

SAMPLE

EMPLOYER ASSISTED HOUSING

BENEFIT PLAN DESCRIPTION

[DEFERRED PAYMENT LOAN]

**[*Loan in Which Principal Payments or Principal
and Interest Payments are Deferred*]**

_____, 200_

THIS FORM IS A DRAFTING TEMPLATE. EMPLOYERS SHOULD REVIEW IT CAREFULLY. IT IS NOT VALID AND ENFORCEABLE IN ALL JURISDICTIONS OR APPROPRIATE FOR ALL EMPLOYERS.

EMPLOYERS DEFINE THE FEATURES OF AN EAH BENEFIT PLAN. PROVISIONS ARE OFFERED BY WAY OF EXAMPLE. IN ALL CASES, ADDITIONAL TERMS WILL BE REQUIRED TO DESCRIBE EMPLOYER'S PLAN.

EMPLOYERS SHOULD CONSULT WITH LEGAL COUNSEL TO ENSURE THAT ALL TERMS AND CONDITIONS OF THE BENEFIT PLAN AND ALL FORMS USED TO ORIGINATE BENEFIT LOANS ARE APPROPRIATE, AND THAT ALL LEGAL INSTRUMENTS ARE COMPLETED CORRECTLY AND IN COMPLIANCE WITH APPLICABLE LAW

Employer Assisted Housing Benefit Plan

Table of Contents

- 1. OVERVIEW**
- 2. DEFINITIONS**
- 3. EAH BENEFITS**
- 4. ELIGIBLE EMPLOYEES**
 - 4.1. All Benefits**
 - 4.2. No Tenure Rights**
- 5. ELIGIBLE PROPERTIES**
- 6. ELIGIBLE MORTGAGES**
 - 6.1. Eligible Mortgage Lenders**
 - 6.2. Eligible Mortgage [OPTIONAL]**
- 7. APPLYING FOR EAH DEFERRED PAYMENT LOAN**
 - 7.1. Application**
 - 7.2. Application Fee [OPTIONAL]**
 - 7.3. Deadlines**
 - 7.4. EAH Deferred Payment Loan Application Decision**
 - 7.5. Limitation on Our Liability**
- 8. EAH DEFERRED PAYMENT LOAN TERMS**
 - 8.1. Permissible Purposes**
 - 8.2. Maximum Loan Amount**
 - 8.3. Interest Rate and Amortization**
 - 8.4. Terms of Deferral of Payment**
 - 8.5. Security [OPTIONAL]**
 - 8.6. Prepayment**
 - 8.7. Assumption**
 - 8.8. Sale or Transfer of Eligible Property**
 - 8.9. Default**
 - 8.10. Termination [OPTIONAL]**
- 9. CLOSING**
- 10. TAXES**
- 11. EAH BENEFIT PLAN ADMINISTRATION**

SAMPLE

1. OVERVIEW

The <EMPLOYER> Employer-Assisted Housing Benefit Plan ("EAH Benefit Plan" or "Plan") helps eligible employees purchase (or build or remodel) a home. The EAH Benefit Plan offers housing assistance in the form of a deferred payment loan ("EAH Deferred Payment Loan").

This EAH Benefit Plan Description ("Plan Description") states all the terms and conditions of the EAH Benefit Plan. All benefits granted under the EAH Benefit Plan ("EAH Benefits") are subject to this Plan Description.

This EAH Plan Description is effective as of <DATE>.

2. DEFINITIONS

In this Plan Description, the words "you" and "your" mean an Employee and the words "we," "us" and "our" mean <EMPLOYER>. In addition to those terms defined elsewhere in this Plan Description:

PROVIDE A SPECIFIC DEFINITION FOR TERMS USED IN THE PLAN DESCRIPTION.

3. EAH BENEFITS

DESCRIBE IN GENERAL TERMS THE DEFERRED PAYMENT LOAN, INCLUDING INTEREST PROVISIONS (E.G., NO INTEREST, PREFERRED RATE, OR MARKET RATE), AND TERMS OF DEFERRMENT.

