



**Product Guideline  
Localworks  
Home Loan Program**

Eligible Borrowers:	Homeowners who live as a primary residence and within the city boundaries of Wheat Ridge.
Loan Amount:	Minimum \$5,000; Maximum \$30,000. Loan amount may not exceed 80% of project cost budget approved by Localworks.
Term:	Up to 60-month terms with up to 240-month amortizations depending on ownership of property, life of assets, or lease term.
Loan Rates:	0% interest rate for the first year, increasing to 1% below WSJ Prime Rate interest for years 2 through 5.
Approval Criteria:	Evidence of sufficient cash flow to repay loan, and sufficient collateral to secure the debt. Personal guarantees are required. Code compliance and permit(s) with the City of Wheat Ridge are required. Localworks performs a site visit. Final loan approval will be made by the Localworks Loan Committee.
Repayment:	No loan payments for 12 months (0% interest), converting in month 13 to monthly payments of principal and interest amortized over a 240 month term with a balloon payment at the end of the 60 month loan term. Escrow for hazard insurance and property taxes are not provided by Impact Development Fund (IDF) and remain the sole responsibility of the homeowner.
Use of Funds:	Capital improvement projects of owner-occupied housing within Wheat Ridge approved by Localworks shall update the appearance, safety and health energy efficiency, residential environment, or other projects up to the discretion of Localworks.
Homeowner Counseling:	All borrowers must consult with Localworks staff to evaluate proposed improvements, determine eligible expenditures, and manage rehabilitation projects. Localworks reserves the right to refer potential borrowers to third party counseling services prior to settlement.
Application Fee:	A \$250 non-refundable application fee must be included with the application packet. Check should be made payable to "Localworks."
Loan Fees:	IDF origination fee of \$500 will be charged at closing. Fees are subject to change per IDF fee schedule.
Collateral:	Second priority lien filed against the subject property. If borrower does not have a primary mortgage on the property the lien will be filed as a first lien. Further subordination subject to Localworks approval.
Exceptions Policy:	All aspects of program eligibility and underwriting criteria are subject to Localworks approval.

## Origination Procedures

- Application:** Representative of Localworks submits to IDF the completed and signed Localworks Home Loan Application, Authorization to Release Information Form, Loan File Checklist and all documentation shown on the form. Confirmation of loan terms and remaining documentation requirements will be detailed.
- Processing:** IDF will obtain an Ownership and Encumbrance from a title company to verify existing liens on the property. Evidence of hazard insurance will be ordered. Final loan documents are delivered electronically to Localworks for presentation to borrower. Applicants must have the proper building permits, if applicable, in hand and provide copies of the permits prior to loan closing. All outstanding items must be cleared prior to funding.
- Closing:** IDF will deliver closing instructions and loan proceeds shall be disbursed incrementally upon presentation of invoices as approved by IDF and Localworks staff. Loan proceeds will be issued by check, payable to contractor, vendor, or borrower, with restricted endorsement. All proceeds to reimburse borrower expenses related to authorized improvement projects must be accompanied by paid receipts. Contractor shall supply a list of all sub-contractors and vendors being utilized for the project. All funds disbursed to contractor, subcontractors, laborers, vendors, and suppliers will require an executed a Lien Waiver statement, provided by IDF at settlement. **All loan proceeds must be accompanied by a completed and signed Lien Waiver & Completion of Work Affidavit, executed by all parties performing work or supplying materials affixed to the subject property and signed by the Borrower.**
- Fees Collected:** Origination, title closing, and public recording fees will be assessed and collected at settlement, as detailed within the Closing Disclosure (CD) prepared by IDF. Any loan proceeds will be net of IDF loan fees. Any fees due local agency will be collected outside of closing.
- Requirements:** A representative of Localworks or local escrow agent is required to present all loan documents at the time of loan settlement. Both the borrower and agency representative must execute the certification form included within the loan set acknowledging disclosure of all loan terms and contact information. Each Borrower must acknowledge receipt of a standard Colorado Notice of Rescission, allowing cancellation of the mortgage within 3 business days of settlement.
- Settlement:** Localworks may elect to utilize a third-party escrow agent to present loan documents, collect signatures on all forms and disclosures, and record deed instrument. No changes to the loan documents or loan amount shown on the Closing Disclosure are permitted without IDF authorization. Disbursement of funds is prohibited prior to expiration of the rescission period.
- Funding:** Loan proceeds shall be disbursed incrementally upon presentation of invoices as approved by IDF and Localworks staff. Loan proceeds will be issued by ACH, wire, or check, payable to contractor, vendor, or borrower. All proceeds to reimburse borrower expenses related to authorized improvement projects must be accompanied by paid receipts. **All loan proceeds must be accompanied by a completed and signed Lien Waiver & Completion of Work Affidavit, executed by all parties performing work or supplying materials affixed to the subject property and signed by the Borrower.**

Post Closing: The original loan set must be returned to IDF within 48 hours of settlement via overnight courier. As set forth within the Loan Policies & Procedures Manual, IDF will retain all original documents and loan file. All loan servicing functions are performed by IDF with occasional assistance of Localworks, as warranted.

