



# Housing Allowance Program

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## *Summary Description*

The Housing Allowance Program (HAP) is a taxable fringe benefit that, under specified conditions, provides additional compensation to newly hired faculty and senior staff for a fixed period of time starting with their home purchase. HAP, together with Stanford's other housing purchase programs, is a program that is intended to address the difference in the cost of home ownership between the Stanford area and areas in proximity to other major research universities.

HAP may increase or decrease. Changes are made in response to current market conditions. The programs will be reviewed each year.

Information regarding all of Stanford's housing programs is available at [fsh.stanford.edu](http://fsh.stanford.edu), or by email to [fshousing@stanford.edu](mailto:fshousing@stanford.edu), or by calling 650-725-6893.

## ELIGIBILITY

HAP has limited eligibility for some Eligible Persons, as defined in Exhibit A to this brochure, who are buyers of a Qualifying Residence located within the area described in Exhibit B to this brochure (Qualifying Area). Eligible Faculty who are employed 50% time or more and Eligible Staff who are employed 100% time may apply for HAP.

The eligibility period begins with the approval of the appointment by the President (faculty only) or the start of employment in the HAP eligible position, whichever is later.

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#### QUALIFYING RESIDENCE

HAP is for the purchase of a single family home, condominium, or townhome that is a for sale dwelling unit suitable for housing one family (the Qualifying Residence). Vacation homes, investment properties, commercial properties, properties zoned as commercial, multiple family dwellings (for example, duplexes and properties zoned for multiple units), Tenant in Common (TIC), and life care facilities are not Qualifying Residences. Personal property purchases such as mobile homes or houseboats are not Qualifying Residences.

The Eligible Person must occupy the Qualifying Residence as his/her principal residence. The home purchased (the Property) must be located within the Qualifying Area.

#### ALLOWANCE AMOUNT

The first year allowance amount is \$30,770.00.

#### INITIATING HAP

HAP commences after all of the following conditions are met: (i) Presidential approval of the appointment (faculty only); (ii) start of employment (e.g. receiving regular Stanford salary payments through the Stanford University payroll system) in the HAP eligible position; (iii) submittal of a completed application to Faculty Staff Housing (FSH) prior to the close of escrow, and (iv) the close of escrow on a Qualifying Residence. To comply with condition (iv), buyers of off campus homes who do not use the Stanford loan programs must provide FSH with certified or recorded copies of the Grant Deed and the Final Closing Disclosure. These documents are issued by the title company handling the escrow. Documents may be submitted to FSH via email to: fshdocuments@stanford.edu.

#### TERM

The maximum term of the allowance is twelve years, and the allowance declines on a linear basis by one-twelfth of the first year amount each year throughout the duration of the term. The maximum total allowance paid over the twelve-year term is \$200,000.00. Under certain circumstances, HAP is subject to earlier termination, as provided below.

#### TERMINATION OF ELIGIBILITY

The housing allowance shall terminate if the individual:

1. Ceases to own or occupy the residence;
2. Ceases to be an Eligible Person;
3. Ceases to be employed at 50% time or more (faculty) and 100% time or more (staff);
4. Becomes eligible for HAP II;
5. Becomes emeritus or retires; or
6. Defaults on any term or condition of a Stanford University lease or loan including his/her loan payments.

It is the responsibility of the HAP recipient to notify Faculty Staff Housing if his/her eligibility changes, even temporarily. This notice is to be provided to Faculty Staff Housing, in writing, before

the recipient's change in employment status occurs. Examples of changes in status which could affect program eligibility can be changes to employment percentage, position or classification. Any financial assistance received after the eligibility has changed must be repaid.

Decisions concerning termination or suspension under particular circumstances (e.g. divorce) will be made by the University in its sole discretion.

#### TITLE/OCCUPANCY

Beneficial ownership and title to the home may only be in the name of the Eligible Person and his/her spouse or registered domestic partner. No other persons can hold title to the home. The home must remain owner occupied by the Eligible Person. Proof of such ownership and/or occupancy must be provided to the University upon request. Under certain circumstances, the allowance may be discontinued if the home is rented. If two Eligible Persons share ownership of one residence, only one allowance is paid.

#### LEAVE AND OTHER SPECIAL CIRCUMSTANCES

HAP Payments are paid together with regular Stanford salary payments made only through the Stanford payroll system. If regular salary payments cease for any reason, HAP payments will also stop. HAP payments can resume based on the original schedule when regular salary payments made through the Stanford payroll system resume.

1. Sabbatical and other University approved paid leave: The allowance will continue without interruption for a paid sabbatical or other paid University approved leave.
2. Approved unpaid leave: The allowance will be suspended during any unpaid leave. The allowance will resume upon the return of the HAP Eligible Person only upon notification to and approval by FSH, only if regular Stanford salary payments are being made through the Stanford payroll system.
3. Short Term Disability: The allowance will continue only if the Eligible Person is paid regular salary payments made through the Stanford payroll system. Salary payments made by insurance companies do not qualify as regular salary payments.
4. Long Term Disability: The allowance will continue as long as the Eligible Person occupies the home.
5. Part Time Employment: The allowance is prorated (decreased) according to the percentage of full time salary, regardless of when the part time status begins.  
Note: Eligibility for HAP ends when employment changes to less than 50% time (faculty) and 100% time (staff).
6. Major Remodel: The allowance will continue during a construction period of not more than eighteen months while the Eligible Person is not living in the home. After eighteen months, if the Eligible Person has not moved back into the home, the allowance will stop. Payments will resume when proof of occupancy is provided to FSH.
7. Special Circumstances: Decisions concerning termination or suspension under particular circumstances will be made by the University in its sole discretion.

