

# **Employee Scholarship Fund Information Sheet**

## **REACH Mississippi**

(Regional Employer Assisted Collaboration for Housing)

### **Overview:**

- The program provides financing to qualified employees to help offset the cost of home ownership in Harrison, Hancock and Jackson counties.
- **The City of Long Beach** internal qualifications to participate in the program:
  - Must be a full time employee
  - Must have completed **1 year** of full-time employment
  - Must be in good standing with **The City of Long Beach**
  - Would be required to work at **The City of Long Beach** for a minimum of **5** years in exchange for loan.
  - **The home must be purchased in Long Beach City limits.**
- Employees who meet the REACH program qualifications, including credit approval, and complete the program requirements will receive the following:
  - **\$10,000** loan from **The City of Long Beach**. This loan would be fully forgiven if the employee stays with the company for **5** years. Employee will be required to sign a Promissory Note at closing.
  - Three-to-one matching funds from the Renaissance Corporation. These matching funds (capped at **\$30,000**) would be in the form of a silent, interest-free mortgage, coming due only when the home is sold or refinanced for cash out prior to 10 years. (Funds are subject to availability). Employee will be required to sign a Promissory Note & Land Deed of Trust.
  - The loan from **The City of Long Beach** and the matching funds from Renaissance would give the employee a total of up to **\$40,000** in interest-free loans.
- Participating employees are required to attend homebuyer education classes and homeownership one-on-one counseling sessions prior to purchasing the home.
- All funds are issued to closing agent, rather than the employee.
- The contribution from **The City of Long Beach** is federally taxable, but is State tax exempt.
- REACH matching funds are non-taxable.
- All employees must make a minimum contribution of \$500 towards the home purchase.

**In order to participate in the program, employees must meet several qualifications. (For complete list see attachment)**

- Home is located in Hancock, Harrison, or Jackson Counties; **and**

- Applicant's household income is 100% or below of Area Median Income (AMI) based on the most recent publication of HUD Income Limit (see attached table); **and**
- Be a renter interested in becoming a homeowner that has not owned a home in the immediately preceding six months; **or**
- Be a former homeowner that desires to rebuild a home totally destroyed by Hurricane Katrina (or purchase a new home); **or**
- Be a resident of another state who was displaced by Hurricane Katrina wishing to purchase or rebuild a home in one of the three coastal counties (Jackson, Harrison, Hancock); **or**
- Be a new resident to the three coastal counties (Jackson, Harrison and Hancock).

**Area Median Income:**

Total household income must be less than 100 percent of the area median income to qualify for REACH funds. The following chart shows qualifying incomes based on household size:

<u>2008</u>	<u>100% AMI</u>	
HOUSEHOLD SIZE	JACKSON COUNTY	HARRISON/HANCOCK COUNTIES
Individual	\$37,500	\$34,300
Two people	\$42,900	\$39,200
Family of Three	\$48,250	\$44,100
Family of Four	\$53,600	\$49,000
Family of Five	\$57,900	\$52,900
Family of Six	\$62,200	\$56,850

# Renaissance Eligibility Requirements:

To be eligible for services from Renaissance, including, without limitation, the use of Matching Funds, applicants will have to meet the eligibility criteria set forth by Renaissance listed below:

Eligible employees receiving matching funds will be required to demonstrate their commitment to follow through on certain actions in exchange for funds by signing a Promissory Note and Land Deed of Trust at closing. The availability of State and Renaissance funds to a qualified home buyer are limited and subject to availability at the time the request is received.

- Program is limited to owner-occupied primary residences. Second homes are not eligible; **and**
- Home is located in Hancock, Harrison, or Jackson Counties; **and**
- All housing must have current access to water, sewer (as required by local building code), and electricity; **and**
- The home must be modular or convention housing. (Mobile homes are not eligible for purchase); **and**
- Applicant's household income may not be greater than 100% of Area Median Income (AMI) based on the most recent publication of HUD Income Limit; **and**
- Applicant must be (a) Be a renter interested in becoming a homeowner that has not owned a home in the immediately preceding six months; (b) a former homeowner that desires to rebuild a home totally destroyed by Hurricane Katrina or purchase a new home; (c) a resident of another state who was displaced by Hurricane Katrina wishing to purchase or rebuild a home; or (d) a new resident to the three coastal counties (Hancock, Harrison & Jackson);
- Applicant must maintain recommended structure insurance to include fire, wind and, if required, flood insurance; **and**
- The home, whether newly constructed, repaired, and/or reconstructed, must meet the applicable building codes and local ordinances; **and**
- All newly-constructed properties must be elevated to conform to the latest (most recent) elevation requirements issued by FEMA, or its successors, pursuant to the National Flood Insurance Program, or a successor program, whether advisory, preliminary, or final; **or**
- All repaired or reconstructed properties must conform to the latest (most recent) elevation requirements issued by FEMA, or its successors, pursuant to the National Flood Insurance Program, or a successor program, whether advisory, preliminary, or final; **and**
- Maximum Purchase limit for households earning 100% and below of AMI will conform to Mortgage Revenue Bond program GO Zone Acquisition Limits as set forth by the Mississippi Home Corporation; **and**
- Applicant must provide a minimum contribution of \$500; **and**
- Only one (1) application per home allowed.