The Industrial Development Board
of the Metropolitan Government of Nashville and Davidson County

METRO EMPLOYEE HOMEOWNERSHIP ASSISTANCE PILOT PROGRAM

PROGRAM GUIDE

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Administered by: Metropolitan Nashville Housing Division

NASHVILLE PLANNING | HOUSING DIVISION

EQUAL HOUSING OPPORTUNITY

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II. Program Overview

The Metropolitan Nashville Housing Division ("Metro Housing Division") administers the Industrial Development Board Metro Employee Homeownership Assistance Pilot Program ("IDB MEHAPP" or "program") on behalf of The Industrial Development Board of Metropolitan Government of Nashville and Davidson County ("IDB"). The IDB MEHAPP is solely funded through revenues collected by the IDB.

The IDB MEHAPP is designed to provide eligible employees of The Metropolitan Government of Nashville and Davidson County ("Metro Employees") with financial assistance to assist in achieving and sustaining homeownership. Through the IDB MEHAPP program, eligible Metro Employees may receive **Down Payment Assistance** to support the purchase of a primary residence or **Mortgage Assistance** to help preserve existing homeownership during a short-term financial hardship.

The purpose of the IDB MEHAPP is to reduce barriers to homeownership, promote housing stability, and support the long-term financial well-being of Metro Employees and their households. By providing financial assistance to eligible Metro Employees, the program seeks to expand access to homeownership, preserve existing homeownership, and mitigate the risk of housing instability resulting from short-term financial hardship. The IDB MEHAPP supports the goals and priorities established in Metro's Unified Housing Strategy ("UHS"), specifically **Strategy D: Support Homeownership Opportunities**, including **Actions 22**, which focuses public homeownership resources on households facing systemic barriers, and **Action 24**, which emphasizes pre- and post-purchase counseling for buyers purchasing homes funded in whole, or in part, by public funds.

The IDB will select an eligible nonprofit organization to administer the IDB MEHAPP in accordance with the requirements established by Metro Housing Division and this Program Guide, as directed and approved by the IDB (such selected organization to be the "Administrator").

This Program Guide ("Guide") establishes the program requirements, eligible activities, participant eligibility criteria, and administrative requirements for the IDB MEHAPP. The Guide is intended to support the fair and consistent administration of the program and ensure that the IDB MEHAPP funds are provided to eligible Metro Employees in accordance with established program requirements.

III. Grant Term

The IDB MEHAPP grant term will **begin on February 15, 2027**, and **end on December 31, 2027** (the "Grant Term").

IV. Grant Amount

Programmatic Funding: The Administrator will be awarded up to $50,000 to provide direct financial assistance to eligible Metro Employees through the IDB MEHAPP.

Administrative Funding: A maximum of $5,000 in additional funding will be made available to the Administrator for eligible costs associated with administrating the IDB MEHAPP. The Administrator may elect to use all or a portion of the administrative funding to provide additional direct financial assistance to eligible Metro Employees.

Any grant funds provided to the Administrator not awarded to eligible Metro employees or not otherwise expended on eligible administrative costs of the Administrator by the end of the grant period shall be returned to the IDB, unless otherwise authorized by the Board of the IDB in its sole discretion.

V. Eligible Grant Administrators

Metro Housing Division will accept applications from qualified nonprofit organizations seeking to administer the IDB MEHAPP (each selected organization being an "Administrator"). An organization must meet the following minimum requirements to be considered an eligible Administrator:

a. **Organizational Eligibility:** The organization must be able to provide:
   - A copy of a letter from the Internal Revenue Service evidencing the fact that the organization is a 501(c)(3) designated nonprofit, tax-exempt organization under the Internal Revenue Code of 1986, as amended;
   - A copy of the nonprofit's corporate charter or other articles, constitution, bylaws, or instruments of organization;
   - Proof that the organization is currently authorized to transact business in the State of Tennessee;
   - Registration with the Tennessee Secretary of State Office of Charitable Solicitations indicating the organization is currently registered to solicit public funds in the State of Tennessee as of the date of the application;
   - A copy of the annual audit conducted by an independent CPA in accordance with; generally accepted auditing standards for the most recently completed fiscal year or issued within the preceding 12 months of the application deadline; and
   - An attestation that the Applicant meets each of the eligibility criteria, as further established in the Request for Applications for the program, which includes attestations concerning no legal proceedings and judgments against the organization adverse to Metro and the IDB, confirming compliance with applicable Fair Housing laws, and no adverse findings by the Office of Financial Accountability of The Metropolitan Government.

