



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



**Cook County Program Guidelines by Loan Type – At-a-Glance**

	<b>Government Loans</b>	<b>Freddie Mac (FRE) Eligible Loans</b>
<b>Eligible Loans</b>	VA	FRE HFA Advantage
<b>LTV/CLTV</b>	Per VA Guidelines	Up to 97%/105% with Affordable 2nds
<b>Eligible Properties</b>	1-4 unit SF, Condos, PUD, townhouses	1 unit SF, Condos, PUD, townhouses
<b>Eligible Borrowers</b>	First time and repeat buyers. May own residential property.	First time and repeat buyers. May <u>not</u> own residential property.
<b>Borrower Investment</b>	Lesser of \$1,000 or 1% of purchase price from Borrower’s own funds.	
<b>Eligible Area</b>	Within County limits excluding the City of Chicago.	
<b>Loan Purpose</b>	Purchases only/primary residence.	
<b>Loan Rates and Locks</b>	Available through Optimal Blue.	
<b>Price Adjustments</b>	None	
<b>Purchase Price Limits</b>	None. VA loan limits apply	None. FRE \$453,100 loan limit applies
<b>Income Limits</b>	<b>\$101,520</b> regardless of family size	\$131,775 regardless of family size
<b>AUS Underwriting</b>	Subject to DU or LPA approval	Subject to LPA approval only.
<b>Manual Underwriting</b>	Not permitted.	Not permitted.
<b>Credit Score</b>	620 minimum for all Borrowers.	
<b>DTI Ratio Maximum</b>	50% max subject to AUS approval	Subject to an LPA approval only
<b>Homebuyer Ed</b>	First Time Homebuyers. (3 year rule)	
<b>Mortgage Insurance</b>	As required by VA	Lower “Charter” MI coverage
<b>Program Assistance</b>	2 <sup>nd</sup> Loans of up to 6% of the final first loan amount; deferred principal, forgiven over 7 years, no accrued interest.	2 <sup>nd</sup> Loans of up to 6% of the final first loan amount; deferred principal, forgiven over 7 years, no accrued interest.
<b>Income Based Assistance (AIS)</b>	None available.	For Lower and Low Income Borrowers
<b>Assistance Funding</b>	Advanced by Lender on behalf of the County.	
<b>Program Fees</b>	1% origination fee/customary and reasonable loan fees. No Discount fees. Wintrust Mortgage Fees (Correspondent): Delegated \$405 and Non-Delegated \$560.	



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**Cook County Homebuyer Assistance Program Guidelines**  
**Freddie Mac HFA Advantage Loan Term Sheet**

<b>Eligible Loans</b>	Freddie Mac’s Home Possible for HFAs ( <i>HFA Advantage<sup>SM</sup></i> ) up to 97% LTV.
<b>Ineligible Loans</b>	<ul style="list-style-type: none"> <li>• Standard Freddie Mac Home Possible and Home Possible Advantage</li> <li>• Fannie Mae “Home Ready for HFAs” and standard Fannie Mae Loans.</li> </ul>
<b>LTV/CLTV</b>	Up to 97% LTV/Affordable Seconds up to a 105% CLTV.
<b>Eligible Properties</b>	1 unit primary residence, Condominiums, PUDs, Townhomes
<b>Ineligible Properties</b>	2-4 units, manufactured homes.
<b>Eligible Borrowers</b>	Not limited to first-time homebuyers. Borrowers may not have an ownership interest in another property at the loan closing.
<b>Borrower Investment</b>	Lesser of \$1,000 or 1% of the purchase price from the Borrower’s own resources or from any eligible resource per Freddie Mac guidelines.
<b>Eligible Area</b>	Within the County limits except for the City of Chicago.
<b>Loan Purpose</b>	Purchases only/Fixed Rate 30-year terms.
<b>Program Assistance (Summary)</b>	<ul style="list-style-type: none"> <li>• Second Loans of up to 6% of the first mortgage loan amount.</li> <li>• Affordable Income Subsidies (AIS) for Low and Lower Income Borrowers.</li> </ul>
<b>Occupancy</b>	Owner occupied only. Borrowers and spouses must reside in the U.S. and occupy the property as their primary residence within 60 days of closing.
<b>Loan Rates &amp; Locks</b>	Rate locks are available through Optimal Blue.
<b>Co-Signers</b>	Co-Signers and Non-Occupant Co-Borrowers are not permitted.
<b>Non-Purchasing Spouse</b>	<p>A non-purchasing spouse is allowed on title to the property as long as they also sign the Second Mortgage. They are not required to sign the Second Promissory Note.</p> <ul style="list-style-type: none"> <li>• If a non-purchasing spouse is going to live in a homestead property, then the non-purchasing spouse is required to sign the Mortgage to waive homestead rights. If the spouse is not a title holder, the spouse still has to sign the Mortgage to waive homestead rights.</li> <li>• If the property is <u>not</u> a homestead property, the spouse does sign the Mortgage, but not as a borrower, using the following language in the signature block:</li> </ul> <p align="center">_____</p> <p align="center">[Name of Spouse of Borrower,</p> <p align="center">Joining in this Mortgage solely for the purpose of waiving homestead rights, if any.</p> <p align="center"><b>NOTE: The signature of the Borrower’s spouse requires notarization.</b></p>
<b>Purchase Price Limit</b>	None. The FRE loan limit (currently \$453,100) applies.

