



## The Town of Cary

is proud to offer a new employee benefit.

# Employee Homeownership Assistance Program (EHAP)

## The Objectives of EHAP

- help attract and retain employees
- enhance the life/work connection of Town's employees to the community they serve
- increase the proportion of critical employees living within Town limits to better serve citizens during emergencies
- relieve traffic congestion on area highways by reducing commuting distances

This brochure is a short summary of the EHAP program and does not detail all the conditions and requirements of the EHAP program. To learn more about the program, please obtain "The Town of Cary EHAP Program Guidelines" from DHIC or the Town's Employee Benefits Manager. For more information, contact:

**Dale Johnson**, Employee Benefits Manager  
469-4073  
djohnson@ci.cary.nc.us

**Sheila Porter or Saundra Harper**  
**DHIC, Inc.**  
832-4345  
[sheila@dhic.org](mailto:sheila@dhic.org) or [saundra@dhic.org](mailto:saundra@dhic.org)

## Basic EHAP Qualifications

In order to be eligible for EHAP, the Town of Cary municipal employee must be in good standing and may not currently own a home in the corporate limits of Cary. In addition, the employee's net household assets may not exceed \$40,000, and their **total household gross income** (before taxes) may not exceed certain limits. For 2003, the income limits are:

2003 Household Income Limits

Household Size	1	2	3	4	5	6
Max. Income	\$39,550	\$45,200	\$50,850	\$56,500	\$61,000	\$65,550

[Income limits are also available for households with over six members]

## Housing Type and Location

Houses to be purchased with EHAP assistance must meet Town of Cary minimum housing code standards. Single-family (detached or attached), townhouses, and condominiums are eligible housing types. **Homes to be purchased must be located within the Town of Cary corporate limits** and must be maintained as the employee's primary residence.

## Employee Equity Contribution

A participating employee is required to provide at least \$1,000 in equity contribution (from the employee's own funds) to the downpayment and closing costs.

Employees who are qualified and approved for EHAP assistance are eligible for two types of loans, described below.

## Downpayment and Closing Cost Assistance

If needed by a participating employee, the downpayment and closing cost assistance (the "DCC Loan") may be for an amount up to \$5,000 at an interest rate of zero percent while specific conditions are met. The DCC Loan will be a deferred loan, that is, no payments are expected until the unit is sold or upon cessation of employment with the Town of Cary or if one of the other qualifying criteria is no longer satisfied. The DCC Loan will be secured by a second deed of trust.

## Deferred Second Mortgage Loan

While funding is available, qualified employees may apply for a second mortgage loan with a term equal to that of the first mortgage (the "Second Mortgage Loan"). The Second Mortgage Loan will not bear interest while specific conditions are met (for example, use of the residence as a primary residence and continued employment by the Town of Cary). The amount of the Second Mortgage Loan will be limited to the amount needed to keep the applicant's total mortgage payments at 30% of total household income. The maximum amount of any Second Mortgage Loan will be \$25,000. Payments on the Second Mortgage Loan will be deferred for the first 24 months from closing unless certain events occur. The Second Mortgage Loan will be secured by a second deed of trust.

## Creditworthiness Screening

Applicants for EHAP must be screened for creditworthiness, which entails an analysis of existing debt and reliability of the household's future income stream. Applicants will either be referred for homeownership training as an eligible EHAP participant or be offered credit counseling to assist them in qualifying for the EHAP program in the future.



## Homeownership Training

Homeownership training will be offered to all Town of Cary employees who request it, even those not applying for EHAP. This training will include topics such as: finding a house, working with a buyer's agent, qualifying for a mortgage, maintaining a budget, routine maintenance, etc. Applicants for EHAP loans will be required to receive homeownership training in order to qualify for the loan program. DHIC, a Raleigh non-profit organization, will provide these services. There is a \$20 fee.

## Why rent when you can buy? Typical Examples of EHAP

**A single employee** earning a salary of \$33,100 -- instead of spending \$775 per month for rent -- could buy a \$120,000 house or townhouse in Cary.

**A married employee with two kids**, who earned \$50,000 with her spouse, could buy a \$141,000 house in Cary.

## New Affordable Homes in the Pipeline

There are 42 new units near the Town Hall Campus available for purchase. These are:

- Summer Ridge: twenty-one new townhomes on Chapel Hill Road near Northwoods Elementary School priced below \$130,000.
- Callan Park: sixteen new townhomes off Waldo Street ranging in price from \$105,000 to \$128,000.