b. **Program Experience:** The Administrator must demonstrate the organizational capacity and relevant experience necessary to successfully administer the IDB MEHAPP, including at least two (2) consecutive years of experience within the previous five (5) years providing down payment assistance, mortgage assistance, housing counseling, homeownership assistance, or other similar affordable housing services.

   The Administrator must maintain sufficient staffing, financial management systems, policies and procedures, and administrative capacity to carry out the requirements of the IDB MEHAPP throughout the Grant Term.

VI. Eligible Program Activities

The selected Administrator will be responsible for administering the IDB MEHAPP and making program assistance, and applicable counseling services, available to eligible Metro Employees during the Grant Term.

The IDB MEHAPP provides assistance through two eligible program activities designed to help Metro Employees achieve and sustain homeownership:

a. **Down Payment Assistance:** Financial assistance provided to eligible Metro Employees purchasing a primary residence in Davidson County. Assistance may be used toward eligible down payment and closing costs associated with the purchase of the home.

b. **Foreclosure Prevention Assistance:** Financial assistance provided to eligible Metro Employees who own and occupy a primary residence in Davidson County and have experienced a documented, short-term financial hardship affecting their ability to remain current on their mortgage obligation.

VII. Program Terms

The terms and requirements applicable to each eligible activity are summarized below and further described throughout this Guide.

Form of Assistance	Down Payment Assistance Grant	Foreclosure Prevention Grant
Assistance Amount	Up to $ 10,000	Up to $ 5,000
100% Financing Limit	Limited to Down Payment and/or Closing Cost up to 3%	N/A
Repayable	No	No
Cash-Out at Closing	No	N/A
Frequency of Grant	One-Time Assistance	One-Time Assistance
Eligible Recipients	Full-Time Metro Employees	Full-Time Metro Employees
Income Limit (See VII(b))	120% AMI	120% AMI
Eligible Uses	Down Payment and/or Closing Costs	Mortgage Payments, Arrearages, or Other Eligible Mortgage-Related Costs
Eligible Location	Davidson County	Davidson County
Max Purchase Price	$500,000	N/A
Occupancy Requirement	Purchase for Primary Residence	Owner Occupied Primary Residence
Education Required	Yes	Yes
Type of Education	Pre- and Post-Purchase Homebuyer Education	Foreclosure Prevention/Loss Mit Counseling

VIII. Eligible Program Participant Requirements

To be eligible to receive assistance through the IDB MEHAPP, a Metro Employee must meet the following minimum eligibility requirements:

a. **Metro Employment:** The eligible Metro Employee who receives assistance through the program must be continuously employed by The Metropolitan Government of Nashville and Davidson County ("Metro") for a minimum of one (1) year at the time of their application for program assistance in a full-time position (defined for purposes of the Program as working and paid by Metro for a minimum of thirty-two (32) hours per week) and must remain employed in full-time employment by Metro at the time the IDB MEHAPP assistance is provided. For the purposes of the IDB MEHAPP (as an initial pilot program), an eligible Metro Employee shall mean either: (i) an employee whose compensation must be established consistent with provisions of the applicable pay plan adopted by Metro or whose employment otherwise is ultimately subject to the authority, supervision, direction and control of Metro with respect to employment and personnel matters or (ii) an employee of the Metropolitan Board of Public Education; provided, however, Metro Employee shall not include employees of separate or independent entities organized under applicable law to act independently of Metro, which by way of illustration and not limitation, include employees of the Electric Power Board, Hospital Authority, and Convention Center Authority. In the case of any uncertainty, the IDB shall have final authority to determine whether an individual qualifies as an eligible Metro Employee.