<b>Program Income Limits</b>	<p>All stable and verifiable income used for underwriting (as reported in the FRE Underwriting and Transmittal Summary) must be applied against the Program Income Limits. Follow FRE guidelines with respect to allowable income sources and calculation method used. Income from a single source may not be misrepresented. Household income does <u>not</u> apply.</p> <p>It is allowable to only use one spouse on the loan – i.e., one spouse’s income and one spouse’s debt for qualifying income.</p> <ul style="list-style-type: none"> <li>• <b>\$131,775</b> Income Limit for all Borrowers regardless of family size.</li> </ul>		
<b>AUS Underwriting (LPA Only)</b>	<ul style="list-style-type: none"> <li>• Risk Class “<b>Accept</b>” Purchase “<b>Eligible</b>” from Loan Prospect Advisor (LPA) only.</li> <li>• Manual underwriting is <u>not</u> permitted. DU is <u>not</u> permitted.</li> <li>• LPA: Use Identifier Code 251 Home Possible Advantage for HFAs.</li> <li>• LPA: Use Identifier Code H55 for LIP and H56 for VLIP.</li> </ul>		
<b>Inputting into LPA</b>	The Second Loan and, if applicable, the AIS as defined below must be entered into LPA in the “Total Gift Fund” field located in the “Assets and Reserve” section.		
<b>DTI Ratios</b>	No maximum. DTI is subject to an LPA approval.		
<b>Credit Scores</b>	620 minimum credit score for all Borrowers subject to an LPA Accept.		
<b>Reserves</b>	None required.		
<b>Homebuyer Education</b>	<p>Required for all First Time Homebuyers, defined as a Borrower who has not owned a residential property in the last three years from the loan closing date. Borrowers may select from a nationally accredited in person or on-line homebuyer education counseling center. In person counseling is strongly recommended.</p> <p>The Borrower’s receipt of a homebuyer education counseling Certificate of Completion dated prior to the loan closing date is a condition for the loan closing.</p>		
<b>Seller Concessions</b>	Permitted subject to Freddie Mac guidelines.		
<b>Buydowns</b>	Not allowed.		
<b>Mortgage Insurance (“Charter Coverage”)</b>	<table border="1"> <tr> <td> <ul style="list-style-type: none"> <li>• LTV 95.01% up to 97%: 18% coverage</li> <li>• LTV 90.01% up to 95%: 16% coverage</li> <li>• LTV 85.01% up to 90%: 12% coverage</li> <li>• LTV 80.00% up to 85%: 6% coverage</li> </ul> </td> <td>May use any one of the Freddie Mac approved mortgage insurers offering HFA Advantage and charter MI (MGIC, Genworth, Radian, Arch, Essent, and National). Many have a <b>Housing Finance Agency Rate Card</b>.</td> </tr> </table> <p>Lenders may choose from any one of the offered “Borrower Paid” mortgage insurance (BPMI) monthly, “split” or single premium plans subject to High Cost Loan calculations and maximum LTV limitations.</p>	<ul style="list-style-type: none"> <li>• LTV 95.01% up to 97%: 18% coverage</li> <li>• LTV 90.01% up to 95%: 16% coverage</li> <li>• LTV 85.01% up to 90%: 12% coverage</li> <li>• LTV 80.00% up to 85%: 6% coverage</li> </ul>	May use any one of the Freddie Mac approved mortgage insurers offering HFA Advantage and charter MI (MGIC, Genworth, Radian, Arch, Essent, and National). Many have a <b>Housing Finance Agency Rate Card</b> .
<ul style="list-style-type: none"> <li>• LTV 95.01% up to 97%: 18% coverage</li> <li>• LTV 90.01% up to 95%: 16% coverage</li> <li>• LTV 85.01% up to 90%: 12% coverage</li> <li>• LTV 80.00% up to 85%: 6% coverage</li> </ul>	May use any one of the Freddie Mac approved mortgage insurers offering HFA Advantage and charter MI (MGIC, Genworth, Radian, Arch, Essent, and National). Many have a <b>Housing Finance Agency Rate Card</b> .		
<b>CFPB Restrictions (First Loans)</b>	<ul style="list-style-type: none"> <li>• <b>Cook County</b> Loans are exempt from CFPB Ability to Repay (ATR) restrictions.</li> <li>• <b>Cook County</b> Loans that violate HOEPA or a State or local high cost threshold are not eligible.</li> </ul>		
<b>Pre-Close Review</b>	Once a 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>		

