY

DENVER
“METRO MORTGAGE ASSISTANCE PLUS”
PROGRAM UPDATE
AS OF 9/15/14

Down Payment Assistance of 4%
(3% + 1% Origination)
of the total mortgage amount -
in exchange for a slightly higher mortgage interest rate



PROGRAM SUMMARY

Program Basics:

- **Net 3% Down Payment Assistance “Grant” and up to 1% Origination Fees** to qualifying low & moderate income homebuyers.
- Mortgage rates to buyers are slightly above market (currently about 0.25% - 0.50% above market today). Mortgage interest rates fluctuate to stay competitive with current market.
- Eligible loans must be **30 year fixed rate FHA or VA**, and are then pooled into GNMA Certificates.
- **Currently a \$35 Million Revolving Program:** Participating lenders may reserve and close loans at any time. As soon as GNMA Certificates are pooled and sold, the capacity of the Program is restored by such amount.
- Denver funds Down Payment Assistance, and is reimbursed upon sale of GNMA Certificates.

Home Buyer Requirements:

- Purchases only. No refinances.
- No first-time homebuyer requirement.
- **Maximum** qualifying income:
 - \$91,100 (2 or fewer in household)
 - \$103,000 (3 or more)
- Minimum 640 FICO credit score, with monthly recurring debt payments not exceeding 45% of monthly income (45% debt-to-income).
- Homebuyer education required from HUD approved agencies
- No maximum purchase price.

PARTICIPATING JURISDICTIONS

METRO MAYOR'S CAUCUS & METRO AREA COUNTY COMMISSIONERS

- 1 Arapahoe County
- 2 Arvada
- 3 Aurora
- 4 Boulder
- 5 Boulder County
- 6 Brighton
- 7 City and County Broomfield
- 8 Centennial
- 9 Commerce City
- 10 Dacono
- 11 Edgewater
- 12 Englewood
- 13 Golden
- 14 Jefferson County
- 15 Lakewood
- 16 Littleton
- 17 Parker
- 18 Sheridan
- 19 Town of Bennett
- 20 Town of Castle Rock
- 21 Town of Firestone
- 22 Thornton
- 23 Westminster
- 24 Wheat Ridge

