

FACT SHEET *for* Non-Profit Organizations

## What is Employer-Assisted Housing?

EMPLOYER-ASSISTED housing (EAH) helps employers achieve business goals while at the same time helping employees meet their housing needs. It can help employees move beyond the most common hurdles to homeownership and purchase or rent a home in the community where they work. EAH can be leveraged with federal, state, and local financial assistance programs to create a greater benefit for employees. Some of the most common EAH options are:

- **Homebuyer/homeownership education:** Conducted at the worksite or offsite by real estate professionals, non-profit housing organizations, and lenders. Topics could include home affordability, homebuying process, mortgage applications, credit issues, and foreclosure prevention.
- **Counseling:** Provided by a certified counselor to help employees understand their options for homeownership, correct credit issues, and learn budgeting to become mortgage ready or avoid foreclosure. Employers can give employees time off or help pay some of the fees.
- **Financial assistance:** Provided by the employer in the form of a loan or grant to help with down payment or closing costs.
- **Rental assistance:** Provided by the employer to help with the payment of a security deposit or the first month's rent.
- **Matched savings:** Matched by the employer in some predetermined ratio to funds saved by the employee to help purchase a home.

## Why Should Non-Profits Participate in an EAH Program?

EAH is an opportunity for non-profit organizations to broaden the reach and impact of their housing expertise, programs, and services. The benefits of implementing an EAH program include an expanded client and customer base, a new source of referrals, increased name recognition, and a more positive image and increased visibility in a community. If an EAH program fits with a non-profit's expertise and mission, offering an EAH program could also be an opportunity to generate another revenue stream or business line.

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### **Chicago Metropolitan Planning Council**

The Chicago Metropolitan Planning Council (MPC) educates local employers about the implementation of an EAH program and helps interested companies design individual benefit programs. Employers determine budget, eligibility of employees, and program targets. Housing counseling partners administer the EAH benefit for the employer and provide credit counseling and homebuyer education to employees. MPC also promotes policy solutions and helps employers evaluate the effectiveness of their EAH program. Other partners, such as the Illinois Housing Development Authority and the Chicago Department of Community Development, offer other homebuyer assistance programs and administer the state matching funds and tax credits. MPC also partners with developers, real estate agents, and lenders on EAH initiatives.

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## The Role of the Non-Profit

Most housing non-profits possess many, if not all, of the skills and services that are essential to a successful EAH program. Non-profits usually offer homebuyer education, have knowledge of mortgage finance and assistance programs, sponsor rehabilitation and development programs, and are knowledgeable about neighborhood markets. Many non-profits also maintain productive relationships with private- and public-sector partners whose participation in EAH is invaluable. Non-profits are well-positioned to promote an EAH initiative and shepherd its development and implementation in a community and among local businesses.

A non-profit undertaking an EAH initiative should possess expertise in several areas, including homeownership education and counseling, marketing, public relations, and working with the private sector. A non-profit should consider these questions, among others, in a review of its capacity to undertake an EAH initiative.

- Would an EAH initiative complement the organization's mission and programs?
- Do sufficient staff capacity and expertise exist to operate the program or can they be developed?
- Can middle-income and above EAH clients be served by the organization?
- Do limitations exist regarding geographic targeting of programs?
- Do relationships exist with potential EAH partners?

Non-profits may also administer and manage an EAH benefit for employees. Non-profits should develop a fee-for-service agreement or negotiate fees with an employer based on the extent of the services provided and number of employees served. Keep in mind, however, that EAH program development and administration are labor-intensive activities.

Here are some of the services a non-profit organization might provide to employers.

## Program Administration

- Answer employee inquiries
- Process employee benefit
- Track and monitor program participation

## Marketing and Outreach

- Provide site-based seminars and individual sessions
- Staff info tables at worksite
- Write newsletter articles
- Create and distribute success stories

## Program Services: Employee

- Provide objective and timely financial and purchase info
- Perform qualifications assessment
- Offer credit/budget counseling, when needed
- Educate about home purchase
- Secure prime-priced financing
- Leverage incentives and subsidies
- Make referrals to trustworthy service providers