



Executive Summary

Name: University of Colorado Disaster Recovery Fund ('CUDRF')

Purpose: To provide financial assistance after insurance and any other federal, state, or local assistance is applied to rebuild or purchase a home.

Eligibility: Employees (on the date of the disaster and application) in a 50% or greater appointment, in a regular, non-temporary, benefits-eligible job code affected by Federally declared disasters.

Form: Down payment assistance repaid by shared appreciation.

Amount: Up to \$400,000/As determined during consultation with Elevations Credit Union. Assistance amount over \$400,000 will be reviewed by the CU Treasury and approved in consultation with the Credit Union.

University of Colorado Disaster Recovery Fund

The University of Colorado and Elevations Credit Union (Credit Union) are pleased to offer the CU Disaster Recovery Fund (the "Fund"). This program is intended to help eligible employees who are impacted by a disaster or event and need financial assistance to rebuild existing or relocate to new homes. The program was initially created in the wake of the Marshall Fire in Boulder County on December 30, 2021.

The Fund is designed to provide direct financial assistance after insurance and any other federal, state, or local assistance is applied when rebuilding or purchasing a different home.

EVENT DECLARATION

Only events declared as disasters by the Federal government are eligible to access this Fund.

ELIGIBILITY

The Fund is available to current faculty and staff who were employed, on the date of the disaster and application, in a 50% or greater appointment, in a regular, non-temporary, benefits-eligible job code as defined in the [Benefits Eligibility Matrix](#).

QUALIFYING RESIDENCE

The Fund can be used to rebuild or purchase a new residence. Participants must have occupied the qualifying residence as their primary residence at the time of the disaster. Qualifying residences must be located within Colorado.

APPLICATION and ELIGIBILITY

An applicant worksheet for the Fund and instructions for completing and submitting the application are available online here or through the CU Treasury website www.cu.edu/treasurer/housing-assistance-programs.

Once complete, the applicant(s) should sign and send the application via any of the following methods:

Mail: Disaster Recovery Fund
Attn: Office of the Treasurer
University of Colorado
1800 N. Grant St, Suite 600
(Use Campus Box 25 UCA only if sending through campus mail)
Denver, CO 80203-1148

E-mail: CUDRF@cu.edu (please send as a PDF file attachment)

Applications may be submitted at any time and will be reviewed within ten (10) business days of receipt.

APPROVAL PROCESS

Amount: The applicant will initially consult with the Credit Union to determine the best option forward for them including the amount. Once notified the University of their eligibility, applicants should contact the [Credit Union](http://www.elevationscu.com/home-lending/mortgage-team) to begin the process. (www.elevationscu.com/home-lending/mortgage-team)

Rebuild: If the applicant chooses to rebuild their damaged home on existing land, the Fund will provide assistance to meet the financial gap after insurance coverage proceeds and other assistance (Federal, state, county, city, etc.) is applied to ensure the employee can return to their home.

At this time, the Credit Union is offering two options to fund the rebuilding of homes.

Construction Loan

- Maximum of 90% LTV
- Converts to a first mortgage upon completion
- Fund assistance amount converts to second lien, repayable upon exit from the Fund

Construction Line of Credit

- Over 100% of the "subject to completion" appraised value
- Converts to a first mortgage upon completion
- Fund assistance amount converts to second lien, repayable upon exit from the Fund

Purchase: If the applicant is choosing to buy a different house and not rebuild on their existing land, the Fund will provide down payment assistance to meet the gap between the purchase of a new home versus insurance proceeds, lot sale, if applicable, and other assistance (Federal, state, county, city, etc.). The Credit Union will process and provide the first mortgage. Eligible Fund applicants need to complete a mortgage application including the application fee to obtain a property appraisal, commitment for title insurance, and credit reports of all borrowers. The Credit Union receives all required information from the applicant, a decision on the approval or denial of the first mortgage loan will be made.

The Credit Union verifies financial information submitted by the applicants. If any of the information is inaccurate, the applicant may be rejected as a Fund participant. Potential participants will be asked to sign a Commitment Letter and an Acknowledgement and Acceptance of Terms indicating their agreement to and understanding of the Fund. Once completed, participants will receive final approval for the Fund.

