

A black and white photograph of a modern, multi-story office building with large glass windows and a concrete facade. The building has "FHLBI" signage on its upper levels. In the foreground, there are several trees and a parking lot. A green horizontal line is positioned below the main title.

FHLBank Indianapolis presents: 2024 HomeBoost program webinar

WELCOME



Today's agenda

- **FHLBank Indianapolis introduction**
- **HomeBoost overview**
 - Review 2023
 - 2024 Program Info
 - Household eligibility
 - Program requirements
- **Members: HomeBoost applications**
 - Submitting Requests
 - Reporting/Closing requirements
 - Member participation instructions
- **Q&A**





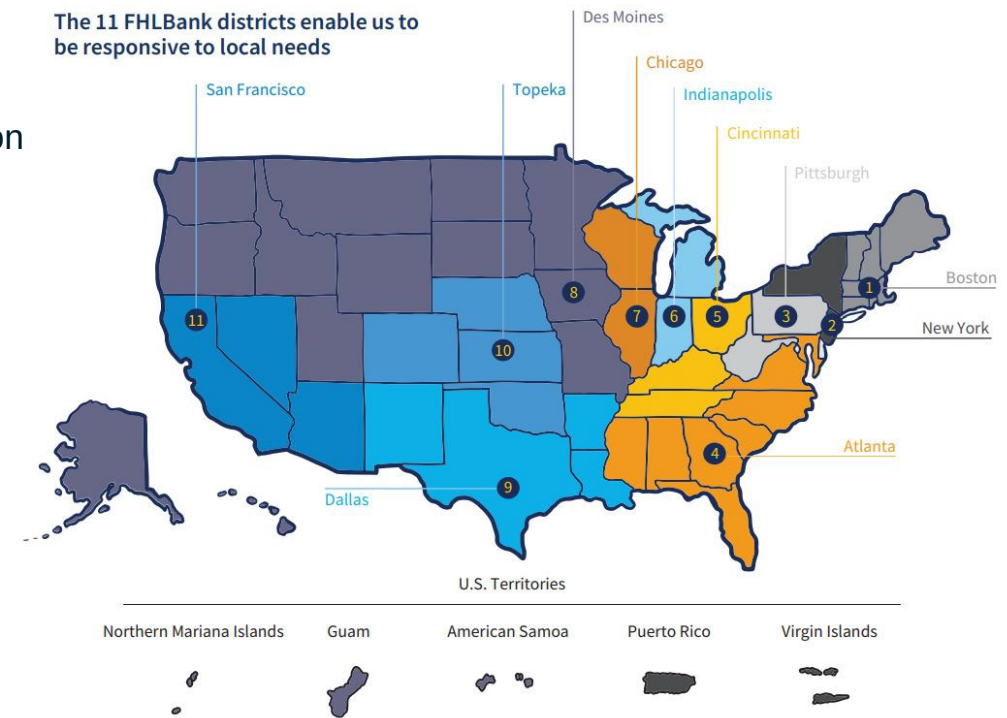
FHLBank Indianapolis

National System

- Created by Congress in response to the Great Depression
- Provide lendable funds to other financial institutions
- Not a Bank in the traditional sense

