



## **Cook County, Illinois Cook County Down Payment Assistance Program Invitation to Participate -Correspondent Lenders and Mortgage Brokers**

The **Department of Planning and Development of the Cook County Bureau of Economic Development** on behalf of Cook County, Illinois (the “County”) is pleased to launch the second installment of its **Cook County Down Payment Assistance Program** (the “Program”) to qualified borrowers looking to purchase homes within Cook County. The County will continue to fund equal to 5% sized second lien mortgage loan (“Second Loan”) as an eligible source of down payment and closing cost assistance in connection with FHA, VA, Fannie Mae HFA Preferred and Freddie Mac HFA Advantage first mortgage loans (“First Loans”).

**Correspondent Lenders.** To participate, originating mortgage lenders and financial institutions (bank, credit unions, etc.) must first be approved as a correspondent lender with the County’s designated master servicer **Land Home Financial Services, Inc.** (“LHFS”). Approved Correspondent Lenders must also sign a Program Lender Agreement with the County and the two Program’s Administrators, Club 720 Financial Solutions LLC and Stifel Public Finance Group.

Correspondent Lenders will qualify eligible borrowers, originate and fund the First Loan and advance the Second Loan at the loan closing on behalf of the County, with full designated underwriting. First Loans and Second Loans will be sold to LHFS “servicing released”.

**Mortgage Brokers.** To participate, mortgage brokers may contact and obtain approval with LHFS Wholesale. Mortgage brokers may also access the Program through the wholesale division of an approved Correspondent Lender.

To become an approved Correspondent Lender or participate in LHFS Wholesale, lenders should contact Elizabeth Robertson at the email address listed below.

Cook County DPA Web Site (powered by Club 720). The Program Lender Agreement, the Land Home Government Loan (FHA, VA, USDA) Program Guidelines, the Land Home Conventional Loan (Fannie Mae/Freddie Mac) Program Guidelines are available at <https://club720.org/cookcounty-dpa/>. The Second Loan Documents are also available in an Acrobat Adobe fillable PDF format or in a Word format so that Correspondent Lenders may board the Second Loan documents through their own doc prep systems.

Social Media/Borrower Referrals. Club 720 offers lenders a joint social media marketing strategy through which borrowers may be pre-screened for eligibility and then referred to a designated branch or loan officer.

The primary contacts at Land Home, Club 720 and Stifel Public Finance and their email addresses are:

Land Home Financial Services Elizabeth Robertson <a href="mailto:Elizabeth.Robertson@LHFS.com">Elizabeth.Robertson@LHFS.com</a>	Club 720 Solutions, LLC Heather Presley-Cowen <a href="mailto:heather@capitalstacker.com">heather@capitalstacker.com</a>	Stifel Public Finance Marc Paskulin <a href="mailto:paskulinm@stifel.com">paskulinm@stifel.com</a>
---	--	--

## Program Highlights:

- Primary residence, owner occupied.
- 30-year fixed rate FHA, VA, USDA, Fannie Mae and Freddie Mac First Loans.
- 620 minimum credit score for all borrowers on title.
- 50% Debt to Income Ratio maximum.
- 120% AMI income limit (currently \$143,880 regardless of family size). Qualifying income per Agency guidelines apply; household income does not apply.
- No income limits if the home is located in a defined Disproportionately Impacted Area (DIA) or in a Qualified Census Tract (QCT). Lenders can refer to the State of Illinois web site <https://www.illinoisworknet.com/WIOA/Pages/QCTDIAMap.aspx> to determine if a property qualifies for DIA, QCT or both,
- A nationally accredited homebuyer education through a HUD approved counseling center is required for first-time homebuyers (defined as a borrower who has not owned a home in the last 3 calendar years).
- Second Loan Size and Terms:
  - Equal to 5% in size (as a percentage of the sales price).
  - 5 year term, principal deferred, due upon sale or refinance, forgiven pro rata (1/60<sup>th</sup> per full month) for as long as at least one borrower remains in the home as his/her primary residence.
- Second Loan proceeds may be used to either:
  - Fund the borrower's down payment and closing costs.
  - Permanently buy down the loan rate by funding the first loan discounted price.

Loan Rate	Second Loan	Loan Price	Net Cash to Close
7.00%	5%	100%	5%
6.625%	5%	99%	4%
6.375%	5%	98%	3%
6.00%	5%	97%	2%
5.75%	5%	96%	1%

- Mortgage Insurance:
  - FHA, VA, USDA. Agency up-front and ongoing mortgage insurance premiums apply.
  - Fannie Mae and Freddie Mac. Lower ("charter") mortgage insurance coverage – e.g., 18% coverage for 95.01-97% loans for ≤80% AMI borrowers. For >80% borrowers, standard mortgage insurance premiums apply.
- Origination fees of up to 1% are permitted; "reasonable and customary" loan related fees.