

Employers Frequently Asked Questions & Sample Documents

Employers' who are considering an Employer Assisted Housing (EAH) Benefit Program, often have many questions. If after reviewing the following information, you still have questions, please contact the Homeownership Programs Division at 717-780-3871 or visit our [Employer](#) Web page.

What is Employer Assisted Housing (EAH)?

EAH is a monetary employee benefit (\$500 minimum) offered by an employer, designed to offset some of the closing costs and or downpayment cost associated with purchasing a home.

What if the Employer's funds are limited?

The employer has the option to cap the yearly expense at a specific amount. For example, the employer may say, "the benefit is \$2,000 per eligible employee, up to a maximum of \$20,000 per year"...in other words, the benefit is paid on a "first come, first serve" basis, until the yearly allotment has been distributed.

Can the employee benefit be used for rental housing, for example, to be used towards a security deposit?

The employer can certainly design a program to meet rental housing needs of their staff, however, the PHFA EAH Initiative is only for those employees who are ready to become homeowners.

Why should we want to join PHFA's List of Participating Employers?

When an employer registers their EAH benefit program with PHFA, eligible employees are able to stretch their homebuying dollars even further when they qualify for a PHFA first mortgage. PHFA offers competitive rate mortgages to eligible buyers throughout the state, however, EAH borrowers receive a Keystone Assistance Loan of up to \$8,000 for downpayment and/or closing cost assistance in the form of an interest free loan amortized over 10 years. Assistance under the Program is typically limited to the lesser of 4% or \$6,000 to non-EAH borrowers. These additional PHFA benefits are at no cost to the employer.

How does the EAH program pay for itself?

The costs to provide and administer the EAH program can be offset by the savings in reductions in turnover, recruitment/relocation and training budgets, and from higher productivity and morale. “For example, a reduction in the turnover rate by even one percentage point for a typical company with 5,000 employees can save the cost of hiring and training 50 new employees.” (Fannie Mae, 2003)

How do I register my company’s Employer Assistance Benefit with PHFA?

Simply email a copy of your company’s EAH documents to Coleen Baumert at cbaumert@phfa.org. or, mail the package to:

*Pa. Housing Finance Agency
Attn: Coleen Baumert
Business Development Manager
Homeownership Programs Division
211 North Front Street
Harrisburg, PA 17101*

Once the information is reviewed, the Employer will be added to our web site as a member of PHFA’s Participating Employers. When your employees apply for a PHFA mortgage at one of our Participating Lenders, the additional benefits will be given to them once they are deemed “eligible”.

If we are just starting to develop an Employer Assisted Housing Benefit, where do we start?

Listed below, you will find all the documents needed to start an EAH program. Please keep in mind that these are generic documents and will need to be changed to suit the needs of your program, based on your company’s decisions.

You certainly don’t have to use these documents. They are only made available as a service to you.

DISCLAIMER

Forms available through this site are merely examples and are not a substitute for the advice of an attorney. Legal advice of any nature should be sought from competent, independent, legal counsel in the relevant jurisdiction. No warranties are made regarding the use or suitability of these Forms. If you have any questions concerning which form is appropriate for your transaction, or need help in the preparation or adaptation of that document, please consult an attorney or obtain other professional advice.

[Sample Employee Survey](#)

[Sample Employers' -Where Do We Start?](#)

[Sample EAH Loan Application-Agreement](#)

[Sample EAH Program Requirements](#)

[Sample EAH Promissory Note](#)

[Sample EAH Lender Notification Letter](#)

If we start an EAH benefit program, how does my employee's bank/lender know that they should get the additional PHFA EAH benefits?

Once the employee is deemed eligible for your benefit by your Human Resources Staff, they should be given a letter acknowledging that the "gift" will be forthcoming. Most employers give the employee a check, made payable to the lender or the settlement agent, once a settlement date has been decided.

Is this a benefit that employees want?

Yes. EAH is a customized benefit that addresses the major points of purchasing a home: down payment and closing costs, and obtaining information about the home-buying process.

Is an EAH benefit a loan or a gift?

That is totally up to the employer however, if you are using this benefit to reduce turnover costs or increase recruitment and retention, it is usually set up as a 5 year forgivable loan, most often forgiven at a rate of 20% per year for 5 years.

Is an EAH forgivable loan taxable income for my employees?

Yes, however, that is another reason employers choose the 5 year forgivable term. In that case, only the 20% which is forgiven is taxable per year, lessening the tax implication for the employee. You should consult your tax accountants for professional advice.