4. ELIGIBLE EMPLOYEES

4.1. All Benefits

You are Eligible for an EAH Deferred Payment Loan if you:

SET FORTH ALL ELIGIBILITY CRITERIA (E.G., LENGTH OF SERVICE, GOOD STANDING, HAVE SIGNED CONTRACT TO PURCHASE HOME, HAVE APPLIED FOR PURCHASE MONEY MORTGAGE).

4.2. No Tenure Rights

This EAH Benefit Plan does not give you Tenure rights.

THIS PROVISION HELPS PROTECT EMPLOYER FROM EMPLOYEE CLAIMS OF A RIGHT TO EMPLOYMENT FOR THE FULL TERM OF THE BENEFIT.

5. ELIGIBLE PROPERTIES

DESCRIBE PROPERTIES WHICH ARE ELIGIBLE (E.G., SINGLE-FAMILY DWELLING, OWNER-OCCUPIED, HOW SOON AFTER CLOSING IT MUST BE OCCUPIED, ANY GEOGRAPHICAL RESTRICTIONS).

6. ELIGIBLE MORTGAGES

6.1. Eligible Mortgage Lenders

IN MOST CASES, THE EMPLOYEE WILL BE OBTAINING A MORTGAGE TO PURCHASE THE HOME AND WILL BE USING THE EAH BENEFIT TO ASSIST IN THE PURCHASE (E.G., TO PAY PART OF THE PURCHASE PRICE, CLOSING COSTS OR AN INTEREST RATE BUYDOWN). DESCRIBE HERE ANY CRITERIA FOR THE MORTGAGE LENDER.

6.2. Eligible Mortgage [OPTIONAL]

DESCRIBE CRITERIA FOR MORTGAGES BY TYPE (E.G., PURCHASE MONEY, REHABILITATION, CONSTRUCTION, SELLER HELD) AS WELL AS TERMS (E.G., AMOUNT OR TERM OF MORTGAGE, METHOD OF AMORTIZATION).

7. APPLYING FOR EAH DEFERRED PAYMENT LOAN

7.1. Application

To apply for an EAH Deferred Payment Loan, you must file with the **<EMPLOYER EAH REPRESENTATIVE>**:

- (i) an Employer-Assisted Housing Benefit Application,
- (ii) a copy of your Property Purchase Contract,

<SET FORTH ANY ADDITIONAL APPLICATION SUBMISSION REQUIREMENTS>

BY SIGNING THE APPLICATION, YOU ACKNOWLEDGE RECEIVING, READING, UNDERSTANDING, AND AGREEING TO THE TERMS AND CONDITIONS OF THIS PLAN DESCRIPTION.

7.2. Application Fee [OPTIONAL]

SET FORTH FEE IF THERE IS A FEE.

7.3. Deadlines

SET FORTH TIME LIMITS IN THE APPLICATION PROCESS.

7.4. EAH Deferred Payment Loan Application Decision

DESCRIBE PROCESS OF RESPONDING TO APPLICATION INCLUDING TIMING, GROUNDS FOR DENIAL, AND PROCEDURE UPON APPROVAL.

7.5. Limitation on Our Liability

You may delay your Closing Date or lose your Related Mortgage Commitment if you do not complete your EAH Benefit Application on time, if we decline your EAH Benefit Application, or you do not close your EAH Deferred Payment Loan before your EAH Deferred Payment Loan Commitment expires.

We are not responsible for any direct, indirect, incidental or consequential losses, damages or expenses arising from any Application that does not comply with this Plan, any Adverse Action Notice, an EAH Deferred Payment Loan Commitment expiring before your Closing Date, or our proper enforcement of our rights under this Plan or under an EAH Deferred Payment Loan.

