



It's real.

CITY EMPLOYEE HOMEBUYER INCENTIVE PROGRAM

Q. Who is eligible for the program?

A. Full-time City of Seguin employees who have not owned a home in the city limits in the past 12 months. Only one application per household.

Q. Which types of homes qualify for the program?

A. Single family homes inside the Seguin city limits. The home must be used as the employee's primary residence and the employee must obtain a homestead exemption for the home.

Q. What type of assistance does the program offer?

A. Eligible employees may receive \$5,000 in the form of zero interest, 5-year, deferred forgivable loan paid directly to the title company handling the home closing.

Q. How can the loan be used?

A. The loan can be used for down payments and closing costs associated with the home purchase.

Q. How do I apply for the program?

A. Contact the City's Human Resource Department at 830-379-3212, option 8 to request the application form. Submit the completed form to the Human Resources Department for eligibility verification. Please include a copy of the Good Faith Estimate for the primary loan with your application. Anyone included as co-borrowers on the primary mortgage loan must also be included as co-applicants for the program.

Q. At what point in my home-buying process should I apply for the program?

A. An application should be submitted when an eligible employee has found an eligible home and is working with a lender on a home loan. It is important to notify your lender as soon as possible that you have applied for this program.

Q. Will I need to make loan payments?

A. No loan payments are due to the City as long as the employee remains eligible for the program. The City of Seguin reduces the balance by 20% each year (\$1,000) on the anniversary date of the loan closing provided the employee continues to meet eligibility requirements. At the end of the fifth year, the loan balance has been reduced to zero and a lien release will be filed by the City.



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Q. What happens after I apply for the program?

A. City staff reviews the application for completeness and eligibility. If not approved, Human Resources will reach out to the employee to indicate the reason for denial. Staff will work with the applicant, as well as their lender and the title company, to prepare loan documents and to have the City's funds available at the loan closing.

Q. What happens if I move out of the home during the 5-year affordability period?

A. If at any point an employee becomes ineligible for the program; the current loan balance is due to the City. Employees become ineligible if they are no longer a full-time employee of the City, or if the home ceases to be the employee's primary residence.

Q. What happens if my employment terms, I resign or retire?

A. The balance of the deferred principal will be immediately due and payable. Balance accruals eligible to be paid out thru payroll on a staff member's final check upon leaving employment with the City of Seguin, will be withheld, and applied towards the balance of the deferred principal due. It will be at the City's discretion to enter in and accommodate a repayment plan if requested by the staff member.

The balance of the deferred principal at the time of the employee's termination, resignation and/or retirement shall be the total loan amount of \$5,000.00 less the amounts forgiven at the end of each full year of compliance. If employment ends before the end of the second year following the purchase of the property, for example, \$1,000.00 will be forgiven for compliance during the first full year, but no amount is eligible to be forgiven for the second year (regardless of when during the second year employment ends). Thus, the balance of the deferred principal due and payable would be \$4,000.00.

Q. Who do I contact for more information?

A. Contact the City's Human Resource Department at 830-379-3212, option 8.