

## The Homeownership Incentive Program (HIP)

### What is HIP?

The Homeownership Incentive Program (HIP) provides financial incentives to employees to purchase a home in Hartford. There are several advantages to this program: It provides our employees with the opportunity for home ownership, and it represents Hartford Hospital's commitment to the economic stability of our surrounding neighborhoods.

### What is the financial incentive?

Hartford Hospital offers an incentive of up to \$10,000 to a qualified homebuyer who purchases in one of the following Center City neighborhoods: Frog Hollow, South Green or Barry Square.

### Who is eligible?

To qualify for one of the incentives, you must:

- Be employed full time for at least one year at the time of application;
- Be an employee in "good standing" (not in any step of the Performance Improvement process);
- Be pre-approved by a mortgage lender of your choice;
- Agree to purchase a home in Hartford; and
- Agree to live in the home for at least five years.

### What types of homes are eligible?

Any single-family, two-family, three-family, or condominium located in the neighborhoods mentioned above.

### How does the incentive work?

The incentive is funded at your closing. Then, each year – as long as you are living in the home and remain in "good standing" – 20 percent of the incentive is written off. At the end of five years, the incentive is considered forgiven.

### How do I apply for the incentive?

Applications are available online and at various locations at HartfordHospital. Send your completed application along with your pre-approval letter from your lender, to the Human Resources Department, where it will be checked for eligibility and forwarded to the HIP manager for processing. For more information, contact the HIP manager, Dean Laiennaro, at 860-493-1618 or by e-mail at [DLaiennaro@sinainc.org](mailto:DLaiennaro@sinainc.org).

### How do I receive the money?

The incentive amount (up to \$10,000) is paid jointly to you and to the closing attorney, and it is delivered to the attorney before the actual closing takes place. In order to get the check, you must provide the HIP manager with the attorney's name and address as well as your Social Security number. This must be done 14 days in advance of the closing date.

### How are employees chosen?

Employees will be chosen on a first-come, first-served basis. Every application will be stamped with the date and time of receipt to determine order of application. The HIP manager then verifies the employee's eligibility. If you are eligible, an incentive will be reserved for you while you secure a purchase and sale agreement on an eligible home.

**How will I be notified if I am one of the employees approved to receive an incentive?**

You will receive a phone call from the HIP manager followed by a confirmation letter.

**How long do I have to wait before I hear?**

The approval process is simple and quick. The HIP manager verifies your eligibility and then contacts you immediately.

**Can my approval expire?**

Yes. Your incentive is reserved in your name for 60 days from the date you are first notified of your approval. Within that time, you must provide a copy of a signed purchase and sale agreement on an eligible home. If you are unable to secure a signed purchase and sale agreement on an eligible home by the deadline, you will lose your reservation for the incentive. You can reapply, but your application will be treated as a new application and in the order in which it is received.

**Does it matter which lender I use?**

No, it is entirely your choice.

**Is the money taxable?**

One incentive that is forgiven each year is considered income by the IRS and is taxable to you and will be reported on the IRS Form W-2 that is issued to you for each year in which a portion of the loan is forgiven. The incentive received will be pro-rated each month and reported on your pay voucher as additional income. All applicable income and employment taxes will be withheld; therefore, your regular check will be reduced slightly.

**Is the incentive amount considered a second mortgage on my home?**

Yes. At the closing, you will be asked to sign a mortgage and a rider that specify the conditions under which the incentive would have to be returned. Since the HIP requires that you live in the home for the period of the incentive, Hartford Hospital's mortgage is recorded on the land records as a junior mortgage. The mortgage will be released when the terms of this incentive are satisfied according to the scheduled note or through any other approved methods (e.g. waiver). If you or your lender has questions, please contact the HIP manager, Dean Iaiennaro, at 860-493-1618.

**Is there a waiting list?**

Yes. If all of the Hartford Hospital incentives have been reserved, your name will be placed on a waiting list. If someone previously approved cannot find a home within 60 days, their approval will expire and the next person on the list will receive approval for the incentive. Waiting lists will be carried over to subsequent years, so re-application is not necessary once you are on the waiting list.

**What happens if I leave Hartford Hospital after I receive the incentive?**

If you leave voluntarily or because of poor performance, you are required to return the outstanding balance on the incentive. If you are involuntarily terminated due to position elimination or a reduction in force, then return of the balance of the incentive will be forgiven and the incentive will be considered fully yours. The full amount forgiven will be reported as income to you.

**What happens if I move out of the house before the five years are up?**

If you move out the house before the five years are up, you are required to return the outstanding balance on the incentive.

**How do I get more information about living in Hartford?**

Information on living in Hartford is available through LiveHartford.org. The HIP manager and MetroHartford Alliance are good resources for additional information

**Thinking of a certain neighborhood in Hartford already?**

The HIP manager can connect you with a resident of that neighborhood who will answer all of your questions about life and living in that neighborhood.

**How do I get more information about the program?**

Throughout the process, the HIP manager is available to answer any questions you have about HIP and about Hartford, its neighborhoods, its schools, and everything Hartford has to offer to you. Contact the HIP manager, Dean Iaiennaro, at 860-493-1618 or via e-mail at [Dlaiennaro@sinainc.org](mailto:Dlaiennaro@sinainc.org).