

# Employer Assisted Housing Program

## Program Overview

EMPLOYER has made a major commitment to invest in the local housing market and strengthen its workforce by participating in an Employer Assisted Housing (EAH) Program. The program will benefit employees who wish to purchase a home in \_\_\_\_\_.

The \_\_\_\_\_ EAH Program supports and encourages homeownership within \_\_\_\_\_, by providing eligible employee up to a \$\_\_\_\_\_ deferred and forgivable loan for the purchase of a new or existing home – single family or condominium. Employees must be purchasing their first home; refinancing is not a qualified purchase. The \$\_\_\_\_\_ will be forgiven as long as the employee remains at \_\_\_\_\_ for a full five years after closing.

In addition to providing direct financial support, \_\_\_\_\_ has linked up with \_\_\_\_\_ to provide employees' access to comprehensive homebuyer counseling.

## Who Is Eligible?

Any \_\_\_\_\_ employee who meets the following criteria:

- Be a full time employee and completed any probationary conditions of employment
- Have completed at least ONE year of satisfactory service
- Be interested in becoming a homeowner within \_\_\_\_\_
- Demonstrate commitment to working with the EAH program toward meeting pertinent regulations stipulated by participating WHEDA lenders, including but not limited to credit counseling, home buying education and filling out EAH program reports periodically
- Able to qualify for mortgage financing from a conventional lender or mortgage company for a WHEDA loan
- Able and willing to contribute at least \$\_\_\_\_\_ or \_\_\_% of the purchase price, whichever is greater, of their own funds.

## IF EMPLOYER DESIRES INCOME LIMITS

**Maximum Gross Annual Household Income levels for participation in this program  
UPDATE ANNUALLY – WILL BE LISTED BELOW**


## How Do I Enroll?

Enrollment will be open to all employees who meet the above listed eligibility requirements. Contact the Human Resources (HR) Department to obtain an Eligibility Application provided to EMPLOYER by COUNSELING AGENCY. Once this form has been completed, return it to the HR Department.

The initial enrollment period will be during \_\_\_\_\_ of 20\_\_\_. The initial EAH program will be limited to \_\_\_\_\_ loans in 20\_\_\_.

Once the applications have been received at the end of the enrollment period, COUNSELING AGENCY will review all of the applications and determine if the applicant is eligible to participate in this program. Once COUNSELING AGENCY confirms the household qualifies for the program, EMPLOYER will re-affirm the employee's eligibility for these funds.

COUNSELING AGENCY will provide home buyer education to all eligible employees affirmed by EMPLOYER. The homebuyer education classes will be held on site at \_\_\_\_\_ location for the entire group of households identified as eligible households. The classes will require up to 6 hrs and will be scheduled over a few weeks time.

Upon completion of the home buyer education classes, each household will be referred to a WHEDA lender OR other lender in order for the household to get a loan pre – approval.

For those individuals who apply after the initial enrollment period, applications will be processed on a first-come, first-served basis. Preference will be given based on criteria established by EMPLOYER and will consider factors such as the length of the employee's employment with EMPLOYER and financial need.

## Program Description

In addition to having access to homebuyer education, employees will also benefit from the individualized and confidential services of COUNSELING AGENCY, who will work with eligible employees to develop a housing access plan. This plan is based on the employee's individual goals and needs toward the goal of becoming a homeowner. COUNSELING AGENCY will also provide homeownership education and credit counseling to help the employee find the home suitable for his or her needs and to qualify for a loan. Toward that end, COUNSELING AGENCY will serve as a resource to employees as they search for real estate agents, WHEDA mortgage lenders, and other service providers.

Down payment and closing costs assistance from EMPLOYER EAH Program is contingent upon the employee's fulfillment of the eligibility requirements, including qualification for a WHEDA mortgage loan and willingness to contribute \$\_\_\_\_ or \_\_\_\_% of the purchase price. This amount can include the earnest money funds, lender application fee, professional home inspection fee and one year's premium for homeowner's insurance coverage.

If the EAH Program financial assistance is approved, the employee will complete a Grant Agreement with EMPLOYER pursuant to the EAH Program before the EAH Program funds can be issued. EAH Program funds will be made available to the employee at the closing of the home acquisition. An employee will not be able to take cash away from the closing.

### Does The Loan Need To Be Repaid To Employer?

If approved for a down payment assistance loan from EMPLOYER, an employee does not have to repay the loan, provided that for five years from the date of purchase, the employee:

- Remains employed with EMPLOYER AND
- Maintains ownership interest in the purchased property AND
- Continuously occupies the purchased property as the employee's permanent residence

During the five years following the date of purchase, one-sixtieth of the loan amount will be forgiven each month. The loan, whose original principal will be no more than five thousand dollars (\$5,000), will have a Recapture Period of five (5) years and the amount of the repayment shall be the amount of the loan reduced by one-sixtieth ( $1/60^{\text{th}}$ ) for each full month of occupancy of the residence by the employee from the date of closing.

If the employee fulfills the requirements noted above for five years, there is no obligation to pay back any money to EMPLOYER. However, in the event that an employee does not satisfy these requirements, the pro-rated portion of the remainder of the loan will have to be returned to EMPLOYER.

**It is important to note that acceptance of the EMPLOYER EAH Program funds for a home purchase does not impact the at will nature of employment at EMPLOYER.**

## Process Sequence

- 1) Employee fills out an Eligibility Application and returns it to the HR Department during the Enrollment Period
- 2) HR provides to COUNSELING AGENCY copies of the all applications received during the Enrollment Period for review and eligibility for funding. For those eligible households, COUNSELING AGENCY will send a confirmation request to EMPLOYER to reaffirm employee eligibility.
- 3) COUNSELING AGENCY provides homebuyer education to the group of eligible households. Individual household works to repair credit, save for necessary own funds, etc. as appropriate.
- 4) Employee seeks WHEDA pre- approval with mortgage lender.
- 5) Employee looks for house and signs a contract to purchase a home.
- 6) COUNSELING AGENCY confirms with HR Department that employee still meets the eligibility requirements.
- 7) Employee signs a Loan Agreement and REAL ESTATE MORTGAGE??? with EMPLOYER
- 8) EMPLOYER OR COUNSELING AGENCY – DEPENDING ON HOW THE PROGRAM IS STRUCTURED issues a check to the closing agent for the employee funds.
- 9) Employee becomes a homeowner
- 10) COUNSELING AGENCY provides post purchase counseling as needed