

Homeownership Initiatives & HomeBoost

COMMUNITY INVESTMENT
WORKSHOP WEBINAR



FEBRUARY 28, 2024



MaryBeth Wott

SVP, COMMUNITY INVESTMENT
& STRATEGIC PLANNING OFFICER





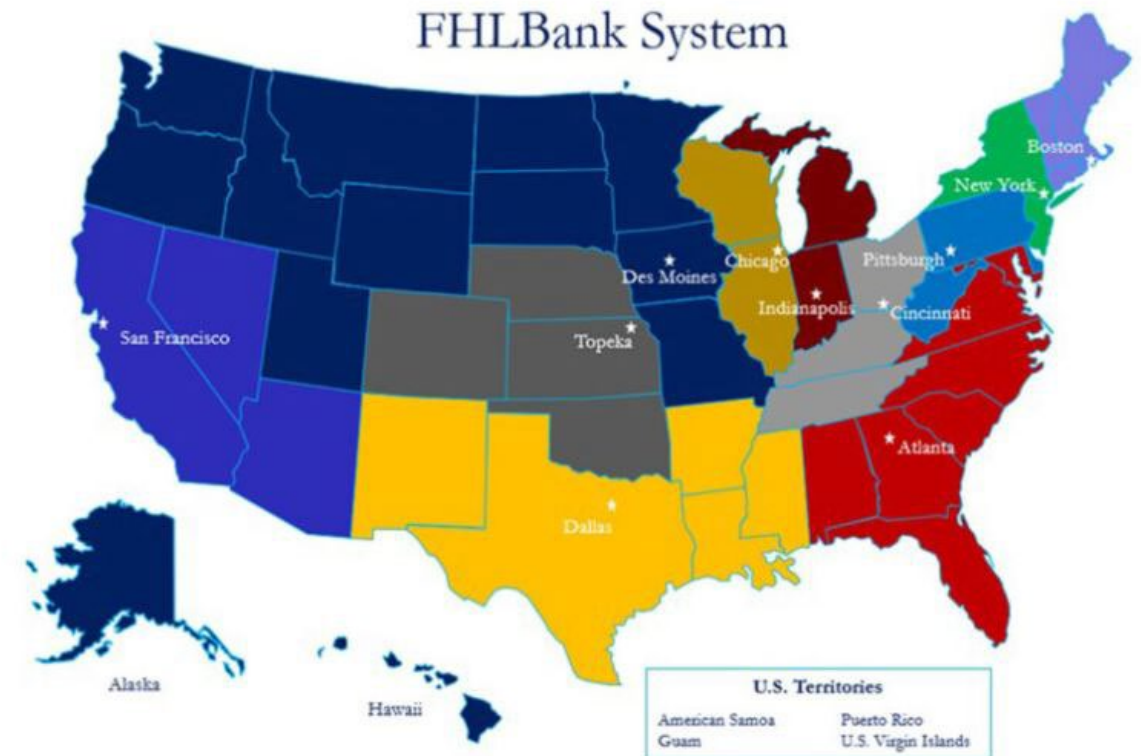
FHLBank Introduction

Part of a National System

- Created by Congress in response to Great Depression
- \$800 billion system to provide lendable funds to other financial institutions¹
- Not a bank in the traditional sense

FHLBank Indianapolis

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



Source: FHLBanks.com



FHLBank Indianapolis Members

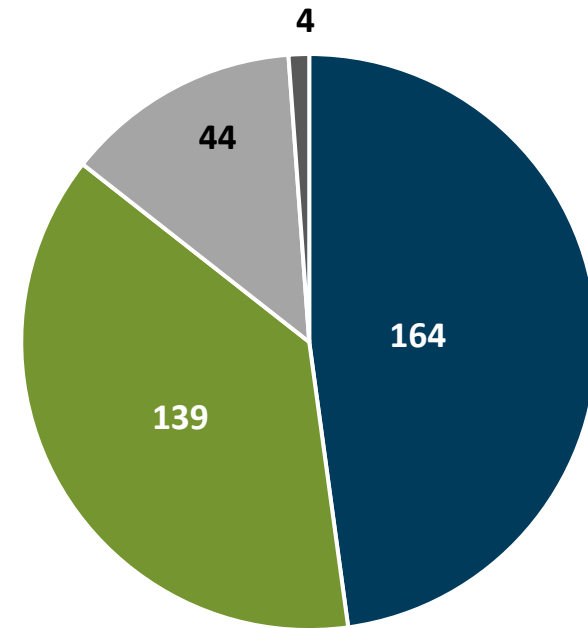
Banks, credit unions, insurance companies, and CDFIs are all eligible.