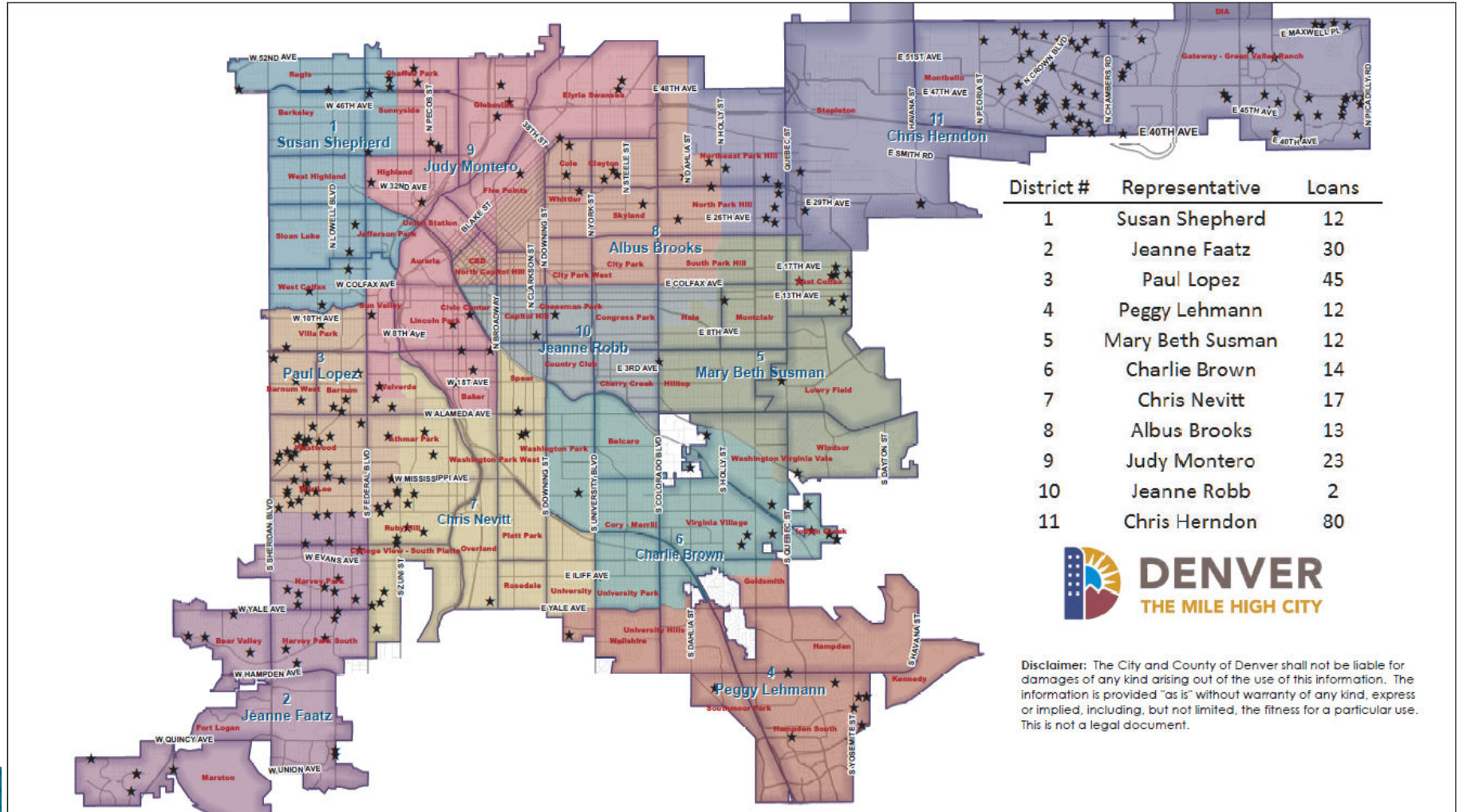
PROGRAM SUCCESS

2013-2014 Denver MMA Plus Program							
As of: 9/15/14		Launch: March 20, 2013					
Number of Households Helped: 751		Property Type					
Total Dollar of Transactions: \$142,024,421		Single Fam	560				
Participating Lenders: 60		Condo	100				
Approx. Total Down Payment Assistance: \$5,680,977		Duplex	6				
Issuer Fees \$1,330,085		Townhouse/Row	85				
			751				
Current Interest Rate Offered	4.625%	<table border="1"> <thead> <tr> <th>Low</th> <th>High</th> </tr> </thead> <tbody> <tr> <td>3.875%</td> <td>5.125%</td> </tr> </tbody> </table>	Low	High	3.875%	5.125%	
Low	High						
3.875%	5.125%						
<u>Averages:</u>							
Loan Amount:	\$189,114	1st Time buyers	742 98.8%				
Purchase Price:	\$193,077	Total Denver	263 35.0%				
Household Income:	\$58,461						

CITY SUMMARY			
CITY	LOANS	AMOUNT	% OF TOTAL
Arvada	38	\$7,500,957.00	5.28%
Aurora	187	33,556,803.00	23.63%
Boulder	1	207,307.00	0.15%
Brighton	24	4,998,367.00	3.52%
Broomfield	5	1,048,591.00	0.74%
Castle Rock	7	1,510,526.00	1.06%
Centennial	10	2,255,937.00	1.59%
Commerce City	5	1,185,025.00	0.83%
Denver	263	48,152,801.00	33.90%
Edgewater	4	757,239.00	0.53%
Englewood	14	3,132,640.00	2.21%
Evergreen	1	122,735.00	0.09%
Firestone	1	172,320.00	0.12%
Golden	1	183,150.00	0.13%
Lafayette	1	116,844.00	0.08%
Lakeside	1	234,671.00	0.17%
Lakewood	47	8,883,137.00	6.25%
Littleton	35	6,815,156.00	4.80%
Longmont	1	176,739.00	0.12%
Morrison	5	1,306,104.00	0.92%
Parker	13	3,097,260.00	2.18%
Thornton	47	8,952,623.00	6.30%
Westminster	34	6,297,186.00	4.43%
Wheat Ridge	6	1,360,303.00	0.96%
TOTAL	751	\$142,024,421.00	100.00%