   The employment requirements must be verified by the Administrator prior to approval and disbursement of assistance.

b. **Household Income:** The Metro Employee's total household income must not exceed 120% of the Area Median Income ("AMI") established by the U.S. Department of Housing and Urban Development ("HUD") for the Nashville-Davidson-Murfreesboro-Franklin Metropolitan Statistical Area adjusted for household size, based on the income limits applicable to the IDB MEHAPP at the time of application.

The 2026 120% AMI Maximum Income Limits for Davidson County are as follows:

- One Person Household: $97,550
- Two-Person Household: $111,500
- Three-Person Household: $125,400
- Four-Person Household: $139,350
- Five-Person Household: $150,500
- Six-Person Household: $161,650

Each year, HUD posts the updated income limits and income calculation methodology.

The Administrator must verify household income and maintain documentation supporting the income eligibility determination in the Metro Employee's program file.

c. **Davidson County Requirement:** The IDB MEHAPP assistance is limited to eligible properties located within Davidson County.

   - **Down Payment Assistance:** The property being purchased with the IDB MEHAPP assistance must be located within Davidson County, Tennessee and will serve as the Metro Employee's primary residence and be owner-occupied.
   - **Foreclosure Prevention Assistance:** The assisted property must be located within Davidson County, Tennessee and must be owned and occupied by the Metro Employee as their primary residence.

d. **Primary Residence:** The IDB MEHAPP assistance must be used in connection with the Metro Employee's primary residence, where such employee's ownership reflects a legal or equitable interest in the property. The IDB MEHAPP funds may not be used for second homes, vacation homes, or investment properties.

e. **Qualifying Events:** The IDB MEHAPP is a one-time assistance program. An individual Metro Employee may receive assistance only once under the IDB MEHAPP, may not receive both Down Payment Assistance and Mortgage Assistance, and no more than one Metro Employee residing at the same property shall be eligible to receive assistance for the same property. To receive assistance, an eligible Metro Employee must demonstrate one of the following qualifying events or circumstances, based on the type of assistance requested:

   - **Down Payment Assistance – Home Purchase:** Metro Employees seeking Down Payment Assistance must have a mortgage pre-approval from a mortgage lender and a fully executed real estate purchase agreement for a qualifying property. Prior to disbursement of IDB MEHAPP assistance, the Administrator must review the "Closing Disclosure" or applicable closing documents to verify the amount of funds required to complete the purchase. Down Payment Assistance and/or closing costs assistance may be provided in the amount **up to three percent (3%) of the purchase price, not to exceed $10,000 or the amount required to close, whichever is less.** A Metro Employee may not receive cash out at closing as a result of IDB MEHAPP assistance.
   - **Foreclosure Prevention Assistance – Financial Hardship:** A Metro Employee seeking Foreclosure Prevention Assistance must demonstrate that the employee or a member of the employee's household (who is responsible for, or had typically materially contributed to, payment of the household's financial obligations) has experienced a documented, short-term financial hardship of at least 10% of their income and has adversely affected the household's ability to remain current on its mortgage obligation. Qualifying hardships may include, but are not limited to:
     - ◊ Loss of employment by a household member;
     - ◊ Reduction or temporary loss of household income;
     - ◊ Unexpected or significant household expense;
     - ◊ Death of a household member; or
     - ◊ Other documented circumstances that have resulted in a temporary financial hardship affecting the household's ability to remain current on its mortgage.

The Administrator must obtain and maintain documentation sufficiently to verify the qualifying financial hardship.

The IDB MEHAPP Mortgage Assistance must be sufficient, either independently or in combination with other documented resources or an approved loss mitigation arrangement, to cure the mortgage delinquency or resolve an imminent default and restore the household to a sustainable mortgage status.

