

Employer Assisted Housing Program

Frequently Asked Questions

1. **What types of businesses can participate in the employer assisted housing program?** Any employer on Cape Cod can participate in the program. No business is too big or too small.
2. **Can a municipality participate in the program?** Yes.
3. **Is there a limit to the number of employers that can participate?** The participation is limited by the funding availability, presently at \$250,000.
4. **What kind of assistance can my company and HAC provide?** Both renters and prospective first-time homeowners can utilize the program. Assistance will come in the form of down payment funds, homebuyer education, and a shallow subsidy or first/last month's rent for renters.
5. **Can my company choose to assist only a certain category of employees?** Yes. An employer can define its targeted employees in the Memorandum of Understanding with HAC. However, all federal, state, and local fair housing laws must be followed and the employees must otherwise meet the program guidelines.
6. **Are there other criteria that will determine which of our employees are selected?** The selection process is managed by HAC and the prospective participants must meet the program guidelines agreed to by the employer.
7. **Is there a minimum or maximum number of employees a company needs to assist in order to qualify for the program?** The minimum buy in per employer is \$5,000. With the HAC match, the package is worth \$10,000 to the employer and can assist no fewer than one homebuyer or at least two renters.
8. **Is there a minimum or maximum amount of assistance my company needs to invest per employee?** The maximum amounts offered are \$10,000 to a homebuyer and \$5,000 to a renter.
9. **Is there a maximum employee income allowed under the *Housing Cape Cod* program?** Fifty percent of the total dollars, \$250,000 will be available to households at or below 120% of median income. Fifty percent will be available to households at or below 80% of median.
10. **Do participating employees need to make a minimum contribution in order to participate?** Yes, homebuyers must contribute 1.5% of the purchase price of the home and renters must contribute \$750 to the cost of their rental assistance.
11. **Are participating employees required to attend the pre- and post-purchase homebuyer education classes at HAC?** Yes.

12. **Do employee participants have to use a specific mortgage lender for the purchase of a home?** No, but they must use a regulated bank and apply for a 30 year fixed rate mortgage. The loan product must be approved by HAC.
13. **Are there geographic limitations on the use of the funds?** Yes, the funds must be used for housing in Barnstable County.
14. **Does the employer sign a contract?** The employer enters into a standard Memorandum of Understanding with HAC.
15. **How can we gauge whether or not our employees are interested?** HAC can provide you with a simple survey that you can use to determine that.
16. **How do you handle payments from employers?** Each participating employer will remit 25% of their committed funding with their signed Memorandum of Understanding to HAC.
17. **Are there additional costs to me as an employer?** Yes. For program design and management, HAC will charge a flat 20% of any employer's program contribution as a fee for services.
18. **What if the employee leaves the company before the end of the loan forgiveness period?** If an employee leaves, the employer needs to contact HAC regarding the recapture of unforgiven funds. HAC will employ its best efforts to recapture those funds but will not guarantee repayment on behalf of the employee.
19. **Does the assistance to the employee constitute taxable income?** The direct financial assistance provided by the employer to the employee does constitute taxable income in the amount that is forgiven each year. The employer needs to report the pro-rated portion annually to the IRS. The state match is not considered taxable income. The proposed Housing America's Workforce Act (HR 1850 and S 1078) would exclude the employer's contribution as taxable income.