



**Cook County  
Bureau of Economic Development  
Department of Planning and Development**

## Cook County Home Buyer Assistance Program Master Program Guidelines

### General Parameters (All Loans)

<b>Effective Date</b>	3.16.2018.
<b>Program Sponsor</b>	The Cook County Bureau of Economic Development (the “County”).
<b>Program Purpose</b>	Provide down payment and closing cost assistance for qualified Borrowers in connection with VA and Freddie Mac eligible loan financing for properties within the County limits. <u>Grant based off of total loan amount.</u>
<b>Program Administrator</b>	George K. Baum & Company.
<b>Program Funding</b>	Continuous funding to all eligible Borrowers. The County reserves the right to suspend the Program at any time with no impact to reserved loans and with notice to Lenders.
<b>Servicer</b>	All Qualified Mortgage Loans must be sold to and serviced by Wintrust Mortgage.
<b>Eligible Lenders</b>	Wintrust will purchase loans from Correspondent Lenders approved by and in good standing with Wintrust Mortgage. Each Correspondent Lender must sign a Lender Participation Agreement and Economic Disclosure Statement with the County. Approved Lenders may participate as a Correspondent Lender through Wintrust Mortgage.
<b>Eligible Area</b>	Available for properties located throughout the County limits <u>except</u> the City of Chicago.
<b>Eligible Loans</b>	See attached Addendums for loan type details and terms.
<b>Rate Locks</b>	Rate locks are available through Optimal Blue. Different Grant options at different loan rates.
<b>Occupancy</b>	Primary residence only. Borrowers and spouses must permanently reside in the U.S. and must occupy the property as their principal residence within 60 days of closing.
<b>Borrower Eligibility</b>	<p>Borrowers must meet the Program income limits. Only the qualifying income of Borrowers on the Note – the income to be used for underwriting – will be applied against the Program income limits to determine eligibility.</p> <p>Borrowers must have a minimum representative/indicator credit score of 620 and in accordance with mortgage insurance guidelines.</p> <p>Borrowers need <u>not</u> be a first-time homebuyer. If Borrowers are first-time homebuyers, they must complete a HUD-certified Homebuyer Education Course and receive a Certificate of Completion.</p> <p>Non-occupant co-borrowers, non-occupant co-signers are not permitted.</p> <p>As of the Note Date, the Borrower may not own an ownership interest in another residential property. Trailers and mobile homes are not considered residential property.</p>
<b>Purchase Price Limits</b>	None.
<b>Program Income Limits</b>	<ul style="list-style-type: none"> <li><u>VA Loans</u>: Currently, qualifying annualized income of up to <u>\$88,435</u>, regardless of family size, as reported in the FHA Underwriting and Transmittal Summary, or such other income limits approved by the Program Sponsor.</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Freddie Mac Loans:</b> Currently, qualifying annualized income of up to <u>\$131,775</u>, regardless of family size, as reported in the Freddie Mac Underwriting and Transmittal Summary, or such other income limits approved by the program Sponsor.</li> </ul> <p>Qualifying income must include all stable monthly income for all Borrowers on the Note. Household income does not apply. Income limits are subject to annual update and revision by the Program Sponsor.</p>
<b>Credit and Underwriting Decisions</b>	Unless otherwise specified in these Program Guidelines or in the attached Addendums, Lenders and Servicers must abide by and use VA and Freddie Mac eligibility, credit and underwriting guidelines.
<b>Homebuyer Education</b>	Required for Borrowers on the Note who are first-time homebuyers. Borrowers must attend local homebuyer education courses with counseling centers approved by the County. A Homebuyer Education Certificate of Completion in the Borrower’s name is a condition for the loan to close. On-line courses through eHome America are permitted.
<b>Grant Options</b>	Different Grant options at different loan rates for each Loan Type will be posted daily by Wintrust Mortgage.
<b>Use of Grant Proceeds</b>	May be used to fund up to 100% of the Borrower’s cash to close, subject to any minimum Borrower investment as required herein. Other than earnest monies and certain prepaid mortgage related fees, there can be no cash back to the Borrower from the Grant proceeds. This cash back restriction has no impact on any tax, interest or any other credits due the Borrower.
<b>Lender and Servicers Fees</b>	1% origination fee and “reasonable and customary” loan related fees. Wintrust Mortgage Fees (Correspondent): Delegated \$405 and Non-Delegated \$560.. The Cook County Home Buyer Assistance Program qualifies as a Housing Finance Agency Program and is therefore exempt from Ability To Repay (ATR) restrictions, subject to a 5% cap on points and fees.
<b>Pre-Close Compliance Review (All Loans)</b>	Once the Loan Rate is locked in, Lender is required to obtain a signed Borrower Acknowledgment and to email it along with a completed and Lender signed Loan Information Form to the Administrator at <a href="mailto:hofherr@gkbaum.com">hofherr@gkbaum.com</a> .
<b>Other Secondary Financing Programs</b>	The County’s Home Buyer Assistance Program may be used in combination with other homebuyer assistance programs subject to the more restrictive guidelines.
<b>Required Documents</b>	<ul style="list-style-type: none"> <li>✓ Freddie Mac Underwriting and Transmittal Summary.</li> <li>✓ Signed and recorded Promissory Note.</li> <li>✓ Signed and recorded Mortgage.</li> <li>✓ Signed Borrower Acknowledgement.</li> <li>✓ Homebuyer Education Course Certificate of Completion.</li> </ul>
<b>Loan Programs</b>	VA:           GN_VA_30_Fxd_COOK_4.0% GN_VA_30_Fxd_COOK_5.0% GN_VA_30_Fxd_COOK_6.0% Freddie Mac: SRT_FH_30_Fxd_COOK_3.0% SRT_FH_30_Fxd_COOK_4.0% SRT_FH_30_Fxd_COOK_5.0% SRT_FH_30_Fxd_COOK_6.0% 2nd Mortgage: COOK_2nd_3.0% COOK_2nd_4.0% COOK_2nd_5.0% COOK_2nd_6.0%



