

Home Marketing Incentive Payments (HMIP) (JTR, par. 054607)

The percentages shown are for illustrative purposes only.

Scenario 1: The relocation company gives a civilian employee a buyout offer of \$150,000 for the residence. The DoD Component decides how much of an incentive will be paid from 1 percent to 5 percent.

Incentive Comparison

Incentive percentage	Calculation	Incentive Amount
1%	$\$150,000 \times 0.01$ (1%)	\$1,500
3%	$\$150,000 \times 0.03$ (3%)	\$4,500
5%	$\$150,000 \times 0.05$ (5%)	\$7,500

Scenario 2: The relocation company gives a civilian employee an amended value or amend-from-zero offer or closes an assigned-sale offer that matches an outside buyer's \$150,000 offer. The service cost to the DoD Component for the relocation company to provide the regular "guaranteed home sale" service is 20.84% of the appraised value of the home. An amended value, amend-from-zero, or assigned-sale offer home sale service cost is 12.43% of the amount of the outside buy offer. The Service is willing to pay a 4% incentive as specified in JTR, par. 054607. The payment is limited to the least of:

1. \$10,000.
2. One-half of the savings from the reduced fee expenses paid due to the civilian employee finding a bona fide buyer and closing the sale.
3. An amount within 1 to 5 percent of the price the relocation service company paid when it purchased the residence from the civilian employee.

Comparison of HMIP

Fee or Cost	Calculation	Amount
Compare the reduced fee expenses that would be paid due to the civilian employee finding a bona fide buyer and closing the sale.		
"Guaranteed home sale" service fee	$\$150,000 \times 0.2084$ (20.84%)	\$31,260
"Amended value", "amend-from-zero", or "assigned sale" offer home sale service	$\$150,000 \times 0.1243$ (12.43%)	\$18,645
Calculate the service fee savings to the DOD Component.		
Service fee savings between the "guaranteed home sale" and the "amended value" home sale	$\$31,260 - \$18,645$	\$12,615
Halve the amount in step 2 to determine the maximum payment using the reduced fee expenses.		
One-half the savings realized	$\$12,615/2$	\$6,307.50
Compare the potential HMIP amounts and choose the least of them.		
One-half the savings realized	$\$12,615/2$	\$6,307.50
Flat limitation	N/A	\$10,000
4% incentive	$\$150,000 \times 0.04$ (4%)	\$6,000
HMIP:		\$6,000