

EAH

Employer Assisted Housing Program

Up to \$20,000 in Downpayment Assistance



About EAH

The City of Flagstaff will provide up to \$20,000 (interest free, deferred payment loan) per household to eligible employees to be used for down payment and/or closing costs on the purchase of a home. Funds are matching funds - assistance will match buyer contribution 2 to 1 with up to \$20,000 in assistance.

EAH assistance is contingent on the City's budget allocation for the current fiscal year and the availability of program funds.

EAH Program is a loan that:

- Is secured with a promissory note and recorded deed of trust.
- Up to \$10,000 of the loan is forgiven on a pro rata basis during 10 years of employment and owner occupancy. The remaining loan balance is repaid at sale, refinance for cash out, terminated employment with the City of Flagstaff, or lack of owner-occupancy. This is a one-time employee benefit.
- Please note that this is a partially forgivable loan and **the Internal Revenue Service (IRS) classifies forgiveness of debt as taxable income and wages** to you, with few exceptions. If you have questions about this partially forgivable loan, it is recommended you speak to your certified public accountant or a tax consultant.



Eligibility

- At least one homebuyer per household must be employed by the City of Flagstaff and meet the following employment guidelines:
 1. Worked for the City of Flagstaff in a non-temporary position for a minimum of 12 consecutive months.
 2. Most recent performance evaluation demonstrates work performance meeting or exceeding expectations
 3. Not be on a performance work plan.
 - Must not have owned a home within the Flagstaff Metropolitan Planning Organization (FMPO) boundary within the last three years and be a first-time homebuyer in Flagstaff, AZ, as defined by HUD ("an individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers). A single parent who has only owned with a former spouse while married.")
 - Must complete the Housing Solutions' online homebuyer education course and one-on-one housing counseling prior to entering into a purchase contract. There is no cost to the employee for these services.
 - Must occupy the home purchased with EAH funds as their principal residence.
 - If a household consists of more than one eligible city employee, only \$20,000 max is available per household.
- (continued on reverse)*

How to Apply

1 Complete Application Packet downloadable at: housingnaz.org/prepurchase

2 Submit application to Housing Solutions of Northern Arizona's Director of Homeownership Programs, Angela Koder:

- Via email (angelak@housingnaz.org)
- Via mail to Housing Solutions at PO Box 30134, Flagstaff, AZ 86003
- Dropping it off at Housing Solutions' office, located at: 1500 E Cedar Ave Ste 86, Flagstaff, AZ 86004

Eligibility

- Home to be purchased must be located within the Flagstaff Metropolitan Planning Organization (FMPO) boundary.
- Eligible housing types include single family detached, townhouses, and condominiums. Manufactured homes that meet FHA requirements and that are permanently affixed to and purchased with real property are eligible.
- The home must be livable, passing lender guidelines for occupancy and purchase.
- Buyers are encouraged to get a professional, impartial third-party home inspection by a licensed inspector. The buyer will sign a Hold Harmless agreement at the time of purchase, ensuring they will not hold Housing Solutions of Northern Arizona or the City of Flagstaff responsible for the condition of the home.

Assistance Details

- Housing Solutions will determine household eligibility, complete one-on-one homebuyer counseling, and administer funds on behalf of the City of Flagstaff at time of purchase.
- Housing Solutions staff will verify buyer funds toward the purchase of the home - buyer funds must be “seasoned” client contribution - they can be documented as buyer assets for a minimum of three months - or gift funds from an immediate family member.
- Assistance is a 2 to 1 match of buyer funds toward home purchase. Up to a total of \$10,000 in buyer funds can be matched with up to \$20,000 in EAH assistance.
- The home must be livable, passing lender guidelines for occupancy and purchase.
- Households must secure a first mortgage through a bank or traditional mortgage lender. First mortgage must be a 30-year, fixed-rate loan.
- In order to ensure the home payment is sustainable, the household’s housing ratio cannot exceed 35% of gross monthly income and the total debt-to-income ratio cannot exceed 45% of gross monthly income (exceptions for compensating factors may be granted with Housing Assistance Program Committee approval).
- Employee must sign loan documents and be on the title of the home at the time of purchase. EAH Assistance is a loan - it is secured with a promissory note and recorded deed of trust.
- There are no payments and no interest on the loan. Up to \$10,000 of the loan is forgiven (on a pro rata basis) over 10 years if you owner-occupy your home and remain employed with the City of Flagstaff).
- Funds will be repaid immediately to the City of Flagstaff if any of the following occur:
 1. Sale of home or change of title.
 2. Refinance to access equity in the home.
 3. Employment with City of Flagstaff is terminated for any reason.
 4. Home is no longer owner-occupied.



Contact Us

If you're interested in this program, please call us to complete an initial screening with our housing counselor:

Phone

(928) 214-7456
711 (Relay service for hearing impaired)

Email

angelak@housingnaz.org

Fax (928) 774-6937

Physical Address

1500 E Cedar Ave Ste 86
Flagstaff, AZ 86004

Mailing Address

PO Box 30134
Flagstaff, AZ 86003

Persons requiring language, hearing, visual, mobility, or other accommodations may contact Housing Solutions of Northern Arizona at (928) 214-7456 or TDD 711 to make special arrangements for services.

Housing Solutions does not discriminate on the basis of race, color, religion, sex, national origin, handicap or familial status in employment or program services. Special accommodations will be made for the physically challenged, upon notification.