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**Cook County Home Buyer Assistance Program  
Government Loan Product Addendum**

<b>Eligible Loans</b>	<u>VA</u> : VA- guaranteed. VA loan limits apply.
<b>Maximum LTV/TLTV</b>	LTV up to loan size permitted by VA. TLTV is limited to 105%.
<b>Loan Purpose</b>	Purchases / Refinances “no cash out” / Fixed Rate Mortgages / 30-year term.
<b>Eligible Properties</b>	1-4 unit, primary residence, Condominiums, PUDs, Townhomes. Manufactured homes are permitted per VA guidelines.
<b>Price Adjustments</b>	None.
<b>Minimum Borrower Investment</b>	The lesser of \$1,000 or 1% of the purchase price from the Borrower’s own personal funds from eligible sources defined by FHA and VA.
<b>Credit Score Requirement</b>	A minimum indicator score of 620 is required for all borrowers unless a higher score is required herein. If any of the borrowers do not have a usable credit score, the loan is NOT eligible.
<b>Underwriting Decisions</b>	Subject to Scorecard, DU or Freddie Mac’s Loan Product Advisor (LPA) approval.
<b>Debt-to-Income (DTI) Ratio Requirement</b>	Debt to income ratios are subject to AUS approval and VA underwriting guidelines.
<b>Manual Underwriting</b>	Not allowed.
<b>Mortgage Insurance</b>	As required by VA.
<b>Grant Repayment Terms</b>	The Grant is subject to repayment if the property is sold or refinanced within the first 7 years from the Note Date. Such repayment obligation is to be forgiven pro rata for each full month a Borrower resides in the home. The Borrower will be asked to sign a subordinate lien (“Recapture Mortgage”) and Borrower’s Acknowledgement to confirm that they understand the repayment terms. On the 7-year anniversary, the subordinate lien is released free and clear.
<b>Grant Funding</b>	The Grant will be advanced by Lender at the loan closing on behalf of the County.
<b>Seller Concessions</b>	Per VA guidelines.
<b>Temporary Buydowns</b>	Permitted subject to VA guidelines.



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**Freddie Mac HFA Advantage Loan Product Addendum**

See Freddie Mac HFA Advantage Eligibility Guidelines <http://www.freddiemac.com/singlefamily/hfa.html>

<b>Eligible Loans</b>	Home Possible for HFAs ( <i>HFA Advantage<sup>SM</sup></i> ) up to 97% LTV. Freddie Mac loan limits apply.
<b>Maximum LTV/TLTV</b>	Up to 97% LTV. Combined Affordable Seconds may not exceed 105% TLTV.
<b>Loan Purpose</b>	Purchases / Refinances “no cash out” / Fixed Rate Mortgages / 30-year term.
<b>Eligible Properties</b>	1 unit, primary residence, condominiums, PUDs, Townhomes.
<b>Ineligible Properties</b>	2-4 units and manufactured homes are NOT permitted.
<b>Price Adjustments</b>	None. No delivery fees.
<b>Minimum Borrower Investment</b>	The lesser of \$1,000 or 1% of the purchase price from the Borrower’s own personal funds per Freddie Mac guidelines or such greater amount as required by the Mortgage Insurers.
<b>Credit Score Requirement</b>	Minimum indicator score of 620 required for any loan submitted to Loan Product Advisor (LPA).
<b>Underwriting Decisions</b>	Risk Class: Accept. LPA will declare that the loan is ineligible for standard delivery to Freddie Mac but eligible as an HFA Advantage loan under a Negotiated Commitment.
<b>Debt-to-Income (DTI) Ratio Requirement</b>	No maximum DTI ratio but subject to Loan Product Advisor (LPA) approval.
<b>Reserves</b>	No minimum required.
<b>Manual Underwriting</b>	Not allowed.
<b>Mortgage Insurance</b>	Charter mortgage insurance coverage required: 18% coverage for 95.01-97%, 16% for 90.01-95%. Monthly and single MI plans and financed MI are permitted.
<b>Mortgage Insurers</b>	Any mortgage insurer approved by Freddie Mac and offering to insure HFA Advantage.
<b>Grant Repayment Terms</b>	The Grant is subject to repayment if the property is sold or refinanced within the first 7 years from the Note Date. Such repayment obligation is to be forgiven pro rata for each full month a Borrower resides in the home. The Borrower will be asked to sign a subordinate lien (“Recapture Mortgage”) and Borrower’s Acknowledgement to confirm that they understand the repayment terms. On the 7-year anniversary, the subordinate lien is released free and clear.
<b>Grant Funding</b>	The Grant will be advanced by Lender at the loan closing on behalf of the County.
<b>Temporary Buydowns</b>	Not allowed.
<b>Seller Concessions</b>	Permitted subject to Freddie Mac and mortgage insurer guidelines.
<b>Program Identifier for LPA</b>	Within LPA, Lender must select 251 Home Possible for HFAs and the Grant must be entered into “Total Gift Fund” field. However, within the Freddie Mac seller system, Lender may be asked to apply the Grant against the combined loan to value.