Must have a charter or principal place of business in our district of Michigan or Indiana.

351

Financial Institution Members in District

As of 2/23/2024



■ Banks/Thrfts ■ Credit Unions ■ Insurance Companies ■ CDFIs

As of 2/23/2024



FHLBank – A Cooperative



ADVANCES \$



IN & MI Members

LOANS \$



- Mortgage Loans
- Funds for Lending
- Funds for Growth
- Asset/Liability Management
- Community Development Loans and Grants



FHLBank – Community Investment

Current Requirement: We are required by regulation to return **10%** of our net earnings back into the form of affordable housing grants.

What's Changing: In 2024, FHLBank Indianapolis has committed to providing **5%** of our net earnings back into “voluntary” grants.





2024 Required Grant Dollars

Affordable Housing Program (AHP) Competitive Grants

Total Allocation
\$28,526,023

Down Payment Assistance and Home Repair Programs First Come, First Served Grants

Total Allocation
\$15,360,166





2024 Voluntary Grant Allocations

Elevate: Small Business Grant – **\$1,000,000**

Tribal Nations Housing Development Assistance Program – up to **\$3,000,000**

Community Mentors Program – **\$100,000**

Money Masters Program – **\$100,000**

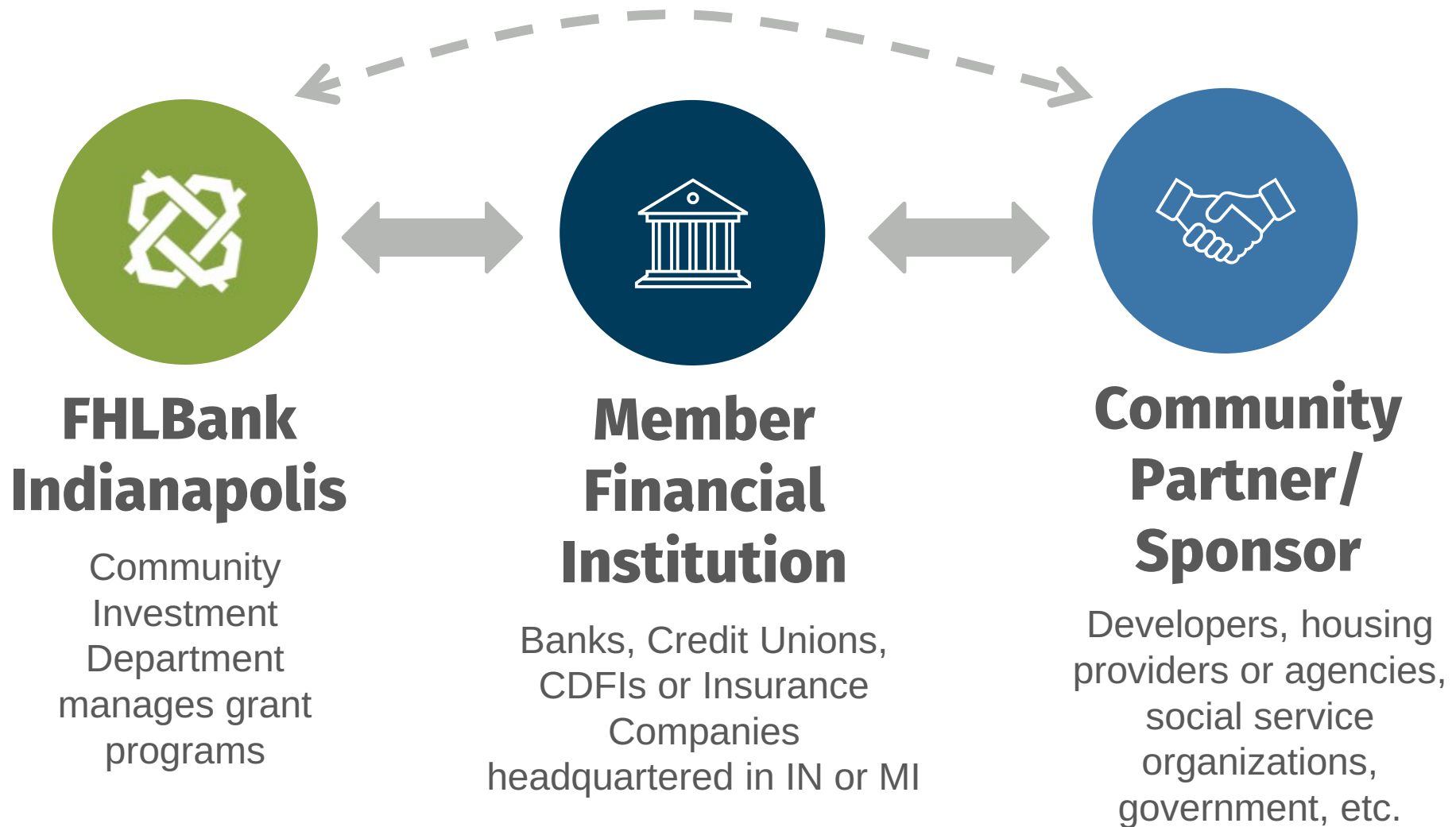
Stepping Up Grant – up to **\$1,024,999**

