U.S. Domestic – Home Sale Financial Benefits

Equity Advance | Home Sale Bonus | Loss-on-Sale Protection

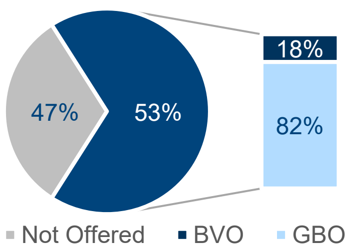
This benchmark examines three financial provisions that are commonly layered alongside core U.S. domestic home sale programs: Equity Advance, Home Sale Bonus, and Loss-on-Sale. For each benefit, the analysis summarizes market prevalence, design features, and key governance considerations.

Executive Insight: These three benefits are selective rather than standard. While 72% of organizations offer at least one of the three, only 22% offer all three. Equity Advance and Home Sale Bonus typically function as liquidity and speed incentives layered onto BVO/GBO structures, while Loss-on-Sale is the most tightly governed due to its direct cost exposure, defined caps, and near-universal tax assistance.

Top 3 Takeaways

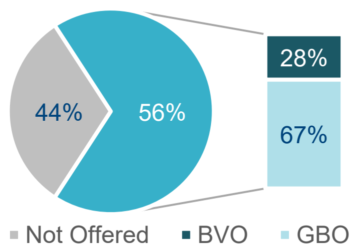
Equity Advance

1 **Transforms trapped home equity into mobility momentum.**



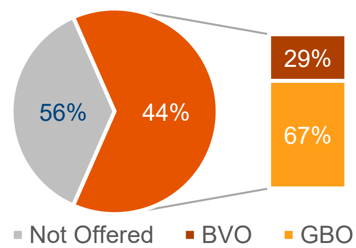
Home Sale Bonus

2 **Encourages timely, market-based sale behavior.**



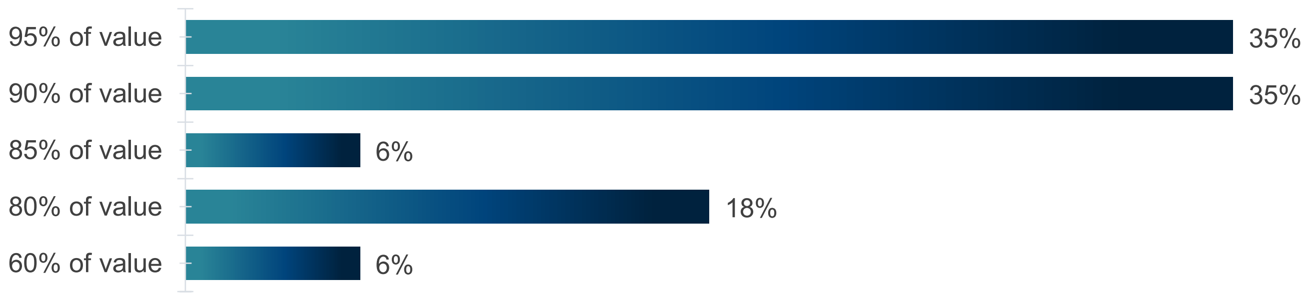
Loss-on-Sale

3 **Mitigates market-loss exposure for targeted relocations.**



Equity Advance

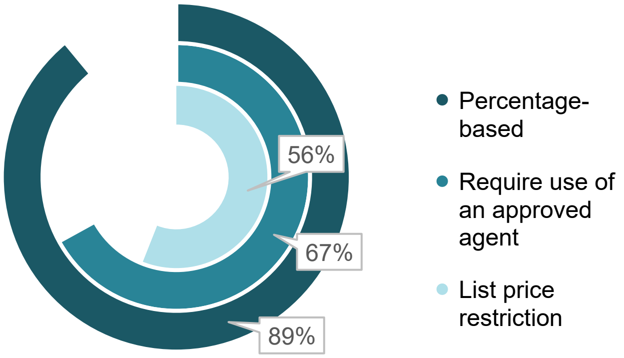
An Equity Advance provides employees with access to a portion of their home equity shortly before the destination home closing, typically within seven days prior to the closing date. It is generally used to support the purchase closing at destination when funds from the origin home sale are not yet available. Once the origin home sale closes, the advanced amount is factored into the calculation of the employee's final equity payment.



