

EAH Sample Check List/Flow Chart for Employers; Used to Administer EAH Program

1. Take *application for EAH benefit from Employee.
2. Verify that the Employee qualifies for the EAH benefit according to the Employer's *EAH Program Requirements.
3. Give Employee a *"Lender Notification Letter" which should be given to whomever they are applying to for a mortgage. This letter notifies the mortgage company that the employee will be getting funds from you, the employer, to be used towards downpayment and/or closing costs.
4. Employee submits a copy of their "Commitment Letter" to HR – this is a letter from the lender to the employee indicating that they have been approved for a mortgage and a settlement date has been decided. The Settlement Agent will also be identified.
5. Employee signs a *promissory note (prepared by the employer) in the amount of the EAH benefit, to be retained in their personnel file.
6. Process a check, made payable to the Settlement Agent for the Employee's EAH benefit, to be used towards downpayment and/or closing costs at the settlement. The check can be given to the employee or sent directly to the Settlement Agent.
7. Employee provides HR with a copy of their HUD 1 form, a settlement sheet listing the EAH amount that was used for the purchase of employee's home.
8. Promissory Note stays in the HR file until forgiven or paid in full.

* Sample documents can be found at http://www.phfa.org/lenders/eah/where_do_we_start.aspx.