## ***Program Assistance***

<p><b>Second Loan Terms</b></p>	<ul style="list-style-type: none"> <li>• Up to 6% of the final first loan amount, rounded down to the nearest dollar. There is no dollar cap.</li> <li>• The Borrower will sign a Second Promissory Note and a Second Mortgage which will be recorded as a subordinate lien on the Property.</li> <li>• The Second Loan is forgiven over a 7 year term, with no accrued interest, principal repayments due upon sale or refinance of the original Second Loan amount, with principal forgiveness pro-rata (1/84<sup>th</sup>) over 7 years for each full month the Borrower lives in the Property. After 7 years, any repayment obligation is completely forgiven and the subordinate lien is released.</li> <li>• Second Loan proceeds may be used to fund up to 100% of the Borrower’s cash to close. Only cash back to the Borrower is a refund of any earnest money, prepaid fees, interest or tax credit. Surplus cash for a principal reduction is also permitted.</li> </ul>
<p><b>Income Based Assistance (AIS)</b></p>	<p>Freddie Mac eligible loans purchased in the 2018 calendar year may be eligible for an Affordable Income Subsidy (“AIS”) from Freddie Mac as follows:</p> <ul style="list-style-type: none"> <li>• AIS credit of \$1500 and \$2500 available for Low Income (LIP) and Very Low Income (VLIP) eligible Borrowers, respectively, as defined by Freddie Mac.</li> <li>• For Borrowers earning up to and including <b>\$42,300</b> regardless of family size: an AIS credit of <b>\$2,500</b> can be applied to the first loan. (VLIP)</li> <li>• For Borrowers earning between <b>\$42,300 - \$67,680</b> regardless of family size: an AIS credit equal to <b>\$1,500</b> can be applied to the first loan. (LIP)</li> <li>• This AIS credit should be disclosed separately as “Affordable Income Subsidy” in Section L of the Closing Disclosure.</li> <li>• These AIS’s are not repayable at any time.</li> </ul> <p><i>The AIS credit is based on the <u>final</u> qualifying income as of the loan closing, not from when the loan rate was locked in.</i> If the Borrower is deemed ineligible upon purchase by Wintrust Mortgage, the Lender will not be reimbursed for its AIS.</p>
<p><b>Required Documents</b></p>	<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>
<p><b>Funding</b></p>	<p>County Second Loans and AIS will be advanced by Lender at the loan closing.</p>
<p><b>Sizing</b></p>	<p>County Second Loans are <u>always</u> calculated as a percentage of the final first loan amount, not the purchase price, rounded down to the nearest dollar.</p>
<p><b>Pre-Close Compliance Review</b></p>	<p>Once a 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></p>

