

# SAMPLE

## EMPLOYER ASSISTED HOUSING

### BENEFIT PLAN DESCRIPTION

#### [*SHARED APPRECIATION MORTGAGE*]

*[Employee Receives Loan From Employer and Gives Employer a  
Percentage of Appreciation of Property in Lieu of Interest]*

\_\_\_\_\_, 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 BENEFITS ARE APPROPRIATE, AND THAT ALL LEGAL INSTRUMENTS ARE COMPLETED CORRECTLY AND IN COMPLIANCE WITH APPLICABLE LAW

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**Employer Assisted Housing Benefit Plan**

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## 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 shared appreciation mortgage ("EAH Shared Appreciation Mortgage").

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 SHARED APPRECIATION MORTGAGE, INCLUDING THE LOAN AMOUNT, PERCENTAGE OF APPRECIATION SHARED, AND ANY CIRCUMSTANCES IN WHICH IT MUST BE REPAID.***

## 4. ELIGIBLE EMPLOYEES

### 4.1. All Benefits

You are Eligible for an EAH shared Appreciation Mortgage 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 SHARED APPRECIATION MORTGAGE**

**7.1. Application**

To apply for an EAH Shared Appreciation Mortgage, 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 Shared Appreciation Mortgage 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 Shared Appreciation Mortgage before your EAH Shared Appreciation Mortgage 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 Shared Appreciation Mortgage Commitment expiring before your Closing Date, or our proper enforcement of our rights under this Plan or under an EAH Shared Appreciation Mortgage.**

**8. EAH SHARED APPRECIATION MORTGAGE**

**8.1. Permissible Purposes**

***DESCRIBE PERMISSIBLE PURPOSES FOR THE BENEFIT.***

**8.2. Maximum Shared Appreciation Mortgage Benefit Amount**

***SET FORTH MAXIMUM AMOUNT OF BENEFIT.***

**8.3. Terms of Shared Appreciation Mortgage**

***DESCRIBE IN DETAIL ALL TERMS OF BENEFIT, INCLUDING THE AMOUNT OF THE LOAN, THE PERCENTAGE OF SHARED APPRECIATION, THE SECURITY, AND THE TERMS OF REPAYMENT, INCLUDING THE INTEREST RATE, THE AMORTIZATION METHOD, AND WHETHER REPAYMENT CAN/MUST BE BY PAYROLL DEDUCTION (IF THE INDIVIDUAL IS STILL AN EMPLOYEE).***

**8.4. Security**

**SAMPLE**

***SET FORTH IN DETAIL THE PROVISIONS RELATING TO SECURITY FOR PERCENTAGE OF SHARED APPRECIATION.***

**8.5. Default**

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

**8.6. 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.***