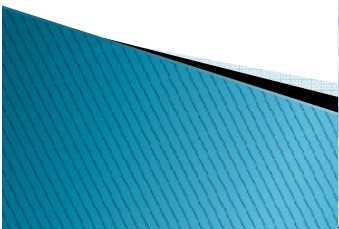
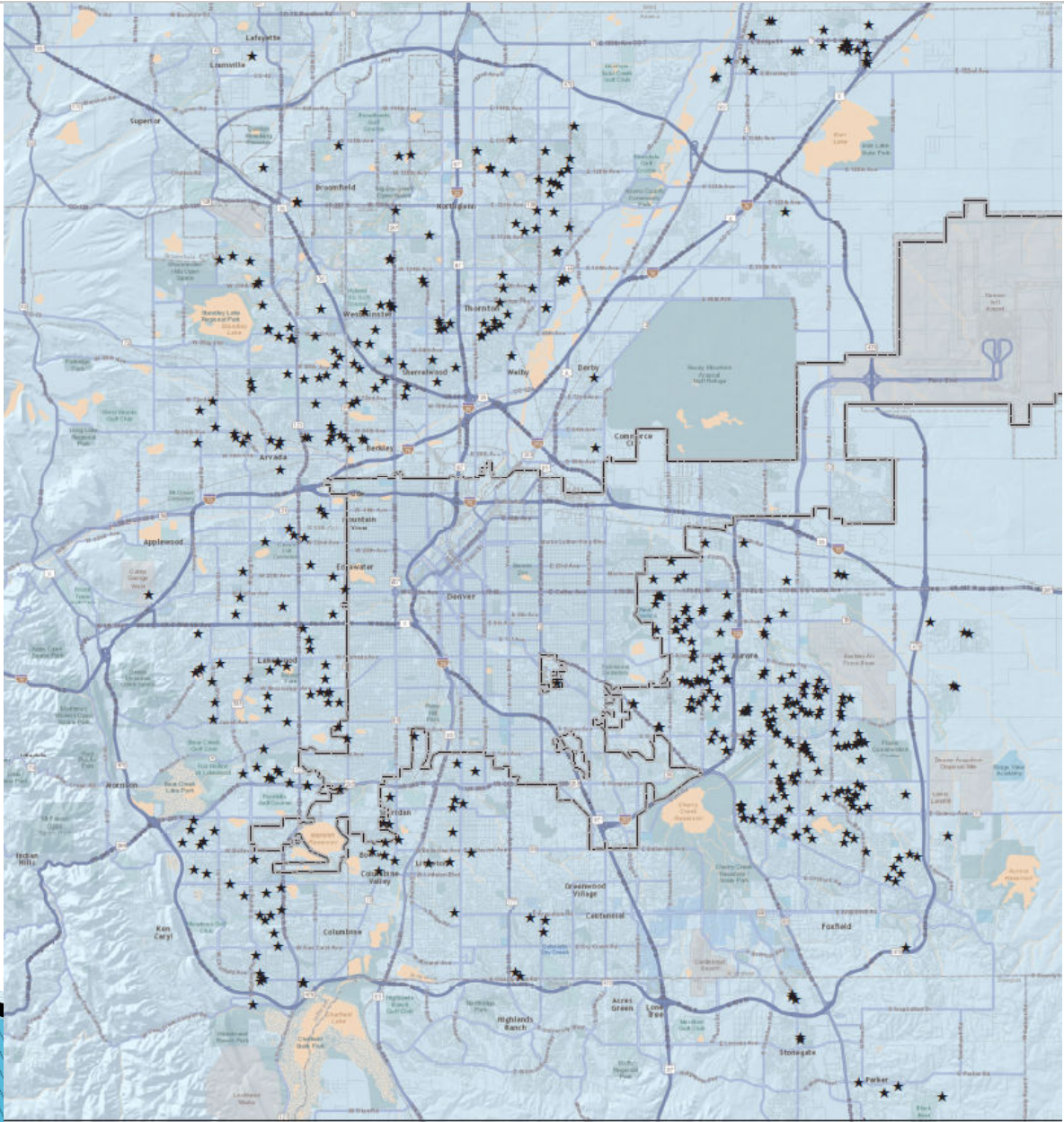
LOCATIONS BY COUNCIL DISTRICT

Metro Mortgage Assistance Plus Program Location of Homes Receiving Down Payment Assistance As of September 24, 2014



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**LOCATIONS IN 24 OF 40 JURISDICTIONS
METRO – MAYORS' CAUCUS & METRO AREA COUNTY COMMISSIONERS
MAP**



