



EMPLOYER-ASSISTED HOUSING (EAH) FORGIVABLE HOME PURCHASE LOAN APPLICATION

Date _____

I. EMPLOYEE INFORMATION

Name: _____

Address: _____

Social Security #: _____

Department: _____

Position: _____

Telephone: Home _____

Work _____

Email address: _____ Date of Full-Time Hire: _____

II. EAH PROGRAM DESCRIPTION

A. Purpose: To aid Hill Section revitalization efforts by encouraging current and new, full-time members of the University faculty, staff and administration to live in a targeted area of the Hill Section.

B. Eligible Area: Only one or two-family homes and condominium units that are used as the employee's primary residence are eligible. In order to be eligible, properties must be located in the area of the Hill Section that is bounded on the east and west by Poplar Street and Ridge Row and on the north and south by Jefferson Avenue and Richter/Arthur Avenue. Where a street boundary is indicated, both sides of the street are within the area.

C. Forgivable Home Purchase Loan Program

- Description:** The University has implemented a Forgivable Home Purchase Loan Program beginning in the 2002-2003 academic year. Eligible employees can receive a **forgivable loan of up to \$5,000** that can be used to defray down payment, closing costs (home inspections, appraisals, etc.) or points on the purchase of a home in the eligible area of the Hill Section as defined above. The entire loan is provided to the employee at the time of purchase. Loans are available each year on a first-come, first-served basis.

2. **Eligibility:** All current and new full-time employees of the University who do not own a home in the eligible area.

3. **Forgivable Loan Amount:** Up to \$5,000

4. **Loan Forgiveness:** The University will forgive the loan according to the following schedule:

Year One: One-third of the loan amount (on the first anniversary date of the Promissory Note)

Year Two: One-third of the loan amount (on the second anniversary date of the Promissory Note)

Year Three: One-third of the loan amount (on the third anniversary date of the Promissory Note)

For example, assume that the employee closes on the purchase of a home in the eligible area on 1 June and chooses the full loan amount of \$5,000. This date (1 June) will be considered the anniversary date of the forgivable loan. On 1 June of the first anniversary date the University will forgive \$1,667 of the loan assuming that employee fulfills all the conditions of the program. On 1 June of the second anniversary date the University will forgive \$1,667 with the remaining \$1,666 forgiven on 1 June of the third anniversary date.

5. **Tax Consequences:** The employee is responsible for all tax consequences of the forgivable loan. Using the example above, if the employee chooses a loan of \$5,000 that begins on 1 June, on 1 June of the first anniversary date \$1,667 is forgiven. That \$1,667 will appear as income to the employee on his/her W-2 from the University for that year. It is subject to FICA and all other withholding taxes. The same would hold true for the \$1,667 that would be forgiven on the second anniversary date and the remaining \$1,666 that would be forgiven on the third anniversary date.

6. **Separation from the University:** Employees who leave University service prior to the conclusion of the three-year period are responsible for reimbursing the University for any remaining loan funds (prorated for partial years of service).

III. PROPERTY INFORMATION

Address _____

Purchase Price \$_____ (attach copy of fully executed Property Purchase Contract)

The Property is already built being built for me.

The Closing Date is scheduled for _____

The Construction Completion Date is n/a scheduled for _____

I am applying for Forgivable Home Purchase Loan in the amount of \$_____ (\$5,000 max)

IV. MORTGAGE LENDER INFORMATION (IF APPLICABLE)

Lender Name: _____

Contact Person: _____ E-mail: _____

Address: _____

Telephone Number: _____ Fax: _____

Broker Name (if applicable): _____

Address: _____

Telephone Number: _____ Fax: _____

V. REPRESENTATIONS

I represent, promise and confirm that I am Eligible for the Forgivable Home Purchase Loan as described in Section II of this application. I represent, promise and confirm that:

- yes no 1. As of the date of this Application, I am an employee in good standing with the University and am not on probation.
- yes no 2. I have not received notice that my job is being eliminated or that I have been terminated.
- yes no 3. I do not have pending an application to participate in any voluntary severance arrangement with the University.
- yes no 4. I will use the Loan proceeds only for the purpose(s) that are checked below:
 ___ partial payment of the Property Purchase Price
 ___ closing costs on my Related Mortgage
- yes no 5. I will occupy the Property as my principal residence within a reasonable period of time following the Closing Date, but in no event more than 90 days following the Closing Date or, if I am building the Property, not more than 90 days following the date construction is complete.
- yes no 6. No one who will be an owner of the Property, or be liable on a Related Mortgage, is currently an owner of the Property.
- yes no 7. This Forgivable Home Purchase Loan will be my first and only through The University of Scranton.

VI. ACKNOWLEDGMENTS

I am applying for a Forgivable Home Purchase Loan under The University of Scranton Employer-Assisted Housing Program (EAH). All statements made in this Application are true and correct; this Application contains no false statements, misrepresentations, or omissions of fact; these statements are made with the purpose of obtaining Forgivable Home Purchase Loan under the EAH. Any false statements, misrepresentations, or omission of fact in this Application may disqualify me for a Forgivable Home Purchase Loan, and may result in disciplinary action, including termination of my employment at the University.

I authorize my mortgage lender, The University of Scranton, or any person designated by The University of Scranton to verify all information I submit in connection with this Application. I authorize the release to my mortgage lender information about me to confirm that I am eligible for a Forgivable Home Purchase Loan.

Deliberate false statements in this Application may be a federal crime punishable by fine or imprisonment, or both under Title 18, United States Code, and Section 1014.

**BY SIGNING THIS APPLICATION,
YOU ACKNOWLEDGE RECEIVING, READING,
UNDERSTANDING AND AGREEING TO
THE TERMS AND CONDITIONS OF
THE EAH DESCRIPTION (SECTION II).**

(Date)

(Signature)

Attachments (must have all attachments before submitting Application):

- Fully executed Property Purchase Contract
- Completed mortgage lender application