8. EAH DEFERRED PAYMENT LOAN TERMS

8.1. Permissible Purposes

DESCRIBE PERMISSIBLE PURPOSES FOR THE LOAN.

8.2. Maximum Loan Amount

IF APPLICABLE, SET FORTH MAXIMUM AMOUNT OF LOAN.

8.3. Interest Rate and Amortization

LOANS MAY BE INTEREST FREE OR MAY BEAR A PREFERRED OR MARKET RATE OF INTEREST. STATE THE INTEREST RATE, THE AMORTIZATION METHOD, AND HOW PAYMENTS WILL BE MADE (E.G., BY CHECK OR BY PAYROLL DEDUCTION). ALSO STATE WHETHER THE RATE, AMORTIZATION METHOD OR PAYMENT METHOD ARE DIFFERENT FOR INACTIVE BORROWERS (E.G., NO LONGER ON PAYROLL DUE TO DISABILITY) OR BORROWERS WHO BECOME INELIGIBLE (E.G., BY LEAVING EMPLOYMENT).

8.4. Terms of Deferral of Payment

DESCRIBE IN DETAIL ALL TERMS AND CONDITIONS OF DEFERRAL OF PAYMENTS (E.G., WHETHER BOTH PRINCIPAL AND INTEREST OR ONLY PRINCIPAL ARE DEFERRED, HOW MUCH IS DEFERRED AND WHETHER THE DEFERRAL AMOUNT CHANGES OVER TIME).

8.5. Security [OPTIONAL]

SET FORTH IN DETAIL ANY PROVISIONS RELATING TO SECURITY FOR THE LOAN.

8.6. Prepayment

You may prepay at any time all or part of the unpaid Principal of an EAH Deferred Payment

DESCRIBE PREPAYMENT TERMS. A SAMPLE APPEARS BELOW. NOTE THAT SOME JURISDICTIONS PROHIBIT PREPAYMENT PENALTIES IN CERTAIN CIRCUMSTANCES.

Loan without penalty. We will apply all prepayments to reduce Principal. The amount and the due dates of your scheduled payments will not change, but the number of payments may decrease.

8.7. Assumption

STATE WHETHER ASSUMPTION IS PERMITTED AND, IF SO, UNDER WHAT CIRCUMSTANCES. NOTE THAT SOME JURISDICTIONS HAVE LIMITATIONS WITH RESPECT TO ASSUMPTION.

8.8. Sale or Transfer of Eligible Property

DESCRIBE THE EFFECT OF THE SALE OR TRANSFER OF THE PROPERTY. NOTE THAT SOME JURISDICTIONS HAVE LIMITATIONS WITH RESPECT TO THIS ISSUE.

8.9. Default

DESCRIBE EVENTS OF DEFAULT. NOTE THAT SOME JURISDICTIONS HAVE LIMITATIONS WITH RESPECT TO EVENTS OF DEFAULT.

8.10. Termination [OPTIONAL]

SET FORTH IN DETAIL THE EFFECT, IF ANY, OF VARIOUS TYPES OF TERMINATION OF EMPLOYMENT (E.G., VOLUNTARY, INVOLUNTARY, REDUCTION IN FORCE) ON THE EAH BENEFIT.

9. CLOSING

DESCRIBE CLOSING PROCEDURES (E.G., HOW AND TO WHOM FUNDS ARE DISBURSED DOCUMENTATION REQUIREMENTS).

10. TAXES

EMPLOYEE SHOULD BE ADVISED TO CONSULT HIS OR HER TAX ADVISOR ABOUT THE INCOME TAX CONSEQUENCES OF THE EAH BENEFIT.

11. EAH BENEFIT PLAN ADMINISTRATION

DESCRIBE THE ADMINISTRATION OF THE EAH PLAN INCLUDING WHAT DEPARTMENT OR INDIVIDUAL IS RESPONSIBLE AND HOW IT MAY BE AMENDED OR DISCONTINUED.