ORDINANCE/RESOLUTION REQUEST
Please email requests to the Mayor's Legislative Team
at MileHighOrdinance@DenverGov.org by **3:00pm on Monday.**

All fields must be completed.
Incomplete request forms will be returned to sender which may cause a delay in processing.

Date of Request: December 28, 2012

Please mark one: ☒ **Bill Request**   **or**   ☐ **Resolution Request**

1. **Has your agency submitted this request in the last 12 months?**

    ☐ **Yes**   ☒ **No**

    If yes, please explain:

2. **Title:** An ordinance request to authorize and approve the City's sponsorship in the **Denver 2013 Metro Mortgage Assistance Plus Program** (First Mortgage and Down Payment Assistance Program) and approving the execution of all program documents; authorizing the appointment of the Master Servicer, Custodian, Program Administrator, Program Advisor; and delegating the power to take actions as necessary to accomplish the program objectives.

3. **Requesting Agency:** Finance

4. **Contact Person:** (W*ith actual knowledge of proposed ordinance/resolution.)*
    - **Name:** Rick Sheehan – Sr. Financial Analyst, Special Districts and Conduit Debt
    - **Phone:** 720-913-5550
    - **Email:** Richard.Sheehan@denvergov.org

5. **Contact Person:** (W*ith actual knowledge of proposed ordinance/resolution who will present the item at Mayor-Council*
    - **Name:** Rick Sheehan – Sr. Financial Analyst, Special Districts and Conduit Debt
    - **Phone:** 720-913-5550
    - **Email:** Richard.Sheehan@denvergov.org

6. **General description of proposed ordinance including contract scope of work if applicable:**
    The purpose of this ordinance is to authorize the City to implement a first mortgage and down payment assistance program and authorize the appointment of the Master Servicer, Custodian, Program Administrator, and Program Advisor. The **Denver 2013 Metro Mortgage Assistance Plus Program** will benefit qualified low and moderate income home buyers and will be available to any qualified homebuyer within the City and County of Denver, and eventually to qualified homebuyers in cities and towns that are members of the Metro-Mayor's Caucus.

    a. **Contract Control Number:**   N/A
    b. **Duration:**   2 years
    c. **Location:**   City and County of Denver, and eventually the Metro-Mayor's Caucus jurisdictions.
    d. **Affected Council District:**   All
    e. **Benefits:**   Qualified homebuyers will receive a first mortgage and be eligible to receive a down payment assistance grant of 3% and up to 1% origination fees. The program will help encourage homeownership in Denver.
    f. **Costs:** N/A

7. **Is there any controversy surrounding this ordinance?** *(Groups or individuals who may have concerns about it?)* **Please explain.**
    No.

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____   Date Entered: _____

Executive Summary

The **Denver 2013 Metro Mortgage Assistance Plus Program** will provide a competitive 30-year fixed-rate mortgage with a down payment assistance (DPA) grant equal to 3% of the mortgage amount and up to 1% origination fees to qualifying low and moderate income homebuyer families throughout the City and County of Denver; and in certain surrounding communities that choose to participate from the 40-jurisdiction Metro Mayors Caucus (MMC). The program mortgage rate will be slightly higher than market rates and will change periodically to stay competitive with the market. The Program is proposed to begin in mid-February 2013.

Eligibility: Denver currently anticipates the following requirements for eligible homebuyers:

1) Maximum Credit Qualifying Income: $91,100 (2 or fewer)/$103,000 (3 or more)
2) Minimum 640 FICO score, maximum 45 debt-to-income (DTI) ratio
3) Maximum Home Purchase Price: None
4) No First-time Homebuyer Requirement
5) All homebuyers must receive HUD-approved homebuyer education.

Eligible Loans: FHA or VA, all 30-year, fixed rate and eligible to be pooled into GNMA Certificates.

Initial $3.75 Million Revolving Program: Lenders may reserve and close loans at any time, with an initial capacity of up to $3.75 million in loans at any one time. This can grow as the program grows.

Program Rationale:

1) Promotes Home Ownership
2) Market Conditions - a traditional Mortgage Revenue Bond Program is not practical in the current market
3) Need for Down Payment Assistance - the lack of down payment assistance for prospective qualified home buyers is a key impediment to families purchasing their first home
4) HUD Guideline Requirements – only an instrumentality of Government, a Housing Finance Agency, or an approved not-for-profit organization can provide down-payment assistance on government insured loans
5) Promotes "Sustainable" Home Ownership - the program is targeted to quality homebuyers (min. 640 credit scores with max. 45 debt to income ratio) and will require mandatory homebuyer education
6) A Market Driven Program – no need for government subsidies or tax exemptions
7) Flexibility of the Program - Mortgages originated under the program are not subject to restrictions of the Internal Revenue Service for Tax Exempt Bond Programs
8) Synergy with the Mortgage Credit Certificate Program - buyers can utilize both the down payment assistance and the MCC program (which provides tax credits), assuming they qualify

Metro-Denver Mortgage Assistance Program Plus
City Council Ordinance Process

Date	Action
Friday, December 28th	Ordinance Request (Monday New Year's Eve)
Wednesday, January 9th	Business Workforce and Sustainability (1:30pm)
Tuesday, January 15th	Mayor /Council
Thursday, January 17th	Ordinance Filed
Tuesday, January 22th	1st Ordinance Reading (Monday Holiday – MLK Day)
Monday, January 28th	2nd Ordinance Reading
Thursday, January 31st	Ordinance Published
Friday, February 1st	Ordinance Effective

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