

Sample Down Payment Assistance Program Description

[Company] is piloting a down payment assistance program to assist eligible employees making a down payment on a home.

Down Payment Assistance	The assistance will be structured as an interest deferred, forgivable loan up to the greater of \$[170,000] and [17]% of the purchase price of the home. Employee is required to contribute at least [3]% of the purchase price towards the down payment or closing costs.
Eligibility	Employee must have worked for the Company for at least [2] years and must be a first-time homebuyer [(i.e., employee cannot have appeared on title for a home in the past [3] years)].
Use of proceeds	The loan proceeds may be used for down payment, closing costs or to buy down the interest rate on the first loan.
Qualifying homes	Single family homes, townhouses, condominiums are eligible so long as they are employee's sole residence. The loan is not available for second home purchases.
Home location	The home must be located in [____ County] or within [60] miles of an office of the Company.
Interest rate	[5]% per annum, deferred [and paid by the Company] so long as employee remains employed with the Company.
Forgiveness	The loan and interest are forgivable if employee remains employed with Company for [6] years. [50]% of the loan is forgiven [36] months following the loan date, with the balance forgiven [33]% per year over the next [3] years. [Note: down payment assistance can also be structured as fully repayable on a deferred or non-deferred basis.]
Repayment	The loan is repayable by employee at any time without penalty. If the home is sold or transferred, any unforgiven loan balance is due immediately upon sale or transfer. If employee is no longer employed by the Company, any unforgiven loan balance is [due within [120] days]/[required to be repaid in monthly payments over the next [5] years].
Security	The loan is secured by a subordinate/second lien against the home.
Tax consequences	Generally, any loan amount forgiven by the Company will be treated as a taxable benefit to the employee in the year it is forgiven. Employees should consult with their tax advisors to discuss their individual circumstances.

Please contact our program administrator at info@oroimpact.com if you are interested in participating or for more information.