### Miscellaneous Guidelines

Ineligible Uses of Funds: Loan Program funds cannot be utilized for any of the following uses:

- 1) Property acquisition costs
- 2) Paying off existing debt
- 3) Site plan, building or permit fees.

Default & Remedy: To access program funds, applicants must demonstrate a bona-fide commitment to implement building improvements and must certify that construction will commence within 60 days of funding approval and applicant shall complete the Project within 365 days. Applicant may be in default if work is not completed within the specified time period. Upon default, the applicant shall reimburse 100% of all costs and expenses paid by Localworks for the project. **Localworks has complete discretion in regard to defaults and remedies.**

Additionally, in the event of default, the borrower shall reimburse Localworks for the entire amount of the Home Improvement Loan Program funds received by borrower, the interest fee on all funds disbursed prior to default, plus all applicable collection costs and reasonable attorney fees. One or more of the following events shall constitute a default:

1. The Applicant fails to pay, when due, any real estate taxes or special assessments on the subject property during the term of this Loan Agreement.
2. The Applicant expends program funds for uses other than approved project costs as represented in the original Loan application.
3. If, during a period of five (5) years following the completion of the project, the Owner/Applicant transfers ownership or interest in subject property to another party, unless, such transfer is made with the prior written approval of Localworks.
4. The Applicant defaults on bank loan or other public financing made in conjunction with the Home Improvement Loan Program.
5. The Applicant fails to pay, when due, the principal or interest payments related to the repayment of the loan.
6. Failure to complete all work within 365 days of the Loan Settlement.

# HOME IMPROVEMENT LOAN PROGRAM APPLICATION

## 1. PROPERTY INFORMATION:

APPLICANT(S): \_\_\_\_\_ DATE: \_\_\_\_\_

PROPERTY ADDRESS: \_\_\_\_\_, Wheat Ridge, CO \_\_\_\_\_

MAILING ADDRESS (if different than property address):

Address or PO Box: \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

TELEPHONE: Daytime \_\_\_\_\_ Evening \_\_\_\_\_

EMAIL(S): \_\_\_\_\_

## 2. INCOME AND ACCOUNT INFORMATION:

Please provide 30 days worth of paystubs, most recent **two** years W-2's and Tax Return and most recent Bank and Asset Statements confirming the balances as listed on URLA Application Form 1003.

- 30 days worth of paystubs
- 2 years of W-2's and Tax Returns
- Most recent Bank Statements and Asset Statements

## 3. INSURANCE INFORMATION:

Please list the name and phone number of your homeowners insurance agent:

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Phone Number

4. STATUS OF APPLICANT (Please Check One):  Property Owner  Buyer (under contract)

5. LOAN REQUEST: *(Localworks only funds up to 80% of the projects costs)*

Project Cost: \$ \_\_\_\_\_

Bank Loan: \$ \_\_\_\_\_  
(any additional financing going into the project)

Localworks Loan: \$ \_\_\_\_\_  
(amount you are applying for)

Applicant Capital: \$ \_\_\_\_\_  
(your money going into the project, *at least 20%*)

Name of participating Bank (if applicable): \_\_\_\_\_

Bank Contact: \_\_\_\_\_ Phone: \_\_\_\_\_

6. USE OF LOAN PROCEEDS:

(1) Interior Renovations \$ \_\_\_\_\_

(2) Exterior Improvements \$ \_\_\_\_\_

(3) Landscape Improvements \$ \_\_\_\_\_

(4) Energy Improvements \$ \_\_\_\_\_

(5) Other Improvements \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_  
(Please provide project name)

**Total** \$ \_\_\_\_\_

7. PROJECT DESCRIPTION (Please include "Before" pictures and enclose or email):

i. Please provide a brief description of the renovation project and how the renovation will have a positive impact on the property and the neighborhood:

ii. To what extent does the proposed project fill these specific program goals:

a) Aesthetic exterior improvements:

b) Energy-efficiency improvements and systems upgrades (e.g. new windows, electrical, etc):

iii. Brief description of the design of the project. Please include the following items (if applicable):

Before Pictures

(please include printed photo page with this application AND email them electronically to [accounting@WeAreLocalworks.org](mailto:accounting@WeAreLocalworks.org) with your name and property address in the email)

Drawings

Plans and Specs

#### 8. PROPERTY EXHIBITS:

The following information must accompany this application:

- Copy of deed for the property or executed purchase and sale agreement.
- Recent statements from any existing mortgage notes held by banks, or private lenders (if applicable) against the property.
- Building plans and specifications, if applicable.
- Material quotes for proposed project, if applicable.
- Contractor's Agreements and Quotations on proposed renovations.
- Zoning approvals, if applicable.
- Authority to release federal and state tax return and to obtain credit information.

#### 9. LOAN APPLICATION FEE:

A Loan Application fee of **\$250.00** made payable to "Localworks" must accompany this application. Payment of this fee does not guarantee placement or approval of financing by or through Localworks.