HomeBoost: Minority DPA – **Stay tuned!**



Watch out for more exciting announcements in 2024!

Partnerships are Essential





In-Person Networking Events

SAVE THE DATES

Community Investment Networking Workshops



2024



APRIL 11
THE MONTAGE
Indianapolis

9:30 a.m. - 1:30 p.m.
(Eastern)



APRIL 16
THE GREWAL
Lansing

1- 5:00 p.m.
(Eastern)





Rori Chaney

VP, COMMUNITY INVESTMENT
DEPARTMENT MANAGER



Agenda!

HOMEOWNERSHIP INITIATIVES

- Homeownership Initiatives Basics
- Income Guidelines
- Changes for 2024
- HOP Overview
- NIP Overview
- HomeBoost Review
- Q&A





Homeownership Initiatives

What are the Homeownership Initiatives programs?

Regulated grant programs FHLBank Indianapolis offers its Members and the communities they serve.

- ❖ Available only through participating FHLBank Indianapolis members.
- ❖ Available on a first-come, first-served basis.
- ❖ Available only to households with income $\leq 80\%$ AMI based on household size.



Homeownership Initiatives



Homeownership
Opportunities Program

HOP



Neighborhood Impact
Program

NIP

What is new in 2024?

.GIVES ONLINE SUBMISSION



- ◎ .GIVES is being upgraded to provide a better user experience; with easier navigation and more options to enhance your experience.
- ◎ Navigation videos and user guides will be available soon!

What is new in 2024?



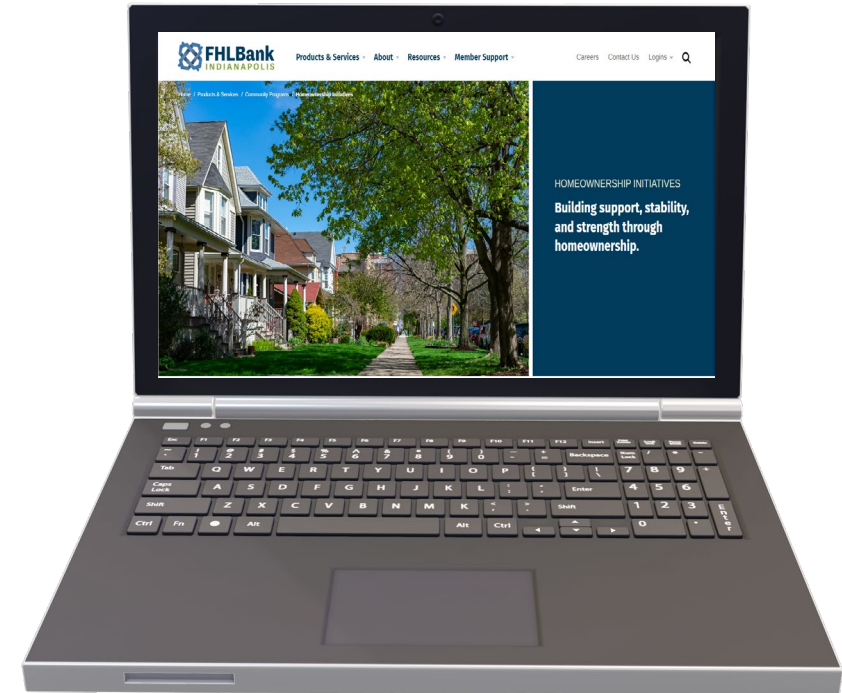
- ⦿ **Income Guidelines have been updated**
- ⦿ **AMP has been merged into NIP**
- ⦿ **Grant amounts have increased**