<p><b>Post-Closing Compliance</b></p>	<p>Within 30 days of the loan closing, the Title/Escrow Company or Originating Lender must send the following to the Program Administrator via priority mail:</p> <ul style="list-style-type: none"> <li>• <u>Original</u> signed and certified Second Promissory Note</li> <li>• <u>Copy</u> of the signed and certified Second Mortgage. Wintrust Mortgage Rep or Lender must instruct the County Assessor’s Office to mail the recorded Second Mortgage (bearing an original recordation stamp from the Assessor’s Office) to the Administrator.</li> </ul> <p>Wintrust Mortgage Rep or Lender must work with the Administrator to track any Second Mortgage not received by Administrator within 60 days of the loan closing. Wintrust Mortgage Rep or Lender should retain all applicable tracking information.</p>
<p><b>Loan Programs</b></p>	<p><b><u>Freddie Mac:</u></b>  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%</p> <p><b><u>AIS (LIP/VLIP):</u></b>  SRT_FH_30_Fxd_COOK_3.0%_LIP  SRT_FH_30_Fxd_COOK_4.0%_LIP  SRT_FH_30_Fxd_COOK_5.0%_LIP  SRT_FH_30_Fxd_COOK_6.0%_LIP</p> <p>SRT_FH_30_Fxd_COOK_3.0%_VLIP  SRT_FH_30_Fxd_COOK_4.0%_VLIP  SRT_FH_30_Fxd_COOK_5.0%_VLIP  SRT_FH_30_Fxd_COOK_6.0%_VLIP</p> <p><b><u>2<sup>nd</sup> Mortgage:</u></b>  COOK_2nd_3.0%  COOK_2nd_4.0%  COOK_2nd_5.0%  COOK_2nd_6.0%</p>



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**Cook County Homebuyer Assistance Program**  
**Government Loan (VA) Product Term Sheet (Correspondent Lenders)**

<b>Eligible Loans</b>	VA-guaranteed.
<b>LTV/CLTV</b>	LTV up to loan limits permitted by VA
<b>Eligible Properties</b>	1-4 unit primary residence, Condominiums, PUDs, Townhomes
<b>Ineligible Properties</b>	Manufactured Homes
<b>Eligible Borrowers</b>	Not limited to first-time homebuyers. Borrowers may own other residential property at the time of the loan closing.
<b>Borrower Investment</b>	Lesser of \$1,000 or 1% of the purchase price from the Borrower’s own resources or from any eligible resource per Freddie Mac guidelines.
<b>Eligible Area</b>	Within the County limits except for the City of Chicago.
<b>Loan Purpose</b>	Purchases only/Fixed Rate/30-year terms.
<b>Program Assistance (Summary)</b>	<ul style="list-style-type: none"> <li>• Second Loans of up to 6% of the first mortgage loan amount.</li> <li>• Affordable Income Subsidy for Government Loans are <u>not</u> available.</li> </ul>
<b>Occupancy</b>	Owner occupied only. Borrowers and spouses must reside in the U.S. and occupy the property as their primary residence within 60 days of closing
<b>Loan Rate &amp; Locks</b>	VA rate locks are available through Optimal Blue.
<b>Co-Signers</b>	Co-Signers and Non-Occupant Co-Borrowers permitted subject to VA guidelines. A Co-Signer Affidavit must be signed.
<b>Non-Purchasing Spouse</b>	<p>A non-purchasing spouse is allowed on title to the property as long as they also sign the Second Mortgage. They are not required to sign the Second Promissory Note.</p> <ul style="list-style-type: none"> <li>• If a non-purchasing spouse is going to live in a homestead property, then the non-purchasing spouse is required to sign the Mortgage to waive homestead rights. If the spouse is not a title holder, the spouse still has to sign the Mortgage to waive homestead rights.</li> <li>• If the property is <u>not</u> a homestead property, the spouse does sign the Mortgage, but not as a borrower, using the following language in the signature block:</li> </ul> <p style="text-align: center;">_____</p> <p style="text-align: center;">[Name of Spouse of Borrower,</p> <p style="text-align: center;">Joining in this Mortgage solely for the purpose of waiving homestead rights, if any.</p> <p><b>NOTE: The signature of the Borrower’s spouse requires notarization.</b></p>
<b>Purchase Price Limit</b>	None. VA loan limits apply.