The IDB MEHAPP assistance must be provided prior to the completion of a foreclosure action.

f. **Education and Counseling:** Prior to receiving the IDB MEHAPP assistance, eligible Metro Employees must complete the applicable education or counseling requirement through a HUD-approved housing counseling agency, as applicable for the type of assistance received:

- **Down Payment Assistance:** Metro Employees receiving Down Payment Assistance must complete Pre-Purchase Homebuyer Education designed to prepare participants for successful and sustainable homeownership.
- **Mortgage Assistance:** Metro Employees receiving Mortgage Assistance must complete Foreclosure Prevention/Loss Mitigation Counseling to assess the household's financial circumstances, identify available loss mitigation options, and support the household's ability to achieve long-term housing stability.

As part of the applicable education or counseling requirement, the Metro Employee must complete a household budget worksheet with the housing counseling agency.

The Administrator may provide the required education or counseling directly, if appropriately qualified, or coordinate services through another HUD-approved housing counseling agency, at no cost to the Metro Employee. Although not required, the Administrator may partner with an agency participating in the Tennessee Housing Development Agency ("THDA") Homebuyer Education Initiative ("HBEI") Network.

The Administrator may accept a Homebuyer Education Certificate or documentation of completed Foreclosure Prevention/Loss Mitigation Counseling issued by any HUD-approved housing counseling agency.

Documentation demonstrating completion of the applicable requirement must be maintained in the Metro Employee's program file.

IX. Program Administration Requirements

The Administrator is responsible for the day-to-day administration of the IDB MEHAPP in accordance with this Program Guide, the grant contract between the IDB and the Administrator, and all applicable IDB requirements. The Administrator shall ensure that all materials and communications relating to IDB MEHAPP, as reasonably appropriate, shall include an acknowledgment that the program is funded by the IDB.

At a minimum, the Administrator will be responsible for conducting program outreach; managing application intake; verifying Metro employment, household income, and participant eligibility; providing or coordinating required education and counseling; reviewing and maintaining supporting documentation; preventing duplication of the IDB MEHAPP assistance; approving eligible assistance; coordinating the timely disbursement of funds; disbursing funds to provide the assistance on behalf of approved, eligible Metro Employees; safeguarding confidential employee information; maintaining complete program and financial records; and reporting program activities, expenditures, and outcomes to Metro Housing Division.

The Administrator must administer the IDB MEHAPP consistently, comply with applicable laws, and maintain sufficient documentation to demonstrate that each assisted Metro Employee and each expenditure of the IDB MEHAPP funds complies with applicable program requirements.

a. **Policies & Procedures:** The Administrator must have documented policies and procedures that clearly detail how program applications are received, eligibility is determined, and how each stage of the application is processed. Metro Housing Division will review and approve the Administrator's policies and

procedures at application. Any subsequent changes made to the policies and procedures must be shared with and approved by the Metro Housing Division before implementation.

b. **Program Outreach and Application Intake:** The Administrator must make information regarding the IDB MEHAPP available to eligible Metro Employees and conduct outreach in coordination with Metro Housing Division, as applicable.

   The Administrator must establish and maintain a consistent application and intake process for both Down Payment Assistance and Foreclosure Prevention Assistance. Applications must collect sufficient information and supporting documentation to determine whether the Metro Employee, household, property, and requested assistance meet the applicable IDB MEHAPP requirements.

Applications must be processed in a fair and consistent manner in accordance with the Administrator's approved policies and procedures and available program funding.

c. **Eligibility Determination and Verification:** Prior to approving the IDB MEHAPP assistance, the Administrator must verify and document that the applicant satisfies all applicable eligibility requirements established by this Program Guide.

   At a minimum, the Administrator must verify, as applicable:

   - Current employment and working a minimum of 32 hours per week with Metro;
   - Employment history with Metro for a minimum of one (1) year;
   - Household composition and household income;
   - Compliance with applicable HUD AMI income limit at time of application;
   - Location and occupancy of the assisted property;
   - Completion of required education or counseling;
   - The applicable qualifying event;
   - Mortgage preapproval and an executed purchase agreement for Down Payment Assistance;
   - Ownership, mortgage status, and documented financial hardship for Foreclosure Prevention Assistance;
   - Applicant will not receive cash out at closing; and
   - Any other documentation necessary to establish eligibility for the IDB MEHAPP assistance.