Homeownership Initiatives Resources

Each program has informational items that can be found on its respective page of our website, such as:

- Program Guidelines
- Income Guidelines and Documents
- Marketing and Informational Materials
- Post-Closing Documents





Income Guidelines

- Households must have projected income **at or below 80% of the Area Median Income (AMI)**, as determined by **HUD**
- Income Guidelines and calculation workbooks are published on our website: www.fhlbi.com; links to these resources are provided inside FHLBI.GIVES
- We will verify the income calculation submitted.
- We do not require credit reports or credit scores.

- Guidelines include a listing of documents needed to verify various types of income
 - threshold requirements



Grant Request Steps

Member inputs application information and required documents in .GIVES and submits



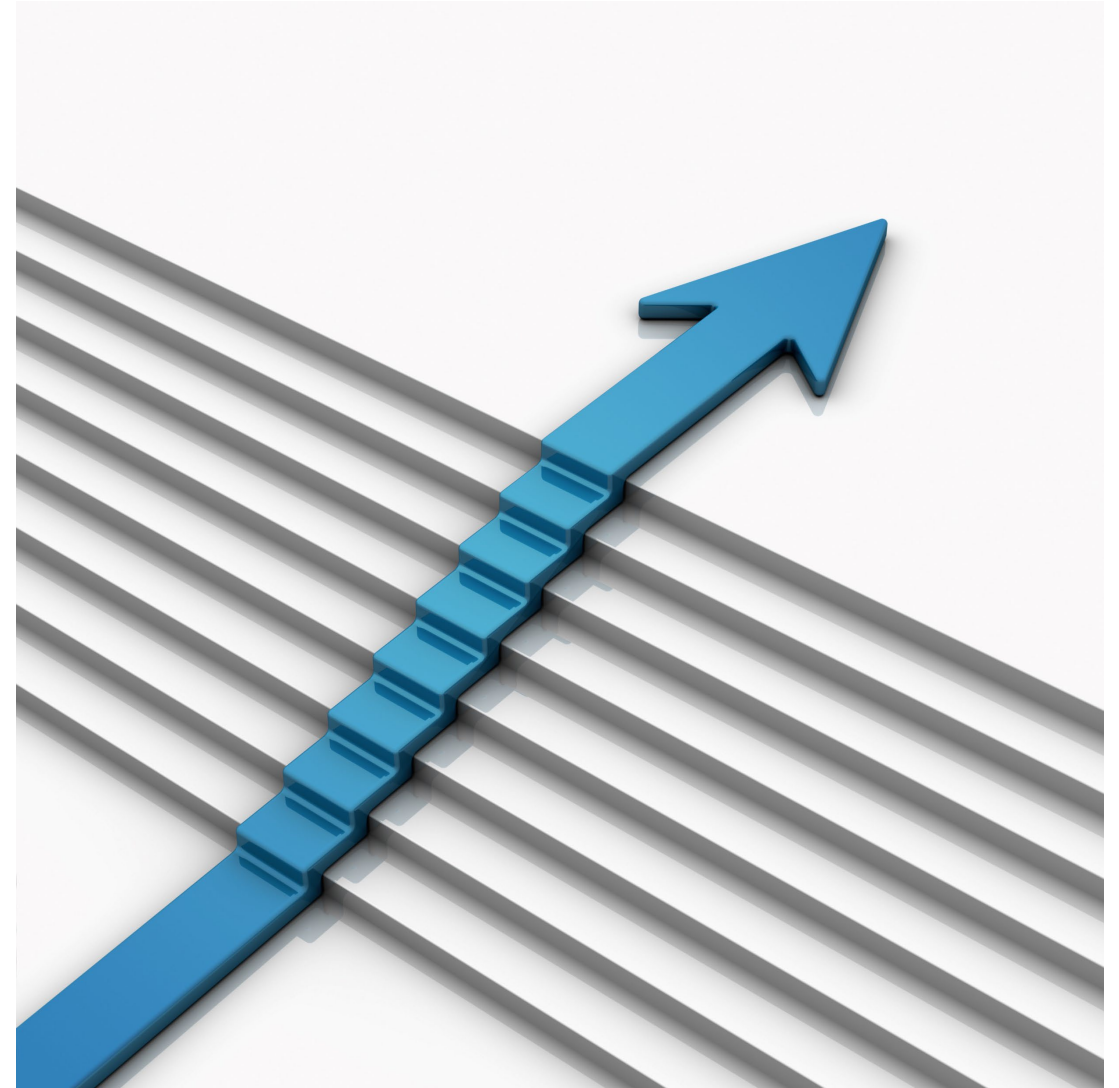
FHLBank reviews each request as they are submitted, **on a first-come, first-served basis.**



FHLBank makes decision on request and notifies the member.



