

**HARVEY MUDD COLLEGE**  
**HOUSING ASSISTANCE PROGRAM POLICY**

**I. INTRODUCTION**

The Housing Assistance Program is a continuation of the program approved by the Board of Trustees in 1990 and amended on February 2, 2008. The effective date of this revised policy is January 30, 2010.

**II. PURPOSE**

The Housing Assistance Program has been established to attract and retain highly qualified faculty members by providing assistance in the purchase of a home and by making homeownership more affordable.

**III. ELIGIBILITY**

Eligibility is limited to tenure track faculty who are first time buyers of a qualifying residence (defined at item IV-A). The qualifying residence must be purchased by the later of (i) 7 years from July 1, 2008 or (ii) 7 years from commencement of appointment to a tenure-track position.

Beginning with faculty hired after January 30, 2010, participation will be limited to no more than 4 participants per year. In fiscal years in which fewer than 4 participants are admitted to the program, the unawarded budget funding is to be set aside in a reserve fund. In fiscal years in which there is interest from more than 4 eligible participants, the College will seek the approval of the Compensation and Personnel Planning Committee of the Board of Trustees to admit any additional participants to be funded from the reserve fund or other identified sources. The Compensation and Personnel Planning Committee of the Board of Trustees will re-evaluate the policy in January 2012, four years after the policy was approved by the board on February 2, 2008

Eligibility is not a guarantee of receiving assistance under the program. Assistance will be provided at the discretion of the Dean of Faculty and the final approval of the President.

**IV. TERMS AND CONDITIONS**

- A. A qualifying residence must be located within a 30-mile radius of the City of Claremont, or as negotiated with the Dean of Faculty. Eligible participants must occupy the qualifying residence as his/her principal residence. Vacation homes, investment properties, and rental properties are not qualifying residences.
- B. Prior to the close of escrow on a qualifying residence, eligible participants will be provided taxable one-time down payment assistance equal to \$30,000 for faculty hired prior to January 30, 2010 and \$25,000 for faculty hired after January 30, 2010. Payment of one-time down payment assistance will be made after the following conditions are met: (i) final approval of eligibility; and (ii) submittal of a complete housing assistance application to the Business Affairs Office prior to the close of escrow.
- C. Down payment assistance must be used for down payment and/or closing costs.

- D. Following the close of escrow on a qualifying residence, eligible participants will be provided a taxable housing allowance totaling \$84,000 for faculty hired prior to January 30, 2010 and \$75,000 for faculty hired after January 30, 2010 to be paid in equal monthly installments over a seven year period. Payment of the housing allowance will commence after the following conditions are met: (i) the close of escrow on a qualifying residence; and (ii) submittal of a copy of the final escrow settlement statement to the Business Affairs Office. Payments will commence at the rate of \$1,000 per month for faculty hired prior to January 30, 2010 and \$893 for faculty hired after January 30, 2010, ending on month 84.
- E. The housing allowance shall terminate immediately if a housing allowance recipient:
- a. Ceases to be employed by the College;
  - b. Ceases to be an eligible person; or
  - c. Becomes emeritus or retires.

It is the responsibility of the recipient to notify the Business Affairs Office if his/her eligibility changes. This notice is to be provided to the Business Affairs Office in writing.

A faculty member who voluntarily leaves his/her position within four years of initial receipt of the housing allowance will be required to repay 100% of the allowance received (gross of taxes) back to the College within 12 months of separating employment from the College.

Decisions concerning termination, suspension, or repayment of the housing allowance under special circumstances will be made by the President and the Dean of Faculty at their discretion.

- F. The housing allowance will continue without interruption for a paid sabbatical or other paid College approved leave. The allowance will be suspended for an unpaid sabbatical or unpaid College approved leave during the term of the leave. The allowance will resume upon the return of the eligible participant only upon notification to and approval by the Business Affairs Office.
- G. Subject to the approval of the Dean of Faculty, eligible participants who sell their home acquired under the housing assistance program and repurchase a new qualifying residence will continue to receive the installments for the remainder of the period.
- H. All assistance provided under the Housing Assistance Program is considered wages for purposes of Federal and State tax reporting and withholding and for Social Security taxes, workers' compensation, and unemployment insurance. **Eligible participants are urged to consult with a tax advisor to determine any personal tax consequences.** All assistance provided is not eligible for coverage under the College's retirement or employee benefit plans, nor is it considered salary for premiums and benefit amounts of employee-paid insurance plans which are based on earnings.
- I. The Housing Assistance Program is subject to discontinuation or modification by the Board of Trustees at any time. Eligible participants already receiving assistance at the time of such discontinuation or modification will continue to receive it for the remainder of the period, subject to their continuing eligibility.

**Approved by HMC Board of Trustees on January 30, 2010**