



ReloFact: Home Equity Assistance (HEA)

This ReloFact explains what HEA is and how it works. For additional information, please refer to Chapter 8.2.13 of the Relocation Directive.

The information provided in this document is made available in the form of a general guide and is to be used for information purposes only. The relocation directive remains the authority for the reimbursement of all relocation expenses and you are encouraged to review the directive for eligibility prior to incurring any expenses

What is HEA?

The intent of HEA is to assist CAF Members when they sell their home at a loss. The loss may be reimbursed for up to 100% of the difference between the original purchase price and the sale price, based on availability of funds.

Example 1: Original purchase price is \$400,000. Sale price is \$380,000. ($\$400,000 - \$380,000 = \$20,000$). In example 1, the maximum HEA that may be claimable is \$20,000.

Example 2: Original purchase price is \$200,000. Sale price is \$205,000. ($\$200,000 - \$205,000 = +\$5,000$). In example 2, HEA cannot be claimed.

Do I qualify for HEA?

It is important to consider the following when claiming HEA:

1. When the sale price of the home is less than 95% of the appraised value, Directorate of Compensation and Benefit Administration (DCBA) approval is required. This approval is requested via your local CAF Coordinator, which you have to contact.
2. Capital Improvements are not included in the calculation of HEA but may be claimed separately as per CAF RP article 8.2.10
3. Any reductions of the sale price based upon deferred maintenance are not included when calculating HEA
 - a. For houses which were a new home construction, the original purchase price consists of costs:
 - i. Identified in the Building Agreement, and
 - ii. For initial landscaping which occurs within one year of occupancy (when not identified in the Building Agreement)

How is HEA reimbursed?

If you are eligible for HEA, reimbursement is from the following funding components:

Core	Custom	Personalized
<ul style="list-style-type: none"> • 80% of the loss, to a maximum of \$15,000 	<ul style="list-style-type: none"> • Eligible amounts in excess of Core entitlement 	<ul style="list-style-type: none"> • When all custom funds have been expended

- ✓ Please ensure that your original purchase agreement and your final sale agreement have been uploaded to your online portal as these documents are required to confirm eligibility.
- ✓ Please submit an online claim to request for HEA once you have sold your home.
- ✓ If DCBA approval was required, please upload the approval to your online portal.