Member receives notification of decision via .GIVES portal.





Submission Parameters

- Members are limited to eight (8) active submissions in FHLBI.GIVES per program at any given time
 - Once a submission receives a decision, another may be added
- Submissions must contain complete documentation
 - Income documents for all applicable household members
 - Program specific documents as listed on: **Submission Threshold Requirements**



Changes for HOP in 2024:

- Grant amount: \$20,000
- Member Cap: \$800,000
- FTHB definition – same as on mortgage application
- PITI - $\leq 40\%$
- Required homebuyer contribution: \$500

Please read the HOP guidelines found on our website for all program requirements



Changes for NIP in 2024

- Grant amount: \$15,000
- Member cap: \$800,000
- Persons on title allowance
- Eligible repairs and modifications
 - Former AMP now included





2024 HOP/NIP Program Dates



March 15: Materials available on website

April 15: HOP only round

Upon .GIVES system availability

May 15: NIP and HOP open

- Requests cannot be submitted in .GIVES until we open the round

Ronna K. Edwards

SENIOR COMPLIANCE ANALYST





Homeownership Opportunities Program

What is it?

- Down payment, counseling and closing cost assistance for eligible first-time homebuyers
- Households can request up to **\$20,000**
- Available only through participating FHLBank Indianapolis member financial institutions.
- Funds are available on a first-come, first-served basis.





Homeownership Opportunities Program



Who can qualify?

- First-time homebuyers
 - Have not had ownership in a primary residence in the last 3 years
- Total household income $\leq 80\%$ AMI



Homeownership Opportunities Program

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

- Complete a homebuyer counseling program that is provided by, or based on one provided by, an organization experienced in homebuyer counseling
 - Online counseling resources no longer require a one-on-one follow-up with the member
- Grant funds may be used for payment of counseling costs
- Certifications should be dated within the last 12 months



* See FHLBI's Counseling Resource Guide - www.fhlbi.com/hop

Homeownership Opportunities Program



Minimum \$500 cash contribution:

- Gross contribution minus any cash back at closing
- Must be homebuyer's **own resources**; gifts or 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 out of compliance





Homeownership Opportunities Program

HOP Transaction Requirements

- Maximum Front-End Ratio (PITI):
 - $\leq 40\%$, including HOA fees
- Minimum term / amortization:
 - 5 years / 15 years
- HOP cannot be used for rehab
- Closing to be within 60 days of FHLBank Indianapolis' final approval



Homeownership Opportunities Program



Retention Agreements

Deed Restriction on the property purchased

All HOP grants have a Real Estate Retention Agreement requirement

- This is a 5-year deed restriction required when using grant funds for the purpose of purchasing a home.
- Members are responsible for the preparation and recording of the Retention Agreement at the onset of using HOP.
- The most recent version of the Retention Agreement must be used (rev. 11/20), found under HOP Resources on the website.

HOP grants are forgiven on a monthly pro-rata basis:

- Each month, 1/60th of the amount is forgiven

During the five-year retention period, Members are also responsible for:

- Subordination: on a refinance
- Release: upon sale or refinance

HOP Post-Closing Process



- **Once closed, the following documents will be required for every HOP recipient:**
 - A copy of the final, fully executed Closing Disclosure
 - Evidence of completion of housing counseling prior to closing
- **A percentage of your files will be selected for monitoring. If selected, a copy of the fully executed and recorded retention agreement will be required.**



