



## **City of Alexandria Employee Homeownership Incentive Program (EHIP)**

If you're an employee of the City of Alexandria and are considering purchasing a new home, you should be aware of the Employee Homeownership Incentive Program (EHIP) - a valuable new benefit for City employees.

### **Why is the City offering EHIP assistance?**

Buying a home in the City of Alexandria is a challenge, particularly for first-time homebuyers. The City recognizes the many benefits of assisting City employees in living near their work sites. These benefits include reduced traffic congestion on the City's streets, improved air quality through shorter commutes and the use of mass transit, and employees who can spend less time commuting and more time with their families.

### **What does EHIP provide?**

The new EHIP program provides an interest-free, deferred payment loan of \$10,000 to full-time City employees who purchase homes located in the City. EHIP funds may be used for down payment, closing costs, or any other costs incurred in the purchase of your new home that are paid at settlement.

Over time, the monetary value of an EHIP loan will often be exceeded by the savings in interest on the loan amount. For example, an employee who receives a \$10,000 EHIP loan, along with a 30-year mortgage at a rate of 6.0%, will find the true value of the EHIP assistance over 30 years to be approximately \$11,377 - \$5,000 in principal plus \$6,377 in interest savings.

### **Who is eligible for EHIP?**

City employees who regularly work 20 or more hours per week. This includes employees of Constitutional offices and local offices of state government for which employee salaries are supplemented by the City, such as the Health Department. The amount of EHIP assistance will be prorated for part-time employees.

There are no income limits to qualify for EHIP assistance.

### **What kind of home can I purchase with EHIP?**

Employees may use EHIP assistance to purchase any type of property that Alexandria Office of Housing markets for sale, including condominiums, cooperative housing, townhouses, and detached homes.

### **Can I combine an EHIP loan with other City loan programs?**

If eligible, employees may combine EHIP program funds with the City's existing Homeownership Assistance Program (HAP), Moderate Income Homeownership Program (MIHP), and Affordable Set-Aside Units Program. EHIP funds may also be used in combination with Virginia Housing Development Authority-funded (VHDA) Community Homeownership Revitalization Program (CHRP).

### **What if I leave my job with the City?**

Employees who voluntarily leave the City's employment within three years of receiving an EHIP loan will be required to repay the loan immediately. If the loan is not paid back within 90 days, the loan will begin to accrue interest.

If the employee remains with the City for more than three years, the loan becomes repayable upon sale of the property or may be rolled over to a subsequent purchase within the City if the participant is still employed by the City.

### **How do I apply for EHIP?**

To participate in the EHIP program, eligible employees should submit the following information to the City's Office of Housing:

- proof of City employment,
- a fully executed purchase agreement ratified for an eligible home that the City of Alexandria Office of Housing markets for sale.
- a copy of a loan pre-approval letter from the employee's lender.

Once this information is received and verified, the Office of Housing will request a check made payable jointly to the employee and the settlement company. If combining EHIP assistance with a HAP or MIHP loan, the employee must complete the City's homebuyer education curriculum before submitting an offer to purchase.

### **Do I have to use a specific realtor or lender to participate in EHIP?**

EHIP participants may use any lender, realtor, or broker of their choice. While the City's SPARC and Home Stride programs require a VHDA-approved lender and loan product, this requirement does not apply to the HAP, MIHP, or EHIP programs.

### **Can I use EHIP to refinance my current home or to assist me with a previous purchase?**

No. EHIP funds are only available for home purchases originating after July 1, 2004. Funds cannot be used for refinancing one's current home.

### **How can I learn more about homeownership ?**

The City offers monthly homebuyer training classes that are certified by VHDA. While these classes are intended for first-time homebuyers eligible for the HAP or MIHP programs, City employees who are not eligible for these programs may attend a class at no charge on a space-available basis. To register for a class, please contact the Office of Housing at the number provided below.

**For more information on EHIP or any of the City homebuyer assistance programs, contact the Office of Housing Program Implementation Division at (703) 746-4990.**