FHLBank Indianapolis

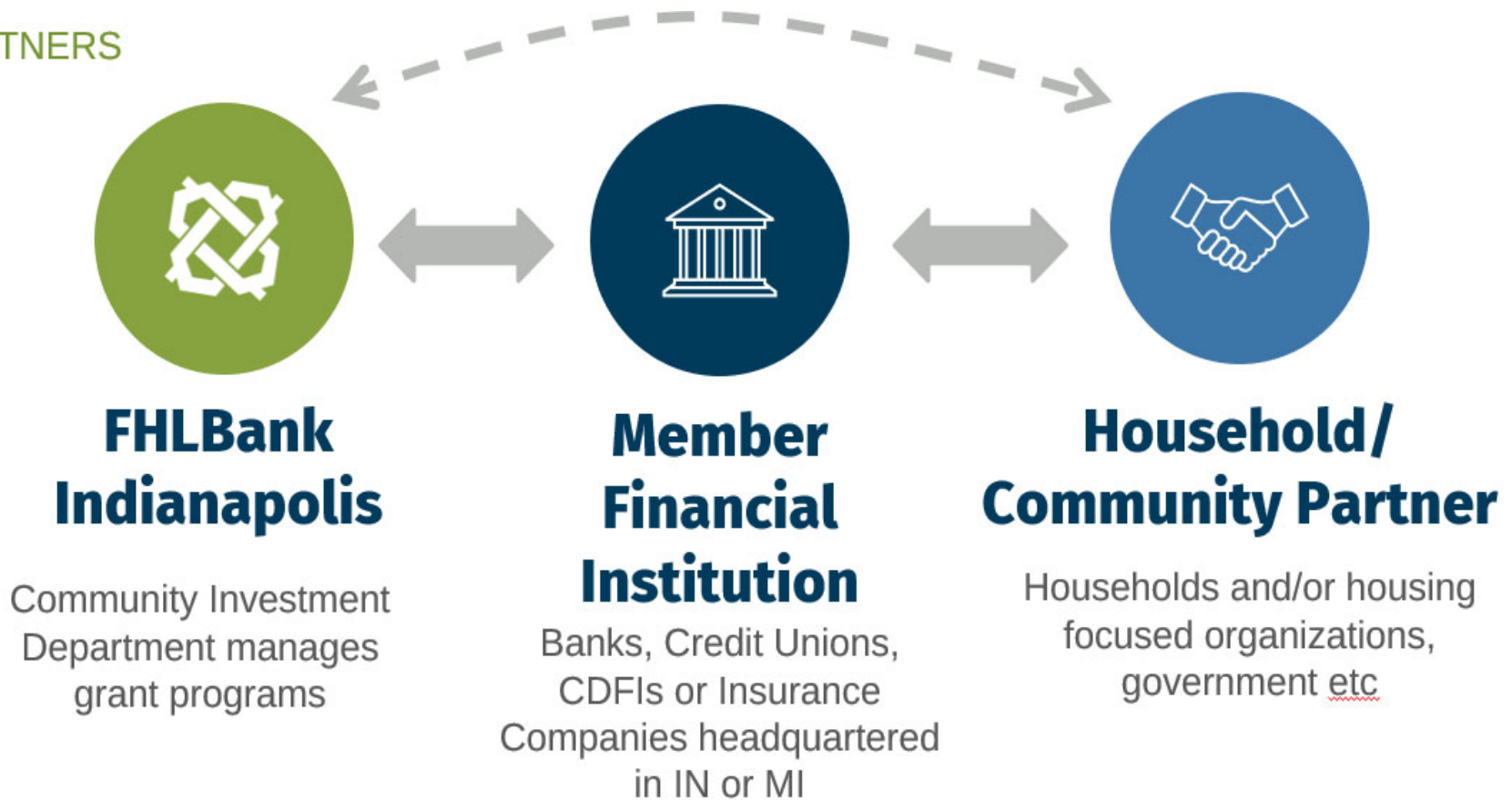
- 1 of 11 regional FHLBanks
- District includes Michigan and Indiana





FHLBank partnerships

KEY PARTNERS





What is HomeBoost?

HomeBoost is a Special Purpose Credit Program (SPCP), as permitted by the Equal Opportunity Credit Act (EOCA) and its implementing regulation, Reg B, designed to help address the racial disparity in homeownership rates and well-documented credit access barriers for minority and first-generation homebuyers.



Why HomeBoost?

Nationally: Minority households have:

- higher mortgage denial rates¹
- lower cash reserves²
- higher interest rates if homeowner³
- higher closing costs if homeowner⁴

District-wide: Minority households have:

- higher denial rates from our member institutions⁵
- debt to income ratio and insufficient cash among top five reasons for denial, account for over 50% of denials⁶

2022 Homeownership Rates Indiana and Michigan⁷

Race/Ethnicity	Michigan	Indiana
White Americans	80%	76%
Black Americans	42%	38%
Hispanic Americans	61%	62%
Asian Americans	62%	57%

1: Consumer Finance Protection Bureau, Data Point: 2021 Mortgage Market Activity and Trends, Office Research Publication (Sept. 2022), <https://www.consumerfinance.gov/data-research/research-reports/data-point-2021-mortgage-market-activity-trends/>

2: U.S. Department of Housing and Urban Development, *Paths to Homeownership for Low-Income and Minority Households*, Evidence Matters (Fall 2012), <https://www.huduser.gov/portal/periodicals/em/fall12/highlight1.html>, ("HUD Paths to Homeownership").

3 Id

4 Id

5 2021 HMDA data included all purchase mortgages for 1 – 4 family homes where the borrower intends to use the property as an owner-occupied residence and excluded reverse mortgages.

