

Employer Assisted Housing (EAH) Program Requirements

(Employer) has established a program to assist a limited number of eligible employees with the purchase of a home by providing down payment/closing cost assistance in the form of a (Amount of support) loan forgivable over a (length of loan to grant). The home purchased must be located (designate an area/reference the City of Chester). **The home must be used as the employee's principal residence for the entire five-year term.**

Eligibility

Permanent full-time and part-time, benefit eligible employees are eligible for the EAH Program, provided he/she has been employed by (Name of Employer) for at least one year prior to application date. (Note: Employer can set their own criteria for who is eligible).

If an employee and spouse are both (Name of Employer) employees, either the employee or the spouse is eligible to participate, not both. Each employee (or employee/spouse, if both are employed by (Name of Employer), is eligible to receive one loan per lifetime.

All home buyers may participate - the program is not limited to first-time home buyers, or based on your income or the purchase price of your home.

Amount Available

Eligible employees who receive the (Amount of support) loan-to-grant may receive additional funding through the Chester City Homebuyer Assistance Program (for homes located in the City of Chester), the Delaware County First-Time Homebuyer Program or Chester Community Improvement Project and Media Fellowship House (for homes located in the Borough of Upland), and PHFA (Pennsylvania Housing Finance Agency) for homes located in Chester or Upland.

The program is limited to (Number) employees each fiscal year who present acceptable pre-approval letters for mortgage financing, signed Agreements of Sale for eligible homes, and a completed (Name of Employer) Loan Application/Agreement to Employee Benefit Services, on a first-come, first-served basis.

(Name of Employer) retains the right to change or terminate the program at any time and for any reason. However, once a loan-to-grant is issued, terms pertaining to the loan will not change. Participation in the (Name of Employer) EAH Program does not constitute a contract of employment.

Use of Funds

The (Name of Employer) EAH loan can be used for the purchase of an existing home or the purchase/construction of a new home in the specified area. You must use the home as your principal residence for at least five years. The loan will be used to towards the down payment and/or closing costs.

The (Name of Employer) EAH loan may be used in combination with a PHFA (Pennsylvania Housing Finance Agency) Home Loan Programs and/or PHFA Access Home Modification or Access Down Payment and Closing Cost Assistance Programs. Please confirm your eligibility directly with PHFA.

Repayment Terms

Zero percent interest deferred loan, forgiven 1/60 monthly, over the course of 60 months. (This can be modified, depending on the length of the loan to grant).

Employees must remain employed by the (Name of Employer) or its affiliates for the full 60-month term of the loan. If an employee transitions into a nonbenefit eligible position or ceases to be employed by (Name of Employer) within the loan period, the remaining unforgiven amount will be due and payable upon termination of employment or transition to the non-benefit eligible position.

The home must be the principal residence of the employee for the entire term of the loan. Employee Benefit Services reserves the right to request proof residency throughout the 60-month period. If the home is no longer your principal residence, the remaining unforgiven amount will be due and payable.

The loan will be forgiven in its entirety in the event the employee dies or becomes permanently disabled. Permanent disability will be determined by (Name of Employer's) Long Term Disability insurance carrier that is in effect at that time.

Tax Liability

The monthly portion of the loan that is forgiven is considered taxable income. It is added to your taxable wages and appropriate taxes are deducted from the first pay of each month. The annual portion of the loan that is forgiven is included in taxable wages on your W-2, but not identified as a separate item.

Administration

The Program will be administered through (Name of Employer's) Employee Benefit Services. Notify Employee Benefits of your intent to buy as soon as you have a preapproval for mortgage financing and a scheduled closing date. You may apply as soon as you can provide an acceptable pre-approval letter for mortgage financing, a signed Agreement of Sale for an eligible home, and a completed (Name of Employer) Loan Application/Agreement.

You will then sign a (Name of Employer) Promissory Note for the amount of the loan and a check will be issued made payable to the title company.

Following your loan closing, you must provide Employee Benefits a copy of the HUD-1 Settlement Statement that shows how the funds were applied.