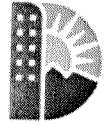


Proposed Denver & Metro Mayors Caucus 2013 Metro Mortgage Assistance Plus Program



DENVER
THE MILE HIGH CITY

2013-0045-F

Program Benefit: The proposed 2013 City and County of Denver Metro Mortgage Assistance Plus Program will provide a competitive 30-year fixed-rate mortgage with a down payment assistance (DPA) grant equal to 4% of the mortgage amount to qualifying low and moderate income homebuyer families throughout the City and County of Denver, and in certain surrounding communities that participate from the 40-jurisdiction Metro Mayors Caucus (MMC).

Program Mortgage Rate: Will be slightly above market rate (e.g., as of 12/28/12 anticipated to be **3.50%**). The program mortgage rate will change periodically to stay competitive with the market.

Program DPA/Lender Compensation: Each homebuyer family will receive a non-repayable DPA grant for down payment & closing costs equal to 4% of the initial principal amount of the mortgage loan. This is funded directly by Denver at mortgage loan closing. The net DPA is 3%, taking into account the 1% origination fee. Lender income is 2%, coming from the 1% origination fee at loan closing and 1% SRP (0.50% for VA loans) upon sale of the loan to the Servicer, US Bank Home Mortgage.

Program Size: \$15,000,000 revolving. Initially, \$15 million of funds may be reserved, closed, or purchased by the Servicer at any one time. However, as soon as the resulting GNMA Certificates are pooled and delivered by the Servicer, such amounts will be added back into the available \$15 million.

Program Period: Denver, as Program Sponsor, anticipates finalizing the program in late January, and then rolling out the 2013 Metro Mortgage Assistance Plus Program in mid-February 2013. We anticipate an initial two-year program term, though extendable by Denver thereafter to allow for "continuous origination."

Eligible Mortgagors: The normal tax-exempt bond or mortgage credit certificate (MCC) program requirements (income & purchase price limit, and first-time homebuyer) will not apply. In addition, the homebuyers will not be subject to "Recapture Tax." Denver currently anticipates the following requirements for eligible homebuyers:

- 1) **No First-time Homebuyer Requirement**
- 2) **Maximum Credit Qualifying Income: \$91,100 (2 or fewer)/\$103,000 (3 or more)**
- 3) **No Maximum Home Purchase Price**

Eligible Loans: FHA or VA, all 30-year, fixed rate & poolable into GNMA Certificates, minimum 640 FICO score, maximum 45 debt-to-income (DTI) ratio. All homebuyers must receive HUD-approved homebuyer education. Loans must be "underwriter certified" within 15 days of loan reservation, closed within 45 days, and purchased by the Servicer within 70 days. Refinances are not permitted.

Eligible Loan Area: Mortgage loans under the program may be made to qualifying borrowers throughout the City and County of Denver, and in the participating MMC jurisdictions.

Participating Lenders: Must be approved by Denver and the Servicer, sign a Participating Lender Agreement with the Servicer, sign a Lender Agreement with Denver, pay an annual fee to Denver of \$1,000, and receive webinar training from the online loan reservations Administrator, eHousingPlus, and the Servicer.

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