Employer-Assisted Housing Program Homeownership Program Guidelines

Overview
The University of Chicago’s Employer-Assisted Housing Program (EAHP) provides a limited number of forgivable loans of up to $10,000 in down payment assistance to eligible employees who purchase a home near the University. Through this program, the University strengthens its connections to surrounding neighborhoods, retains valuable employees, and helps staff optimize their work-life balance.

Program Steps
- **Step 1:** Get pre-approved for a home loan.
- **Step 2:** Complete the EAHP Homeowner Application.
- **Step 3:** Contact eahp@lists.uchicago.edu for an initial consultation.
- **Step 4:** Find your home and sign your sales contract.
- **Step 5:** Complete home inspection.
- **Step 6:** Complete homebuyer online education course (contact eahp@lists.uchicago.edu for access).

Funding
EAHP Funding is limited and subject to change each fiscal year (beginning July 1) and is allocated to EAHP participants on a rolling basis. The amount of your down payment assistance funding is tentatively allocated after execution of the purchase and sale contract (i.e. you are placed in a queue where funding is held until you close). Your place in the queue can be lost if you fail to close or are unable to demonstrate sufficient financial resources to afford the home under contract. There are several resources (e.g., affordability calculators, banking institutions, FHA guidelines), that can help you determine what you can reasonably afford given your household income, existing debt, and other financial obligations.

Program Structure and Repayment Events
EAHP down payment assistance is structured as an interest free, forgivable loan with a five-year (60 month) term. At closing, the amount of assistance is counted towards your down payment and secured by a second lien on your home. Each month thereafter, 1/60th of your loan is forgiven provided that if at any time during the five year term, you cease to be an employee of the University or Medical Center for any reason (and are unable to transfer the loan to an EAHP qualified household member), sell your home, or cease to use the home as your primary residence, you will be required to repay the balance of the forgivable loan. Repayment can be made directly at the time and is otherwise enforced through the second lien position, which requires repayment before you can sell or refinance the home.

The University and its employees have an important role to play in creating strong neighbor-
hoods. The EAHP utilizes a tiered approach to provide incentives towards growing neighborhoods that will benefit from further investment, as well as help employees live conveniently close to campus, with more options to get to work, such as walking, biking, or taking public transportation. The program’s greatest incentive is geared towards the Woodlawn Focus Area. This portion of Woodlawn not only houses the University’s Campus South, allowing employees to walk to work, but it is seeing new investment, including the UChicago Reva and David Logan Center for the Arts on 60th Street, Orthogenic School on 63rd Street, UChicago South Field at 61st and Woodlawn, the Woodlawn Park housing redevelopment along Cottage Grove between 61st and 63rd streets, and the Obama Presidential Center in Jackson Park.

Ultimately, purchasing a home is a very personal decision, and you must choose a home and neighborhood that best fits the needs of your household. We hope that by providing this incentive, you will consider some of the wonderful communities that surround and host the University and Medical Center campuses.

Qualifications and Requirements

1) General
To qualify, you must be a full-time, benefits-eligible employee of the University of Chicago or University of Chicago Medical Center, who has successfully completed your probationary period.

2) Income Limits
Income limits only apply if you are purchasing in Hyde Park or South Kenwood. In order to purchase in either of these two neighborhoods, you must earn 120 percent or below of the Area Median Income. This amount is adjusted by the U.S. Dept. of Housing and Urban Development every year (the 2016 Area Median Income limits that apply to Hyde Park and South Kenwood can be found below).

As qualifications differ by neighborhood, the table below identifies which neighborhoods you qualify to purchase in based on your household income, previous homeownership experience, and where you currently live.