Equity Advance is a near cost-neutral retention lever, as it releases part of the employee's home equity early to support the destination purchase. The primary design lever is the advance percentage. 90% is the market anchor, while 95% is used by more generous companies.

Home Sale Bonus

The Home Sale Bonus is a quick-sale incentive paid when an employee secures an offer from an outside buyer within a defined window. The dominant structure is a percentage of sale price, tiered by days on market. A common design is 2% for a sale within the first 30 days on market, stepping down to 1% after that. Caps vary widely, typically ranging from approximately USD 3,000 to USD 20,000. Flat-amount structures are less common and are only used by 6% of organization.

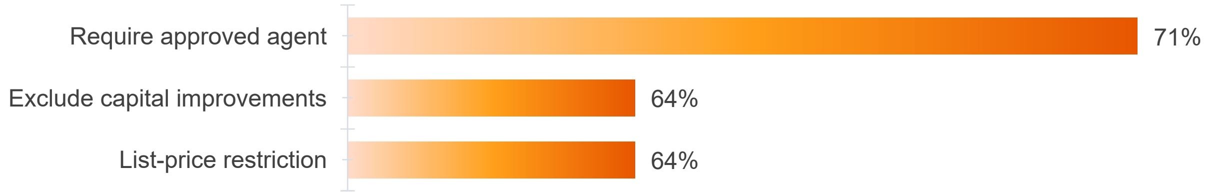


The Home Sale Bonus is relatively low-cost to fund and can encourage faster sale decisions, helping reduce inventory and extended carrying cost risk. Approved agent and list-price requirements are the most common controls used to keep the bonus tied to a managed sale process.

Loss-on-Sale

Loss-on-Sale Protection reimburses employees for the difference when a home sells below the original purchase price. It is the least common and most tightly governed of the three benefits, consistent with its direct cost exposure in a declining or soft housing market.

Amounts are almost always capped: 93% of providers set a hard dollar limit, most often USD 25,000 – USD 50,000, while 36% extend to USD 100,000 – USD 200,000 through seniority- or program-based tiers. Reimbursement is usually full coverage of the loss up to the cap, though some providers cap it at a flat dollar amount instead.



Loss-on-Sale Protection is where cost discipline is most visible, and market practice points to a tightly controlled design.

- Define eligibility: reserve it for senior levels or business-directed moves where the company has the strongest interest in enabling the relocation.
- Apply a defined cap on the payout, so exposure is bounded if the market keeps falling.
- Exclude capital improvements, protecting true market loss only.
- Require approved agent and pricing controls, keeping the home on a realistic, well-marketed path so a loss reflects the market rather than a mispriced sale.
- Provide tax assistance (gross-up), so the protection isn't eroded by tax and actually reaches the employee.

Applying Benefits with Purpose

The value of each benefit depends less on prevalence and more on whether it addresses a defined employee need or business objective.

Lower Cost / Risk → Higher Cost / Risk

	Equity Advance	Home Sale Bonus	Loss-on-Sale
Best fit	Employees need access to home equity before the departure home closes.	The company wants to encourage timely listing, pricing discipline, and earlier acceptance of market-based offers.	Homeowner-heavy populations, soft housing markets, or business-critical moves where sale loss could affect acceptance.
Program implication	Useful when the company wants to reduce cash-flow friction without creating a new cash benefit.	Most effective when timing matters and the incentive is tied to sale behavior the company wants to encourage.	Best reserved for targeted use because cost exposure depends on actual market loss and cap design.

Key Questions for Program Design

- → Does the Equity Advance percentage align to the market anchor of 90%, or is it set at a level that limits its practical value to relocating homeowners?
- → Is the Home Sale Bonus tied to an approved agent and disciplined list price, or could it pay out on sales that would have closed without the incentive?
- → If Loss-on-Sale Protection is offered, is it capped, improvement-excluded, tax-assisted, and limited to the populations where the company has the strongest business need?
- → Should these benefits be positioned as standard program features or reserved for targeted populations, move types, or housing-market conditions?
- → Where does the organization want to balance employee experience with cost predictability and administrative simplicity?