#### 10. ACKNOWLEDGMENTS:

##### Accuracy of Information

Information herein and submitted herewith is true and complete to the best of the APPLICANT'S knowledge and belief; it is intended to induce Localworks to approve this loan application, and/or to make a loan or participate with others in making a loan to APPLICANT for the purposes of the WHEAT RIDGE HOME IMPROVEMENT LOAN PROGRAM.

##### Related Expenses Paid by APPLICANT

Whether or not a loan is approved (or if approved, whether or not disbursed), APPLICANT agrees to pay the cost of any survey, appraisal, title search and title insurance, or other study or professional service deemed essential to processing this application; and herein authorizes Localworks to conduct such studies or contract such services as required. These fees can be assessed to the loan proceeds.

In addition, APPLICANT agrees to pay all costs of closing the loan, guaranty and related transactions, including title insurance, recording fees and processing fees.

### Business and Credit Information

The APPLICANT and Localworks agree that Localworks may receive confidential business, financial and credit information regarding the APPLICANT from financial institutions, credit reporting agencies or other sources. Localworks agrees that all confidential financial or business information provided by the APPLICANT, its agents, or other sources shall be held in confidence and shall not be divulged to any persons, agencies, or institutions except prospective lenders or guarantors of the financing requested herein.

### Other Provisions

Localworks and APPLICANT agree that Localworks's HOME IMPROVEMENT LOAN PROGRAM GUIDELINES are incorporated with the terms of the loan application and shall be executed and incorporated with this agreement and that no other provisions, promises, terms or conditions shall exist outside this agreement unless said changes are in writing and signed by both the Executive Director of Localworks and the APPLICANT, and that this agreement and referenced applications control over any such provision, promises, terms or conditions whether they are conflicting, additional, or consistent. No changes may be made to this agreement by any agent or employee of Localworks without express written approval of the Localworks Board of Directors.

The APPLICANT agrees that Localworks may display a temporary sign acknowledging assistance to the project during the time period of the renovations and that Localworks may publicly acknowledge APPLICANT'S participation in the loan program through various media or news releases, including photo images of the property and applicants.

### No Localworks Liability

Localworks is depending upon the APPLICANT to promptly and accurately supply all information deemed necessary to Localworks and to assist in preparing the application. In addition, the APPLICANT is herein cautioned that financing is dependent upon many factors that Localworks cannot control, including economic factors. Accordingly, Localworks does not guarantee that APPLICANT will obtain financing.

Localworks is an equal opportunity lender under the laws of the United States and the State of Colorado.

The APPLICANT agrees that Localworks shall not be responsible in any manner or liable to the APPLICANT or any other person in the event that a loan under the Localworks program is denied.

The APPLICANT also agrees that Localworks shall not be liable for any of the debts or obligations incurred in and for the assistance or benefit of the APPLICANT.

The APPLICANT further agrees that APPLICANT will hold Localworks harmless and pay all costs, including court costs, and expenses including attorney's fees, in the event any claim is made or lawsuit is filed by or against Localworks arising out of any transaction with or assistance to the APPLICANT.

Localworks reserves the right to, at its exclusive discretion; require any dispute that may arise under this Agreement or Loan Program, to be resolved through binding arbitration as enforceable under the laws of the State of Colorado. The arbitration shall be conducted using relaxed rules of evidence using one mutually agreed upon arbitrator. In the event the parties cannot so agree, then and in that event, the parties shall each choose one arbitrator

and the two shall pick a third arbitrator, with the dispute then tried to a three-arbitrator panel. A majority decision shall control. The initial cost of the arbitration shall be divided equally between the parties with the prevailing party to be awarded its/his/her cost of arbitration, including reasonable attorney's fees.

All disputes shall be resolved by applying the laws of the State of Colorado. The APPLICANT specifically waives APPLICANT'S right to a jury trial in the event of a lawsuit between the parties.

Conclusion

APPLICANT certifies that the person(s) signing on behalf of APPLICANT are authorized to do so, either individually or by any partnership, partners, corporations or other entities that are to be assisted under this agreement.

Localworks:

APPLICANT(S):

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_





# Authorization to Release Information

**From:** \_\_\_\_\_  
(Name of Applicant)

**To:** Credit Agencies, Employers and Banking Institutions

I have applied for a loan with Localworks.

I have been requested to provide information for their use in reviewing my credit history, employment, and financial holdings.

Therefore, I hereby authorize the investigation of my credit history, verification of financial holdings, and verification of employment.

The release in any manner of all information by you is hereby authorized whether such information is of record or not, and I do hereby release all persons, agencies, firms, companies, etc., from any damages resulting from providing such information.

This authorization is valid for 90 days from date below.

Please release information to:

**Localworks**  
Re: Loan Program  
PO Box 346  
Wheat Ridge, CO 80034

Please keep this copy of my release request for your files. Thank you.

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness's Signature

\_\_\_\_\_  
Date