<b>Program Income Limits</b>	<p>All stable and verifiable income used for underwriting (as reported in the Transmittal Summary) must be applied against the Program Income Limits. Follow VA guidelines with respect to allowable income sources and calculation method used. Income from a single source may not be misrepresented. Household income does <u>not</u> apply.</p> <p>It is allowable to only use one spouse on the loan – i.e., one spouse’s income for qualifying income. However, Lender should use VA guidelines with respect to the debt of the non-purchasing spouse.</p> <ul style="list-style-type: none"> <li>• <b>\$101,520</b> Income Limit for all Borrowers regardless of family size.</li> </ul>
<b>Inputting Program Assistance in AUS</b>	The Second Loan must be entered in DU as a standard second lien. It is entered into LPA in the “Total Gift Funds” field located in Assets and Reserves.
<b>Underwriting</b>	<p>Underwriting decisions are subject to AUS approval, VA underwriting guidelines.</p> <p>Lenders are required to report the EIN of all down payment assistance sponsors on the Transmittal Summary. The EIN for Cook County is <b>36-6006541</b></p>
<b>DTI Ratio</b>	Up to 50% DTI subject to AUS approval, VA underwriting guidelines.
<b>Credit Scores</b>	A minimum indicator credit score of <u>620</u> is required for all Borrowers
<b>Reserves</b>	None required.
<b>Manual Underwrite</b>	Not permitted.
<b>Homebuyer Education</b>	<p>Required for all First Time Homebuyers, defined as a Borrower who has not owned a residential property in the last three years from the loan closing date. Borrowers may select from a nationally accredited in person or on-line homebuyer education counseling center. In person counseling is strongly recommended.</p> <p>The Borrower’s receipt of a homebuyer education counseling Certificate of Completion dated prior to the loan closing date is a condition for the loan closing.</p>
<b>Seller Concessions</b>	Permitted subject to VA guidelines.
<b>Buydowns</b>	Not allowed.
<b>Mortgage Insurance</b>	As required by VA
<b>CFPB Restrictions (First Loans)</b>	<ul style="list-style-type: none"> <li>• <i>Cook County Loans</i> are exempt from CFPB Ability to Repay (ATR) restrictions.</li> <li>• <i>Cook County Loans</i> that violate HOEPA or a State or local high cost threshold are not eligible for purchase or funding by Wintrust Mortgage.</li> </ul>
<b><i>Program Assistance</i></b>	
<b>Second Loan Terms</b>	<ul style="list-style-type: none"> <li>• Second Loan funding of up to 6% of the final first loan amount, rounded down to the nearest dollar. There is no dollar cap.</li> <li>• The Borrower will sign a Second Promissory Note and a Second Mortgage which will be recorded as a subordinate lien on the Property.</li> <li>• The Second Loan is to be forgiven under certain conditions over a 7 year term, with no accrued interest, principal repayments due upon sale or refinance of the original Second Loan amount, with principal forgiveness pro-rata (1/84<sup>th</sup>) over 7 years for each full month the Borrower lives in the Property. After 7 years, any repayment obligation is completely forgiven and the subordinate lien is released.</li> <li>• Second Loan proceeds may be used to fund up to 100% of the Borrower’s cash to close. Only cash back to the Borrower is a refund of any earnest money, prepaid fees, interest or tax credit. Surplus cash for a principal reduction is also permitted.</li> </ul>

<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>Funding</b>	Program Assistance must be advanced by Lender.
<b>Sizing</b>	The Second Loan amount is <u>always</u> calculated as a percentage of the final first loan amount, not the purchase price, rounded down to the nearest dollar.
<b>Pre-Close Compliance Review</b>	Once a 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>Post-Closing Compliance</b>	<p>Within 30 days of the loan closing, the Title/Escrow Company, Wintrust Mortgage Rep or Originating Lender must send the following to the Administrator via priority mail:</p> <ul style="list-style-type: none"> <li>• <u>Original</u> signed and certified Second Promissory Note</li> <li>• <u>Copy</u> of the signed and certified Second Mortgage. Wintrust Mortgage Rep or Lender must instruct the County Assessor’s Office to mail the recorded Second Mortgage (bearing the original recordation stamp from the Assessor’s Office) to the Administrator.</li> </ul> <p>Wintrust Mortgage Rep or Lender must work with the Administrator to track any Second Mortgage not received by the Administrator within 60 days of the loan closing. Wintrust Mortgage Rep or Lender should retain all applicable tracking information.</p>
<b>Loan Programs</b>	<p><b><u>VA:</u></b>  GN_VA_30_Fxd_COOK_4.0%  GN_VA_30_Fxd_COOK_5.0%  GN_VA_30_Fxd_COOK_6.0%</p> <p><b><u>2<sup>nd</sup> Mortgage:</u></b>  COOK_2nd_4.0%  COOK_2nd_5.0%  COOK_2nd_6.0%</p>



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