

HOUSE KEYS 4 EMPLOYEES PROGRAM (HK4E)

Employer Guidelines

The Community Development Administration (CDA) is offering to provide additional downpayment and settlement assistance to homebuyers who (1) are eligible for and receive a Maryland Mortgage Program loan (MMP), and (2) receive a financial contribution for the purchase of their home from an employer participating in the House Keys 4 Employees Program (HK4E).

Note: Under MMP, private lenders originate the MMP loans, and CDA then purchases the MMP loans from the private lenders.

1. Type of HK4E Assistance

The HK4E assistance from CDA is in the form of a 0% deferred payment loan through CDA's Downpayment and Settlement Expense Loan Program (DSELP). Employees may also be eligible for other types of downpayment and settlement expense assistance under the standard MMP loan products. Employees should discuss the types and terms of MMP loan products available with their lender, including types of down payment and settlement expense assistance they may be eligible to receive in addition to HK4E.

2. Participating Employer

A Participating Employer is an employer who has agreed to participate in HK4E. A Participating Employer must complete and submit to CDA an Employer Participation Agreement to become a Participating Employer.

3. Eligibility of Borrower

To participate in HK4E, the borrower must:

- a. Be an employee of a Participating Employer.
- b. Be eligible for and receive a MMP loan. If an employee does not receive a MMP loan, the employee is not eligible for the HK4E assistance.
- c. Receive the Participating Employer's contribution at settlement of their MMP loan.

4. Employer Contribution

The Participating Employer's contribution may be in the form of a grant or a loan. The Participating Employer shall make its contribution available at the time of settlement of the employee's MMP loan.

5. Other Eligible Contributions to the Employee

If an employee meets the eligibility requirements of Section 3 above, contributions from local governments, unions and nonprofit agencies will also be eligible for a HK4E match. If eligible, these contributions will be added by the lender to the contribution being made by the Participating Employer. These contributions may be in the form of a grant or loan, and shall be made available at the time of settlement of the employee's MMP loan.

6. The Amount of the CDA's HK4E Loan

After receiving the required information from the employee regarding all contributions from the Participating Employer as well as other sources, if any (see Section 5 above), the lender will add the eligible contributions together to obtain the total match contributions being provided to the employee. In addition to the standard assistance CDA provides under MMP, CDA will provide HK4E assistance in the form of a 0% deferred DSELP loan in an amount not to exceed the amount of the total eligible match contributions up to a maximum of \$5,000.

CDA will be responsible through the lender for providing its HK4E assistance at the settlement of the employee's MMP loan.

Note: CDA reserves the right to change the amount of assistance to be provided under HK4E and/or the terms of the assistance, not less than 30 days after notifying the Participating Employer of any changes.

7. Participating Employer's Responsibilities and Procedures

- a. Sign and return to CDA the Participation Employer Agreement.
- b. Qualify its employees for eligibility to receive contributions for down payment and settlement expenses.
- c. Determine the type of financial contributions the employer will provide (grant or loan). Prepare the internal documentation necessary for the employer's

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- contribution. The employer is responsible for servicing any loan it provides to an employee.
- d. Ensure that the Employer's financial contribution is available at settlement. Note: If the Participating Employer fails to provide its financial contribution at this time, the employee may not be eligible to receive the MMP loan and the HK4E/DSELP loan.
 - e. Designate an authorized representative who will coordinate with the CDA lender. The authorized representative will:
 1. Complete and sign the "Verification of Partner Contribution" form;
 2. Instruct the employee to return the signed "Verification of Partner Contribution" form to the employee's lender; and
 3. Coordinate with the CDA lender to ensure that the employer's contribution is made available at the settlement of the employee's MMP loan.
 - f. Direct the employee to DHCD's website, www.morehouse4less.com, and CDA Single Family Programs toll-free telephone line, 1-800-638-7781, for information regarding HK4E and MMP, including a list of CDA-approved participating lenders.
 - g. The Participating Employer will notify CDA in writing should it choose to terminate participation in HK4E. The notice must include an effective date of termination of participation. The Participating Employer is expected to honor any active "Verification of Partner Contributions" that it may have provided to employees prior to the effective date of termination.

8. Duration/Termination of HK4E

- a. Should HK4E close, CDA will notify the employer in writing at least 30 days prior to closing HK4E. All HK4E applications from employees with a Verification of Partner Contribution from the Participating Employer in place prior to notification by CDA of the closing of HK4E will be honored by CDA.
- b. CDA may terminate the HK4E participation of any Participating Employer should the employer fail to follow the HK4E guidelines.



The House Keys 4 Employees program is administered by the Community Development Administration (CDA)
of the Maryland Department of Housing and Community Development
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