LENDERS

ORIGINATOR SUMMARY	LOANS	AMOUNT	% OF TOTAL
Academy Mortgage Corporation	2	\$343,561.00	0.24%
Air Academy FCU	1	216,015.00	0.15%
American Financing Corporation	9	1,815,991.00	1.28%
American Pacific Mortgage Corporation	3	621,043.00	0.44%
America's Mortgage LLC	3	649,517.00	0.46%
AmeriFirst Financial, Inc.	3	628,799.00	0.44%
Axia Financial LLC	9	1,727,035.00	1.22%
Broker Solutions Inc, DBA New American Funding	18	3,314,759.00	2.33%
Caliber Home Loans, Inc	20	3,879,649.00	2.73%
Cherry Creek Mortgage	24	4,833,971.00	3.40%
Citywide Home Loans	155	28,216,288.00	19.87%
Commerce Mortgage	6	1,114,929.00	0.79%
Cornerstone Home Lending, Inc.	24	4,842,721.00	3.41%
DHA Financial, Inc.	1	201,286.00	0.14%
DHI Mortgage Co., Ltd.	3	833,381.00	0.59%
Ent Federal Credit Union	4	863,077.00	0.61%
Envoy Mortgage, Ltd	13	2,503,693.00	1.76%
Fairway Independent Mortgage Corporation	25	4,654,621.00	3.28%
First California Mortgage	21	4,388,431.00	3.09%
Goldwater Bank, N.A.	4	843,520.00	0.59%
Guaranteed Rate Inc	7	1,523,073.00	1.07%
Guild Mortgage Company	106	20,947,822.00	14.75%
Hallmark Home Mortgage	13	2,714,421.00	1.91%
HomeBridge Financial Services Inc.	6	1,321,463.00	0.93%
Ideal Home Loans, LLC	4	745,717.00	0.53%
Loan Simple, Inc.	3	512,052.00	0.36%
MegaStar Financial	23	4,227,588.00	2.98%
NOVA Financial & Investment Corp.	36	6,555,990.00	4.62%
Peoples National Bank	49	9,580,698.00	6.75%
Primary Residential Mortgage, Inc	3	422,210.00	0.30%
Real Estate Mortgage Network, Inc.	10	1,620,806.00	1.14%
Rocky Mountain Mortgage Specialists	9	1,444,548.00	1.02%
Stearns Lending, Inc	4	703,422.00	0.50%
Summit Mortgage Corporation	20	3,648,985.00	2.57%
The Mortgage Company	4	\$811,793.00	0.57%
Universal American Mortgage Company	12	2,155,878.00	1.52%
Universal Lending Corporation	27	4,370,625.00	3.08%
Vectra Bank Colorado, NA	2	390,460.00	0.27%
VIP Mortgage Inc	4	807,109.00	0.57%
Wells Fargo Home Mortgage	40	7,257,432.00	5.11%
Weststar Mortgage Corporation	4	890,570.00	0.63%
WR Starkey Mortgage, LLP	17	2,879,472.00	2.03%
TOTAL	751	\$142,024,421.00	100.00%

ETHNICITY AND HOUSEHOLD SIZE

RACE BY ETHNICITY REPORT

RACE	HISPANIC	NONHISPANIC	UNKNOWN	LOANS	% OF TOTAL
American Indian/ Alaskan Native	3	0	0	3	0.40%
American Indian/Alaskan Native & White	0	2	0	2	0.27%
Asian	0	9	0	9	1.20%
Asian & White	0	1	0	1	0.13%
Black/ African American	1	35	0	36	4.79%
Black/African American & White	0	1	0	1	0.13%
Native Hawaiian/Other Pacific Islander	0	10	0	10	1.33%
Other	64	65	0	129	17.18%
White	137	423	0	560	74.57%
TOTAL	205	546	0	751	100.00%

HOUSEHOLD SIZE	LOANS	% OF TOTAL
1 - One person	219	29.16%
2 - Two persons	213	28.36%
3 - Three persons	141	18.77%
4 - Four persons	107	14.25%
5 - Five persons	42	5.59%
6 - Six persons	19	2.53%
7 - Seven persons	7	0.93%
8 - Eight or more persons	3	0.40%
TOTAL	751	100.00%