## *HAP II*

HAP II is a taxable fringe benefit. Terms and conditions for HAP apply to HAP II. HAP payments cease upon payment of HAP II.

HAP II is available after promotion to those Faculty who have been employed 50% time or more by Stanford as an Eligible Person for three years or more before promotion: (a) to tenure for tenure line faculty, (b) to continuing term for University Medical Line Professoriate, (c) to continuing term for nontenure line faculty, and (d) to continuing term for Senior Fellows at special policy centers and institutes.

Those eligible to receive HAP II are those who:

1. Are promoted on or after September 1, 1997, and:
  - i. Purchase a new home of equal or greater value of the current home or for a first purchase. The new home purchase must occur after the date of promotion. A completed HAP II application must be submitted to FSH prior to the new home purchase.
  - ii. Remain in their current home and complete a major remodel. The major remodel must commence after the promotion date and not before January 1, 2001. A completed HAP II application must be submitted to FSH prior to the beginning of the major remodel.

A major remodel must meet the following conditions:

- (a) In a single project, the owner adds at least 250 square feet of permanent living space to an existing house, and (b) the cost of the remodel is at least \$200,000.00.

The following documents must be submitted to initiate HAP II:

- a. a completed HAP application
- b. a copy of the building plans
- c. a fully executed (signed) copy of the contract with the builder
- d. a copy of the building permit
- e. proof of payment to the contractor for actual construction work completed - proof of payment is a credit card receipt or a copy of a cancelled check from your bank, an invoice marked paid is not proof of payment.

Buyers promoted on or after September 1, 1997 are eligible for only one HAP benefit. Those eligible to receive HAP II and meet the criteria in i and ii above may only apply for HAP II within ten years of the eligible date.

2. Are promoted on or after September 1, 2004 and:

Remain in their current home and make minor improvements which total \$10,000.00 or more. The improvements must commence after the promotion date and not before July 1, 2006. Those who make minor improvements are eligible for HAP II. A completed HAP application must be submitted to FSH prior to beginning the minor improvements.

3. Examples of minor improvements are painting, a new roof, a kitchen or bathroom remodel, deck replacement or addition, landscaping and utility upgrades.

The following documents must be submitted to initiate HAP II:

- i. a completed HAP II application
- ii. a list of the improvements made, including the itemized costs
- iii. proof of payment for the improvement - proof of payment is a credit card receipt or a copy of a cancelled check from your bank, an invoice marked paid is not proof of payment.

Buyers promoted after September 1, 2004 are eligible for only one HAP benefit. Those eligible to receive HAP II and meet the criteria above may only apply for HAP II within ten years of the eligible date.

#### ALLOWANCE AMOUNT

The first year allowance will be the same as the HAP first year amount in effect at the time of the new purchase, or the major remodel, or the minor improvement.

#### SUBSEQUENT PURCHASE

HAP applies to the ownership of a Qualifying Residence within the Qualifying Area as long as the eligibility criteria is met. Therefore, if an Eligible Person sells a HAP qualified home and purchases another HAP qualified home, the HAP or HAP II benefit will continue.

The HAP Program is established on an annual basis, subject to discontinuation or modification at any time. Persons already receiving the allowance at the time of such discontinuation or modification will continue to receive it for the remainder of their term, subject to their continuing eligibility.

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## EXHIBIT A

### *Housing Purchase Programs Eligibility Criteria*

#### HOUSING PROGRAMS OVERVIEW

Stanford University's housing programs (Programs) are made available to employees in a specific and limited number of professional employment categories. For each Program there are specific eligibility criteria. Someone who is an Eligible Person may be qualified to participate in all of the programs, or only some of the programs.

The Programs are divided into two categories:

#### PURCHASE PROGRAMS

The Purchase Programs include: mortgage loans, a monthly housing allowance, and the option to purchase a long-term residential leasehold on-campus or off-campus. The loans are available for purchase only, not to refinance existing mortgage loans. Detailed descriptions, including the eligibility criteria, are available for each Program.

#### RENTAL PROGRAM

The Rental Program includes: on-campus and off-campus rental properties. The Rental Program, including the eligibility criteria, is described in the Rental Housing Programs Eligibility Criteria.

Eligibility and qualification for the Purchase Programs is different and separate from the Rental Program. Eligible Persons may participate in either the rental or the purchase Programs, but not both at the same time. An individual who has defaulted on any Stanford Program will be ineligible for any subsequent Programs.

Information regarding all of Stanford's housing programs is available at [fsh.stanford.edu](http://fsh.stanford.edu), or by email at [fshousing@stanford.edu](mailto:fshousing@stanford.edu), or by calling 650-725-6893.