6 Id

7 National Association of Realtors Research Group, 2022 Snapshot of Race and Home Buying in America at 8–11 (February 2022), <https://www.nar.realtor/sites/default/files/documents/2022-snapshot-of-race-and-home-buying-in-the-us-04-26-2022.pdf>.



HomeBoost: 2023 overview

2023 Pilot Round Results

- **\$2,380,000** net funds disbursed
- **\$15,000** max per household
- **159** households served
- **28** members participated in pilot round





HomeBoost: 2023 overview

HomeBoost Household Data

*Data represents **95%** of total applications.*

Information downloaded from application documents.

African American	61%
Hispanic or Latino	26%
Asian	10%
American Indian	2%

Lived in Majority Minority Census Tracts	42%
Purchased in Majority Minority Census Tracts	48%

Average AMI	81%
Average Credit Score	695
Average DTI	40%



HomeBoost: 2024 overview

HomeBoost provides **\$25,000** for down-payment, closing and/or homebuyer counseling costs to those who:

- are first-time homebuyers;
- have a household income at or below 120% of the local Area Median Income;
- intend to purchase a primary residence in Indiana or Michigan;
- **identify as a minority household or first-generation homebuyer.**

\$5,000,000 will be available starting **August 14, 2024.**

Only FHLBank members can submit applications on behalf of eligible households.

Submissions will be reviewed on a first-come, first-served basis.

HomeBoost: Eligible households



At least one borrower must self-identify as either:

➤ **A minority**

- Their Ethnicity as “Hispanic or Latino,”
- Their Race as “American Indian or Alaska Native,”
- Their Race as “Asian,”
- Their Race as “Native Hawaiian or Other Pacific Islander,” *or*
- Their Race as “Black or African American.”

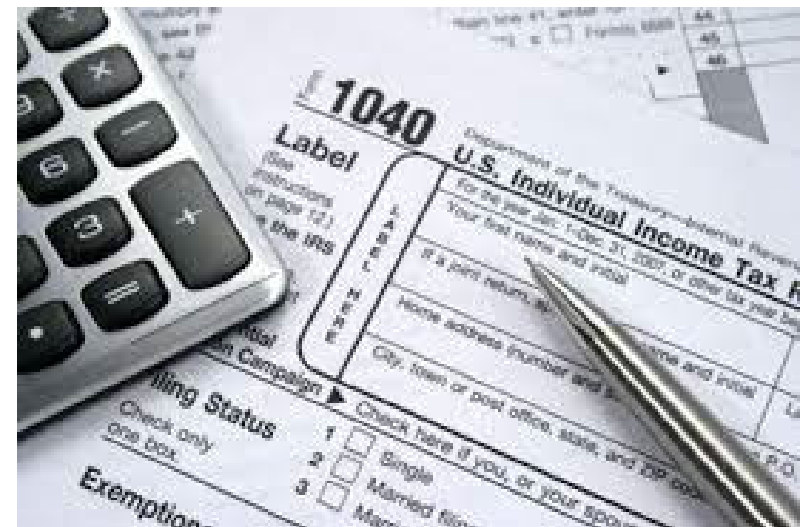
➤ **A first-generation homebuyer**

- Their parents and/or legal guardian have never owned a home in the United States;
- Has aged out of foster care; *or*
- Has been emancipated.



Income eligibility requirements

- Households must have projected income at or below **120%** of the **Area Median Income (AMI)** as determined by HUD-CDBG limits.
- Income guidelines, workbooks and other resources are published on the [HomeBoost webpage](#).
- We will verify the income calculation submitted. We **do not** require credit reports or credit scores.



Income limits apply to all persons expected to live in the residence, not just the borrowers.



Homebuyer requirements

Homebuyer counseling is required *prior to closing on the purchase*:

- Recognized by HUD or State HFA;
- Online counseling is allowed;
- Grant funds may be used for payment of counseling costs, if incurred;
- Certifications are good for 12 months.



A [Counseling Resource Guide](#) is available on the [HomeBoost webpage](#).



Homebuyer requirements



Minimum \$500 contribution:

- Gross contribution **minus** any cash back at closing.
- Must be homebuyer's **own resources**; other DPA grants do not qualify.
- May be in the form of **earnest money, cash paid at closing** or **costs paid outside of closing**.
- Cash back at closing cannot exceed **\$250**.
- Any cash back at closing reduces the borrower's contribution; if that net is less than **\$500**, the file is not in compliance.