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### Determine Your Eligibility to Purchase by Neighborhood

<table>
<thead>
<tr>
<th>Woodlawn Focus Area</th>
<th>Douglas, Grand Boulevard, Greater Grand Crossing, North Kenwood, Oakland, South Shore, Washington Park, and Woodlawn outside of Focus Area</th>
<th>Hyde Park/ South Kenwood*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Down Payment Assistance Amount</strong></td>
<td>$10,000</td>
<td>$5,000</td>
</tr>
<tr>
<td><strong>First-Time Homeowners</strong></td>
<td>Eligible</td>
<td>Eligible</td>
</tr>
<tr>
<td><strong>Current Homeowners: Outside 9 Neighborhoods</strong></td>
<td>Eligible</td>
<td>Eligible</td>
</tr>
<tr>
<td><strong>Current Homeowners: Within 9 Neighborhoods</strong></td>
<td>Eligible</td>
<td>Not Eligible</td>
</tr>
</tbody>
</table>

### Determine Your Eligibility to Purchase in Hyde Park/ South Kenwood*

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Maximum Income Eligibility Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$64,680</td>
</tr>
<tr>
<td>2</td>
<td>$73,920</td>
</tr>
<tr>
<td>3</td>
<td>$83,160</td>
</tr>
<tr>
<td>4</td>
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<tr>
<td>5</td>
<td>$99,720</td>
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<tr>
<td>6</td>
<td>$107,960</td>
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<tr>
<td>7</td>
<td>$114,480</td>
</tr>
<tr>
<td>8</td>
<td>$121,920</td>
</tr>
</tbody>
</table>

*Household income must be 120 percent or less than the area median income (AMI). See adjacent table.
†Existing Woodlawn Focus Area homeowners not eligible.
3) Homeownership Counseling
All applicants must participate in homeownership counseling. The University provides confidential homeownership counseling to prepare our employees for the many responsibilities of homeownership. If homeownership is not right for you at this time, you might consider the rental program as a first option. You may still qualify for the homeownership program later.

The University of Chicago loan counselor is responsible for ensuring good stewardship of Employer-Assisted Housing Program funds. The loan counselor also provides you with a non-biased review of your loan materials, helping you determine what you can reasonably afford.

4) Demonstrating Sufficient Financial Resources
As with any home loan, you and your household must demonstrate sufficient financial resources to meet your financial obligations. The University reserves the right to reject your application if the cost of your home is outside the range for which a typical purchaser can comfortably borrow. In general, this mean you cannot exceed a debt to income ratio (DTI) of 31 percent housing debt and a DTI of 43 percent for total debt.

5) Household Relationships
The EAHP benefit is available on a per household basis. Should you have a spouse, significant other, or household member that is also an employee of the University or Medical Center, you cannot both participate in the program. If you or your spouse/domestic partner should leave the University or Medical Center, the forgivable loan can be transferred to the EAHP qualified household member.

6) Past Employer-Assisted Housing Participants
You or your household cannot utilize EAHP’s down payment assistance more than once. For the sake of clarity, if you have participated in the rental program, you are still eligible to use the down payment assistance program any time after you have successfully completed the rental program.

7) Geography
You can purchase in any of the following nine communities surrounding the University of Chicago: Douglas, Grand Boulevard, Greater Grand Crossing, Hyde Park, Kenwood (note the difference in the forgivable loan amounts for North and South Kenwood), Oakland, South Shore, Washington Park, and Woodlawn.

8) Current Homeowners
If you currently own a home within the nine neighborhoods, you qualify for EAHP down payment assistance in the Woodlawn Focus Area only. If you own a home outside of the nine neighborhoods, you qualify for the down payment assistance in all communities except Hyde
Park and South Kenwood. To purchase in Hyde Park or South Kenwood, you must be a first-time homebuyer.

9) Primary Residency
The home must serve as your primary residence. If at any time the home ceases to serve as your primary residence, the balance of your forgivable loan will become due and payable.

10) Existing Mid-South Side Residents (non-homeowner)
You can utilize the program if you are a first time homebuyer currently living in one of the nine neighborhoods. You can access the program to move anywhere within the nine neighborhoods, as long as you meet other program guidelines.

11) Multi-Unit Buildings
You can utilize the homeownership program to purchase a multi-unit building if the building is no larger than four units and you occupy one unit as your primary residence.

Tax Implications
Forgivable loans are considered taxable income to you at the time the loan (or a portion thereof) is forgiven. The applicable tax is withheld monthly from your paycheck over the five-year loan.