



**POLICY TITLE:** House Keys 4 Washington County Employees Program

**POLICY NO.:** EB-12

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**I. PURPOSE**

The purpose of this Policy is to encourage home ownership within Washington County by offering closing cost and downpayment assistance in a zero percent (0%) loan provided to full-time employees of the Board of County Commissioners in collaboration with the State of Maryland “More House For Less” DSELP (Downpayment and Settlement Expense Loan Program) and MMP (Maryland Mortgage Program) programs.

**II. GENERAL POLICY**

**A. Eligible Employees**

1. This program is for full-time employees of the Board of County Commissioners.
2. The employee must be eligible for and receive a Maryland Mortgage Program (MMP) loan.
3. The employee must meet the Community Development Association (CDA) guidelines as they relate to income limits and completion of homebuyer education classes.
4. When more than one purchaser of a specific property is a County employee, only one of the employees is eligible to claim the benefit under this Policy for the purchase of that specific property.

**B. Eligible Property – CDA Regulations**

1. The intended home must be within Washington County, Maryland, and used as the employee’s primary residence.
2. If the property is located outside of the Targeted Area as designated by the CDA, the employee must be a first-time homebuyer (defined as any individual who has not owned property within three [3] years).
3. If the property is located within the Targeted Area, the employee need not be a first-time homebuyer.
4. The purchase price for the property may not exceed the limits set by the CDA.

5. The maximum contribution that the County will make to an employee's home purchase will not exceed Five Thousand Dollars (\$5,000.00).

### **III. PROCEDURE**

- A. The employee should first seek financing approval through a CDA-designated lender. Documentation showing qualification and approval for a CDA loan is required and must be submitted to the Division of Health and Human Services.
- B. Upon receiving and submitting the documentation referenced in paragraph III.A., the employee must complete the HK4E loan application and the Verification of Partner Contribution form, both of which are available upon request from the Division of Health and Human Services.
- C. The employee must provide the completed Verification of Partner Contribution form to his or her CDA-designated lender.
- D. When a settlement date has been scheduled, the employee must notify the Division of Health and Human Services of the settlement date after which the Division of Health and Human Services will notify the County Attorney's Office and the Department of Budget and Finance of the employee's impending settlement.
- E. The County Attorney's Office will prepare a Mortgage or Deed of Trust and a Promissory Note to be signed at settlement.
- F. The Division of Health and Human Services will coordinate with the CDA-designated lender and/or the eligible employee's selected settlement services company to ensure that the County's contribution is available at the time of settlement.

### **IV. REPAYMENT**

- A. An employee must repay the County contribution if any one of the following occurs:
  1. The sale of the home or ownership of the home otherwise transferred from the employee;
  2. Payment in full of the primary mortgage on the home;
  3. The employee no longer uses the home as his or her primary residence as determined by the County's absolute discretion; or

4. The voluntary or involuntary termination or resignation of employment of the eligible employee.
- B. If the only reason for repayment is the termination or resignation of the eligible employee's employment, repayment will be made over a period of five (5) years at \$1,000.00 per year with no interest. In the event of any late payment, interest may accrue at the County's discretion at no more than ten percent (10%) per year.

**V. ADDITIONAL INFORMATION**

- A. Upon the date of hire, a full-time employee will be eligible for the County contribution authorized in this Policy.
  - B. An employee may utilize the program authorized in this Policy multiple times. However, given that the employee is required to use the purchased home as his or her primary residence, an employee may not have multiple loans from the program at any given time.
- A. All buyers of a property purchased under the program authorized in this Policy will be required to sign the Mortgage or Deed of Trust and Promissory Note referenced in paragraph III.E.