PROGRAM TERMS

The pre-approved amount available for each Fund participant(s) per household will be up to \$400,000. Assistance amount over \$400,000 will be reviewed by the CU Treasury and approved in consultation with the Credit Union.

The assistance is in the form of an Agreement with the University. A deed of trust records a lien against the property in the assistance amount. Repayment of the assistance is due upon any of the following:

- Sale, transfer or conveyance of title to the property;
- When the property ceases to be used as the principal place of residence for the participant;
- When the participant ceases to be employed by the University, except when due to a

- disability;
- Ninety (90) days following the death of the participant; or
- Upon default by the participant under the agreement or the deed of trust.

Participants may prepay the principal amount outstanding [assistance] according to the terms established in the Fund agreement at any time without penalty.

Subsequent Refinancing

In the event a Fund participant desires to refinance the existing primary mortgage on the property that was purchased or rebuilt with the Fund, the University, as holder of the lien secured by a second deed of trust on the home, will need to agree to subordinate its deed of trust on the property in order that the primary mortgage lender will be able to have a new first deed of trust on the property. The University will review and evaluate the documentation and terms of any refinancing loan, and while the University is under no legal obligation to agree to subordinate its deed of trust on the property to the new deed of trust, it will consider doing so.

To reduce its risk of nonpayment of the Fund loan upon its maturity, the University may consider subordinating its deed of trust to the new primary mortgage if the principal amount of the proposed new mortgage is not more than the principal balance currently due and owed on the existing first mortgage. (i.e., a new mortgage loan may not be in an amount greater than what is currently owed on the existing mortgage loan.) A Fund participant will not be able to refinance for the purpose of pulling out some of the equity in the property without the Fund option being paid in full. The University must also be satisfied that the proposed terms of the new mortgage are no more burdensome to the Fund participant than the existing mortgage loan.

PROPERTY OWNERSHIP REQUIREMENTS

Certain requirements will be made of the participant to minimize the encumbrances against the property and maintain the value of the property securing the second deed of trust. These requirements include, but are not limited to:

Property Taxes

The participant will be responsible for the payment of all property taxes required on the property. Such payments should be made in a timely fashion as required by the local governing authority.

Insurance

The Fund participant shall keep the existing or any future improvements on the property insured against loss by fire or hazards included within the term "extended coverage" in an amount at least equal to the lesser of (1) the insurable value of the property or (2) an amount sufficient to pay the sums secured by the second deed of trust as well as any other prior encumbrances on the property. Annually, the Office of the Treasurer must receive confirmation of property insurance listing the Regents of the University of Colorado as "additional mortgagee" or "second mortgagee".

Repairs and Maintenance

The Fund participant shall keep the property in good repair and shall not commit waste or permit violations or allow the property to deteriorate. The participant shall perform all of participant's obligations under any declarations, covenants, bylaws, rules or other documents governing the use, ownership or occupancy of the property. The property must be kept in compliance with the local government's housing code, and the participant will also be responsible for all care and maintenance of the yard and outside areas.

Escrow of Property Taxes and Insurance Premiums

The Credit Union may require a monthly escrow of estimated property taxes and insurance premiums.

Employment Verification

The Credit Union will regularly verify the employment status of all Fund participants.

DISCLOSURES

The University accepts a certain amount of risk in guaranteeing the Fund. Participants also have risk. Declining real estate market values and varying mortgage interest rates may affect the economic attractiveness to the participant and their ability to refinance the property upon exiting the Fund. Situations that initiate the acceleration of the due date of the note may be outside of the direct control of the participant. Declining real estate market values may also affect the participant's ability to repay the Fund amount due at maturity.

To participate in the Fund, all primary mortgages must be obtained through the Elevations Credit Union. The University has entered an exclusive arrangement with the Credit Union to administer parts of the Fund. As a result, the University was able to secure attractive interest rates on the loans funded by the Credit Union and on its servicing fees.

The Fund terms may change at any time without notice prior to execution of the Fund documentation. The submission of an application or the receipt of the initial commitment does not guarantee approval of Fund participation.

It is the intention of the Fund to treat the financial information submitted by applicants as privileged and confidential. In the event of an open records request to the University, the following information about applicants may be disclosed: name, title, hiring date, and salary.

For more information, please contact CUDRF@cu.edu.