   The Administrator must document its eligibility determination and maintain supporting documentation in the Metro Employee's program file.

d. **Income Verification:** The Administrator must verify household income prior to approving the IDB MEHAPP assistance and determine that the household does not exceed the applicable 120% HUD AMI limit.

   The Administrator must establish a consistent methodology for determining household composition, calculating household income, and identifying acceptable source documentation. The methodology must be documented in the Administrator's approved policies and procedures and applied consistently to all the IDB MEHAPP applicants.

   Documentation supporting the income determination must be maintained in the Metro Employee's program file.

e. **Education and Counseling Coordination:** The Administrator is responsible for ensuring that each Metro Employee completes the education or counseling requirement applicable to the type of the IDB MEHAPP assistance received, at no cost to the Metro Employee.

   The Administrator may provide eligible services directly, if appropriately qualified, or coordinate services through an eligible HUD-approved housing counseling agency. Documentation demonstrating completion of the applicable education or counseling requirement must be obtained prior to disbursement of the IDB MEHAPP assistance and maintained in the Metro Employee's program file.

f. **Fair Housing and Nondiscrimination:** The IDB MEHAPP must be administered in accordance with applicable fair housing laws and nondiscrimination laws requirements.

The Administrator must maintain and disclose its fair housing practices to Metro Housing Division and provide each Metro Employee applying for the IDB MEHAPP assistance with information regarding applicable fair housing rights. The Administrator shall promptly notify the Metro Housing Division of any investigation by a government agency with enforcement jurisdiction with respect to, or of any adverse judicial or administrative determination against, the Administrator or its employees regarding alleged or adjudicated violations of fair housing or other anti-discrimination laws.

Program materials and documents must include applicable Fair Housing and Equal Housing Opportunity notices or logos, as required.

g. **Duplication of Benefits and Other Assistance:** Prior to approving the IDB MEHAPP assistance, the Administrator must identify other financial assistance received or reasonably anticipated to be received by the Metro Employee for the same eligible cost or purpose.

The IDB MEHAPP funds may not be used to pay a cost that has already been fully paid by another funding source. However, IDB MEHAPP assistance may be combined with other eligible funding sources when necessary to meet an eligible need, provided that the combined assistance does not exceed the total eligible cost and does not result in cash-out to the Metro Employee.

- **For Down Payment Assistance,** the Administrator must review the anticipated sources and uses associated with the home purchase to ensure the IDB MEHAPP funds do not duplicate other assistance provided toward the same costs.
- **For Foreclosure Prevention Assistance,** the Administrator must review payments, assistance, loss mitigation arrangements, or other resources available to address the mortgage delinquency or imminent default.

The Administrator must document its duplication-of-benefits review in the Metro Employee's program file prior to disbursement.

h. **Approval and Disbursement of Funds:** The Administrator must establish documented procedures for the review and approval of the IDB MEHAPP assistance. No assistance may be disbursed until the Administrator has determined and documented that all applicable program requirements have been satisfied.

The IDB MEHAPP funds may not be paid directly to a Metro Employee.

- **Down Payment Assistance:** Funds must be disbursed directly to the closing or settlement agent responsible for the eligible home purchase and must be reflected on the applicable closing or settlement documentation for the amount necessary to close. The Metro Employee may not receive cash-out at closing.
- **Foreclosure Prevention Assistance:** Funds must be disbursed directly to the mortgage loan servicer or other approved entity responsible for receiving the eligible mortgage payment.

The Administrator must maintain documentation verifying the amount, date, recipient, and purpose of each the IDB MEHAPP disbursement.

i. **Confidentiality and Protection of Personal Information:** The Administrator must safeguard personally identifiable, financial, employment, mortgage, and other confidential information obtained through the administration of the IDB MEHAPP.