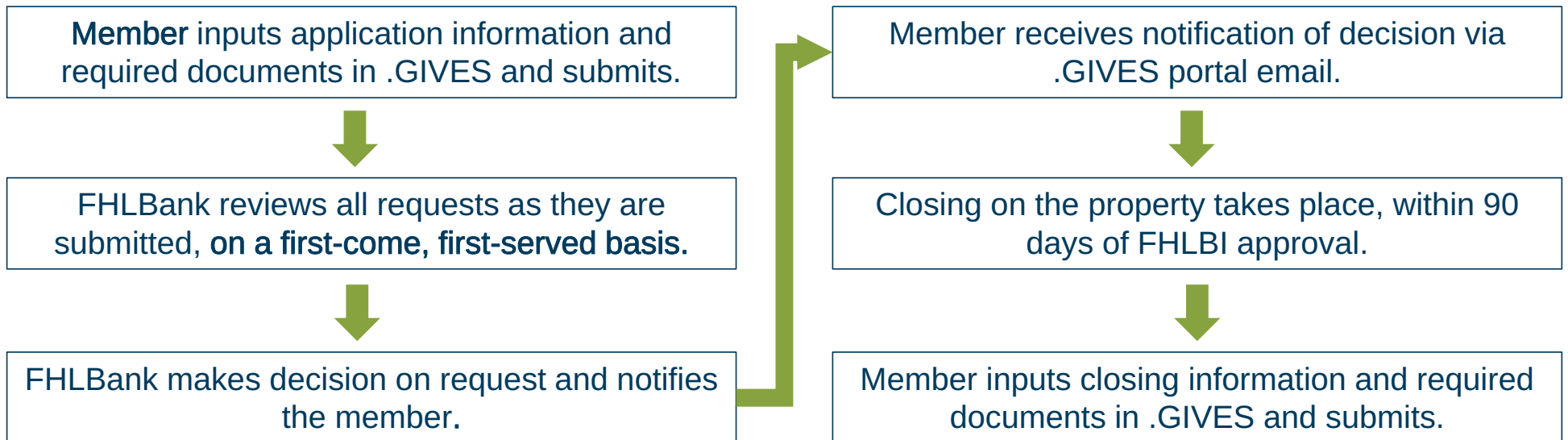
Submission in FHLBI.GIVES

COMMON ERRORS THAT SLOW DOWN OUR REVIEW

- **Data entry/typos — especially income-related**
- **Missing required documents**
 - Review Income Documentation Guidelines
 - HomeBoost Self-Certification Form
- **Illegible documents**
 - Scanned photos of documents



.GIVES workflow





Post-closing process

Once obtained, the following documents should be uploaded into **FHLBI.GIVES** for every recipient:

1. A copy of the final, fully executed **Closing Disclosure**
2. A copy of the **Underwriting Transmittal Summary 1008**
3. Evidence of completion of approved housing counseling *prior to* the loan closing, if not submitted with the initial request.



Summary & Key differences from HOP

- Maximum subsidy increased to **\$25,000** per household
- Exclusively available to first-time homebuyers who identify as **minority** or **first-generation** homebuyer
- Household income at or below **120% AMI**
- Can other programs/dpa be used with HomeBoost? **YES!**
- Funds cannot be used for rehab
- Up to **90 days** to close on transaction
- Mortgages are subject to member underwriting criteria
- No affordability restriction and/or retention agreement
- No front-end ratio maximums
- No member cap in funding use
- No application maximum in .GIVES



How do members participate?

Program registration and .GIVES access:

1. **Email** us at housing@fhlbi.com to request a copy of the HomeBoost Special Purpose Credit Program (SPCP) Plan and the HomeBoost Master Agreement.
2. **Review** the HomeBoost SPCP Plan, HomeBoost Master Agreement and .Gives Registration.
3. **Execute** the HomeBoost Master Agreement and .GIVES Registration.
4. **Email** the completed HomeBoost Master Agreement and .GIVES Registration Form to housing@fhlbi.com.

Those who already have access to .GIVES for the 2024 round of HOP/NIP do not have to complete the .GIVES registration.



Additional HomeBoost questions?



- Please visit the **FAQs** posted on the [HomeBoost webpage](#) to find answers to common questions.
- If you have additional questions not covered in the **FAQ**, please contact us at housing@fhlbi.com.



TODAY'S WEBINAR WAS RECORDED
& WILL BE POSTED TO OUR WEBSITE.

WWW.FHLBI.COM/CIDTRAINING

Thank you!

Presented by:

Rori Chaney & Erica Petty-Saunders