

BACKGROUND STATEMENT

A stable core-city neighborhood is vital to the mission of Hope College and to the Holland Community. The "Walk to Work Program" has been established to combat neighborhood deterioration, to improve the quality of life for members of the community and to serve as a catalyst for further efforts to improve core city neighborhoods.

The "Walk to Work Program" will provide financial incentives for Hope College and Creative Dining Services employees desiring to live in the targeted neighborhoods surrounding the College.

ELIGIBILITY

- ∅ All full time employees of Hope College and Creative Dining Services are eligible for benefits described under the program, with the exception of those hired under terminal contracts.
- ∅ Participants must choose to purchase a home in the "target area" described below.

TARGET AREA

1. Between Lincoln Avenue and Fairbanks from 12th Street through 15th Street.
2. 15th Street between College and Columbia.
3. Between River and College Avenues from 13th Street through 15th Street.

FINANCIAL INCENTIVES

- ∅ Fifth Third Bank (5/3rd) or The Bank of Holland will provide 100% financing for eligible participants for the purchase of a home to be used as their primary residence in an amount not to exceed \$125,000. In order to provide this financing, Hope College will guarantee 25% of the loan amount. (participant will not be required to make a down payment)
- ∅ Hope College will provide up to \$10,000 per participant for renovation, decorating and mortgage closing costs.
- ∅ Hope College will provide assistance to participants with value determination, purchase negotiation and advice regarding needed or required renovation and decorating,

Purchase Process:

The College will provide assistance with determining property values, making a purchase offer and developing a renovation/decorating plan. If an employee desires assistance with making a purchase in the target area, he or she should contact Diana Benzenberg at the finance office-extension 7781.

Mortgage Loan Process:

1. Applications will be available at the Office of Human Resources. Human Resources will determine initial eligibility and forward the application to Fifth Third Bank and Bank of Holland.
2. The Applicant will then arrange a meeting with the Bank of choice to discuss details of the purchase, the mortgage loan and the applicant's financial ability to make the necessary mortgage payments.

3. Once approval has been given by both the Bank and the College, the actual purchase will be scheduled.

CONDITIONS

- ∅ Financing will be made available to individuals having a good credit history and the financial ability to make the mortgage payments. Determination of credit history and ability to pay will be made by the Bank through the normal mortgage application process. The College will rely upon the recommendation of the Bank as to whether or not to approve an application.
- ∅ Bank products change periodically, and the participant should request details on current mortgages available for clear understanding.

Should equity in the home not be sufficient for refinancing, Hope College will continue to provide the loan guarantee until such time that the property can be refinanced or until the participant ceases to be an employee of the College.

- ∅ An escrow account will be required for property taxes and hazard insurance. An escrow account represents funds that are added to the mortgage payment which are kept in trust by the Bank for the payment of taxes and insurance.
- ∅ Either automatic debit or payroll deduction for the mortgage payment and escrow account will be required.
- ∅ Participants will agree to maintain their property in compliance with all City of Holland building, property and parking codes.

- Ø Participants will provide Hope College with a "Right to First Refusal" to purchase the property at the appraised market value should the owner decide to sell in the future. If the property is sold, a portion of the renovation/decorating allowance will be returned to the college as follows:
 - A. Before 3 years-75%
 - B. Between 3 and 7 years-50%
 - C. After 7 years - 0%
- Ø Direct grants or other payments to employee constitute taxable income in the year in which payment is received. The amount of the renovation/ decorating allowance will be added to the participant's annual earnings statement.
- Ø Participants will present the College with their renovation and decorating plan including financial estimates of the work to be done. The College will disburse the renovation/decorating allowance upon presentation of appropriate invoices and receipts.

HOPE
COLLEGE

WALK
TO
WORK
PROGRAM