### *Eligible Persons*

The following categories of employees, whose expected appointment term satisfies the conditions described in each respective category, are qualified as Eligible Persons for one or more purchase programs.

It is the responsibility of the Eligible Person to notify FSH if his/her eligibility changes, even temporarily. This notice is to be provided to FSH in writing before the Eligible Person's change in employment status occurs. Examples of changes in status which could affect program eligibility can be changes to employment percentage, position or classification. Any financial assistance received after the eligibility has changed must be repaid.

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#### FACULTY

The following categories of Faculty who are employed fifty percent (50%) time or more are qualified as Eligible Persons:

1. Members of the Academic Council who have received tenure, have continuing terms of appointment, or have term appointments of three years or more with the possibility of reappointment. Assistant Professors appointed subject to receiving their Ph.D. qualify as Eligible Persons although they are not members of the Academic Council.
2. Members of the University Medical Line Professoriate whose initial appointment is three years or more with the possibility of reappointment.
3. Senior Fellow members of the Academic Council at Special Policy Centers and Institutes whose initial appointment is three years or more with the possibility of reappointment.

#### STAFF

The following categories of Staff who are employed one-hundred percent (100%) time are qualified as Eligible Persons:

1. Staff: University Staff and Staff at SLAC National Accelerator Laboratory (SLAC) assigned to the N99, N11, O and P Grades. Only those assigned to the N99 and N11 Grades are eligible to participate in the Housing Allowance Program (but not HAP II).
2. Current or former presidents of the University, regardless of years of service.
3. Hoover Institution: Senior Fellows

#### CLINICIAN EDUCATORS

The following categories of Clinician Educators whose initial appointment or promotion within the Clinician Educator line began on or after July 1, 2004 and who are employed seventy-five percent (75%) time or more and who are appointed for a term of three years or more with the possibility of reappointment and who are considered benefits eligible Stanford University employees are qualified as Eligible Persons:

1. Clinical Assistant Professor
2. Clinical Associate Professor
3. Clinical Professor

#### *Retirees*

1. Retirees, as defined by the University, are not eligible for the University's Housing Purchase Programs.
2. Retirees who are not current Lessees of an on or off-campus home are not eligible to purchase a leasehold property on or off-campus.
3. Retirees can remain in an on-campus home with an unrestricted ground lease only if the retiree qualifies as an Official Retiree, as defined by Stanford, (i.e. required years of service plus age) and only if for five years prior to the retirement date, the faculty appointment was active and full-time. Other restrictions apply for a restricted ground lease.
4. Retirees who own an on-campus residence with an unrestricted ground lease may only downsize to a condominium at Pearce Mitchell or Peter Couetts.

**SUMMARY OF ELIGIBLE JOB CATEGORIES BY PROGRAM TYPE FOR PURCHASE PROGRAMS**

Category	Housing Allowance Program (HAP)	Mortgage Assistance Program (MAP) loan	Deferred Interest Program (DIP) loan	Reduced Interest Program (RIP) loan	Zero Interest Program (ZIP) loan	Residential Ground Lease <sup>(1)(2)</sup>
I. Faculty						
Faculty members of Academic Council, Tenure Line	✓	✓	✓	✓	✓	✓(1)
Faculty members of Academic Council, Non Tenure	✓	✓	✓	✓	✓	✓(1)
Senior Fellow members of Academic Council at Special Policy Centers and Institutes	✓	✓	✓	✓	✓	✓(1)
University Medical Line Professoriate	✓	✓	✓	✓	✓	
II. Staff						
University N99 and N11 Staff	✓	✓	✓	✓	✓	
University O and P Staff		✓	✓			
SLAC N99 and N11 Staff	✓	✓	✓	✓	✓	
SLAC O and P Staff		✓	✓			
Hoover Institution Senior Fellows	✓	✓	✓	✓	✓	✓(2)

Category	Clinician Educator (CE-HAS) <sup>(3)</sup>	Clinician Educator Deferred Interest Program (CE-DIP) <sup>(3)</sup>	Clinician Educator Reduced Interest Program (CE-RIP) <sup>(3)</sup>	Clinician Educator Zero Interest Program (CE-ZIP) <sup>(3)</sup>
I. Clinician Educators				
Clinical Assistant Professor	✓	✓	✓	✓
Clinical Associate Professor	✓	✓	✓	✓
Clinical Professor	✓	✓	✓	✓

1. Only those Eligible Persons whose Academic Council appointments are 100% and who are working full-time (100% FTE) are eligible to purchase a residential leasehold. Other restrictions may apply to the Restricted Residential Ground Leases.
2. Hoover Institution Senior Fellows who are jointly appointed with an Academic Council appointment of 50% or greater and who are working full-time (100% FTE) are eligible to purchase a residential leasehold. Other restrictions may apply to the Restricted Residential Ground Leases.
3. Are employed 75% time or greater.

✓ Denotes eligibility for the program.

Note: All Programs must be used within the Qualifying Area. The Expanded Qualifying Area is available to those in Category I. Faculty and II. Staff above.

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# EXHIBIT B

## QUALIFYING AREA