Access to applicant and participant information must be limited to individuals with a legitimate programmatic or administrative need for the information. Records must be maintained and transmitted using appropriate safeguards consistent with the Administrator's approved policies and applicable requirements, so long as such requirements comply with minimum legal requirements and commercially reasonable standards for records of a similar nature.

Information collected by Administrator through the IDB MEHAPP may be shared with Metro Housing Division as necessary for program administration, compliance, monitoring, and reporting.

j. **Recordkeeping and Documentation:** The Administrator must establish and maintain complete program and financial records sufficient to demonstrate compliance with the IDB MEHAPP requirements and support all expenditures of grant funds.

Each assisted Metro Employee's program file must contain documentation supporting the application, eligibility determination, income determination, qualifying event, required education or counseling, duplication-of-benefits review, approval of assistance, and disbursement of funds, as applicable.

Program and financial records must be maintained for a period of four (4) years and made available to Metro Housing Division upon request for monitoring, compliance review, audit, or other authorized program oversight.

k. **Reporting:** The Administrator must submit programmatic and financial reports to Metro Housing Division in the form, manner, and frequency established by Metro Housing Division.

Reports may include, but are not limited to:

- Number of applications received;
- Number of applications approved, denied, pending, or withdrawn;
- Number of Metro Employees assisted by assistance type;
- Amount of assistance committed and disbursed;
- Remaining program funds;
- Administrative expenditures;
- Participant and household information necessary for program evaluation;
- Home purchase and mortgage assistance outcomes;
- Education and counseling activities;
- Program outreach activities; and
- Other information requested by Metro Housing Division to evaluate program performance and compliance.

l. **Monitoring and Compliance:** Metro Housing Division reserves the right to monitor the Administrator's performance and compliance with the IDB MEHAPP requirements throughout the Grant Term.

Monitoring may include review of participant files, financial records, policies and procedures, reports, supporting documentation, and other records associated with the administration of the IDB MEHAPP.

The Administrator must cooperate with monitoring and compliance reviews and provide requested documentation within the timeframe established by Metro Housing Division. Any identified findings, deficiencies, or areas of noncompliance must be addressed in accordance with instructions provided by Metro Housing Division.

m. **Program Funds and Administrative Costs:** The Administrator must maintain adequate financial controls to separately identify, track, and account for the IDB MEHAPP funds and expenditures.

Program funds may only be used for eligible IDB MEHAPP activities and administrative costs may not exceed $5,000.

The Administrator must maintain sufficient, supporting documentation for all expenditures and ensure that costs charged to the IDB MEHAPP are reasonable, necessary, allowable, and directly related to administration of the program.

n. **Program Closeout:** At the conclusion of the Grant Term, the Administrator must complete and submit all required program and financial reporting to Metro Housing Division. The Administrator must provide the closeout report and any additional documentation requested by Metro Housing Division to close out the grant within 30 days from the date of the last IDB MEAHPP assistance payment.

   Any unexpended, uncommitted, disallowed, or otherwise ineligible funds must be returned or otherwise handled in accordance with the grant contract and instructions provided by Metro Housing Division.

X. Program Changes and Additional Guidance

Metro Housing Division reserves the right to issue additional guidance, clarification, or technical assistance regarding the administration of the IDB MEHAPP, as necessary to support consistent and effective program implementation.

Metro Housing Division, at the direction of the IDB, may amend this Program Guide, program requirements, or administrative procedures when necessary to address changes in available funding, applicable requirements, program operations, or other circumstances affecting the IDB MEHAPP.

The Administrator is responsible for implementing all written program guidance and amendments issued by Metro Housing Division and ensuring that its policies, procedures, and program administration remain consistent with current the IDB MEHAPP requirements.

Questions regarding the interpretation or administration of the IDB MEHAPP should be submitted to Metro Housing Division via email at: HousingPrograms@Nashville.gov.

When circumstances are not specifically addressed by this Program Guide or the Grant Contract, the Administrator must obtain guidance from Metro Housing Division prior to making an eligibility determination or committing or disbursing the IDB MEHAPP funds.

Adopted: [ ]