




EAH

Employer Assisted Housing Program

Up to \$10,000 in Downpayment Assistance



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About EAH

The City of Flagstaff will provide up to \$10,000 per household to eligible employees to be used for down payment and/or closing costs on the purchase of a home. Funds are matching funds - assistance will match buyer contribution on a dollar-for-dollar basis. \$1 of buyer funds will be matched with \$1 of EAH Program funds, up to a total benefit of \$10,000 per household.

EAH Program is a loan that:

- Is secured with a promissory note and recorded deed of trust.
- Is forgiven over 10 years if you owner-occupy your home and remain employed with the City of Flagstaff.
- Provides a one-time employee benefit.
- Please note that this is a forgivable loan and **the Internal Revenue Service (IRS) classifies forgiveness of debt as taxable income and wages** to you, with few exceptions. If you have questions about this forgivable loan, it is recommended you speak to your certified public accountant or a tax consultant.

Eligibility

- At least one homebuyer per household must be employed by the City of Flagstaff and meet the following employment guidelines:
 1. Worked for the City of Flagstaff in a non-temporary position for a minimum of 12 consecutive months.
 2. Most recent performance evaluation demonstrates work performance meeting or exceeding expectations
 3. Not be on a performance work plan.
- Must not have owned a home within the Flagstaff Metropolitan Planning Organization (FMPO) boundary within the last three years and be a first-time homebuyer in Flagstaff, AZ, as defined by HUD (“an individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers). A single parent who has only owned with a former spouse while married.”)
- Must complete the Housing Solutions’ online homebuyer education course and one-on-one housing counseling prior to entering into a purchase contract. There is no cost to the employee for these services.
- Must occupy the home purchased with EAH funds as their principal residence.
- If a household consists of more than one eligible city employee, only \$10,000 max is available per household.
(continued on reverse)

How to Apply

- 1 Call (928) 214-7456 or email angelak@housingnaz.org to request an application packet
- 2 Complete Application Packet
- 3 Gather and submit documents to determine eligibility
- 4 Schedule appointment with housing counselor to explain program details and process

Eligibility

- Home to be purchased must be located within the Flagstaff Metropolitan Planning Organization (FMPO) boundary.
- Eligible housing types include single family detached, townhouses, and condominiums. Manufactured homes that meet FHA requirements and that are permanently affixed to and purchased with real property are eligible.
- Home purchase price may not exceed 125% of the FHA 203(b) mortgage insurance limit for Coconino County.
- Currently the maximum purchase price for this program (as defined above) is \$425,812.50. Limit may change based on changes to the HUD guidelines.
- The home must be livable, passing lender guidelines for occupancy and purchase.
- Buyers are required to get a professional, impartial third-party home inspection by a licensed inspector. The buyer will sign a Hold Harmless agreement at the time of purchase, ensuring they will not hold Housing Solutions of Northern Arizona or the City of Flagstaff responsible for the condition of the home.

Assistance Details

- Housing Solutions will determine household eligibility, complete one-on-one homebuyer counseling, and administer funds on behalf of the City of Flagstaff at time of purchase.
- Housing Solutions staff will verify buyer funds toward the purchase of the home - buyer funds must be “seasoned” client contribution - they can be documented as buyer assets for a minimum of three months - or gift funds from an immediate family member.
- Assistance is a dollar-for-dollar match of buyer funds toward home purchase up to a total of \$10,000 in buyer funds can be matched with up to \$10,000 in EAH assistance.
- The home must be livable, passing lender guidelines for occupancy and purchase.
- Households must secure a first mortgage through a bank or traditional mortgage lender. First mortgage must be a 30-year, fixed-rate loan.
- In order to ensure the home payment is sustainable, the household’s housing ratio cannot exceed 35% of gross monthly income and the total debt-to-income ratio cannot exceed 45% of gross monthly income (exceptions for compensating factors may be granted with Housing Assistance Program Committee approval).
- Employee must sign loan documents and be on the title of the home at the time of purchase. EAH Assistance is a loan - it is secured with a promissory note and recorded deed of trust.
- There are no payments and no interest on the loan. The loan is forgiven on a pro rata basis over a 10-year period.
- Funds will be repaid to the City of Flagstaff if any of the following occur before the end of the 10-year period:
 1. Sale of home or change of title.
 2. Refinance to access equity in the home.
 3. Employment with City of Flagstaff is terminated for any reason.
 4. Home is no longer owner-occupied.



Contact Us

If you're interested in this program, please call us to complete an initial screening with our housing counselor:

Phone

(928) 214-7456
711 (Relay service for hearing impaired)

Email

angelak@housingnaz.org

Fax (928) 774-6937

Physical Address

2304 N 3rd St
Flagstaff, AZ 86004

Mailing Address

PO Box 30134
Flagstaff, AZ 86003

Housing Solutions does not discriminate on the basis of race, color, religion, sex, national origin, handicap or familial status in employment or program services. Special accommodations will be made for the physically challenged, upon notification.

