

2009 NCSHA Award Nomination
Colorado Housing and Finance Authority
Employee Loan Program

CHFA offers a loan assistance program that allows employees the opportunity to withstand unforeseen financial hardships and/or ensure access to affordable, adequate housing for down payment/closing cost assistance, rental assistance, energy audit, and/or home modification/repair. The loans are interest free to the employee as long as the employee remains employed by CHFA.

To be eligible to obtain a loan, an employee must be of full time or partial full time status (80 percent), have completed the specified employment requirement noted in the table below, and not be on a Performance Improvement Plan. A second loan may be requested before the first loan is repaid, provided the total balance of both loans, in addition to any other monies owed to CHFA (e.g. negative PTO), does not exceed \$2,500.00. The Homebuyer Assistance Loan is not included in this limit and may be approved in addition to the other loans.

A summary of each loan and the terms are listed below:

Type of Loan Assistance	Minimum Employment Requirement	Loan Limit	Rate*	Term	Required Documentation
Homebuyer: <i>Provides down payment assistance to purchase a home.</i>	One year	\$5,000	Published CHFA HomeOpener	30 years	CHFA First Time Homebuyer Class; If not a first time homebuyer, CHFA Money Management Class
Rental: <i>First month rent, last month rent and/or security deposit</i>	Six months	\$2,500	Published CHFA HomeOpener	Three years	1. CHFA Money Management Class 2. Copy of Rental Lease or other documentation, verifying amount of security deposit

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Energy: <i>For an energy audit, and/or for improvements which have been recommended by an energy audit</i>	One year	\$2,500	Published CHFA HomeOpener	Three years	Copy of energy audit estimate and/or summary of energy retrofit cost estimate
Home Modification/Repair: <i>For home inspection and/or home repair, to address safety issues, accessibility issues, code issues, and security issues.</i>	Six months	\$2,500	Published CHFA HomeOpener	Three years	Engineering report and/or summary of repairs with estimated cost
Hardship: <i>Defined as a situation, which, if not cleared up, places the employee at further risk (e.g., eviction).</i>	Six months	\$2,500	Published CHFA HomeOpener	Three years	<ol style="list-style-type: none"> 1. CHFA Money Management Class 2. Summary of need with supporting documentation (e.g., eviction notice)

* Waived as long as Employee remains employed by CHFA.

While a hardship loan program is more common as part of an employee benefits package, and has been in place at CHFA for 10 years, in 2004 CHFA expanded the employee loan program to include loans that help employees purchase/rent adequate housing and maintain current housing, as well as promote energy efficiency. The latter is not a common benefit in the public or private industry. These programs ensure a greater alignment with the mission of increasing the availability of affordable, decent, and accessible housing. Since 2004, the program has helped 30 percent of the employee base. Below is a summary of our utilization rate since 2004.

Type of Loan	% of use
Home Buyer Assistance	15%
Rental Assistance	19%
Energy Assistance	9%
Home Modification/Repair	15%

Hardship Assistance	42%
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The highest loan usage is in Hardship Assistance at 42 percent. The second highest is in Rental Assistance which has proven to prevent a few employees from a period of homelessness or staying in an unsafe living situation due to limited financial means.

In 2008, CHFA offered a free energy bill analysis through a local nonprofit as part of our Environmental Sustainability efforts, one of CHFA's key strategic objectives. CHFA held a contest for the employee with the "least efficient home," giving the winner a free energy audit. An additional benefit was the increased exposure and participation in the Energy Assistance Loan, with the utilization more than doubling since then.

This program can be easily replicated due to the insignificant costs to the employer and the minimal administrative impact to a Human Resources/Payroll Department. In fact, CHFA has presented this benefit offering to the private and public sector over the last several years (Denver Chamber of Commerce and State Housing Conference).

We feel certain that, based on antidotal evidence, this assistance has removed a level of stress and improved comfort in one's living conditions that could otherwise have a negative impact on productivity and quality of life. The benefits certainly outweigh the minimum cost to administer and offer this benefit (loss of interest for the loan amounts). In fact, due to the low amount of resources needed to fund and administer this benefit, CHFA believes that the overall resources (financial and human capital) are maximized effectively.

In summary, the employee loan programs highlighted above ensure CHFA is helping staff obtain affordable and adequate housing by making financial means available. This benefit strongly supports our mission to increase the availability of affordable, decent, and accessible housing.