Anastasia Weinreich

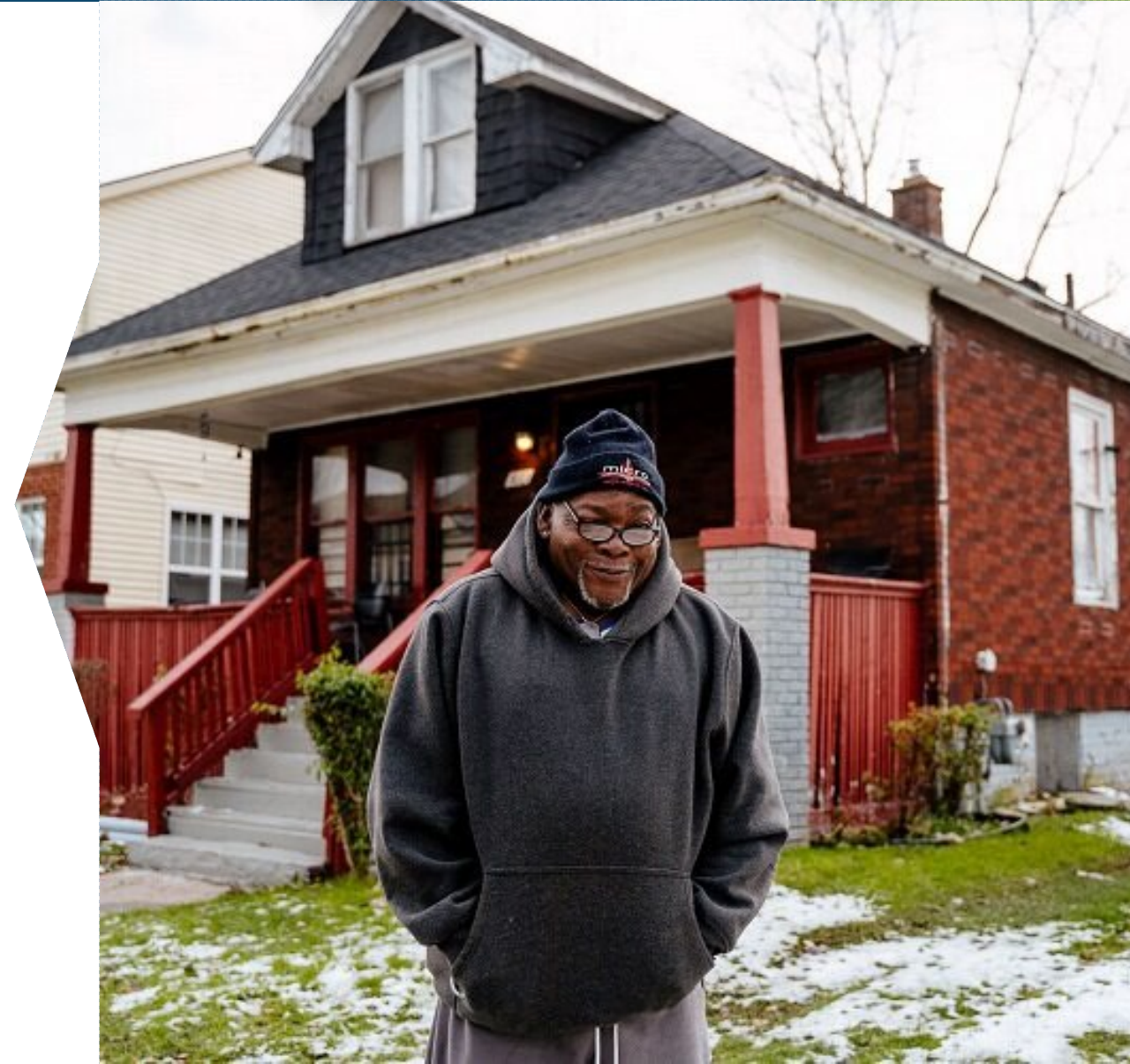
SENIOR COMMUNITY INVESTMENT
COMPLIANCE ANALYST





Neighborhood Impact Program

- Owner-occupied rehabilitation and modification grant for eligible households
- Each household can request up to **\$15,000**
- Available only through participating FHLBank Indianapolis member financial institutions.
- Each member can access up to **\$800,000**



AMP = NIP

AMP is no longer offered as a stand-alone program. Accessibility modifications formerly available under AMP are now available through NIP, and to all households, with some restrictions.

* See NIP Guidelines for full details



Eligible Repairs and Modifications



Eligible Deferred Maintenance Repairs	
HVAC systems and ductwork	Siding
Well or septic systems	Roof and/or chimney
Water Heater	Gutters and downspouts
Windows	Exterior doors (including overhead garage)
Soffit and Fascia	Insulation or weatherization
Electrical	Ceiling and drywall repair (due to roof failure)
Structural repairs – foundations and floor joists	Plumbing
Sump-pump systems	Basement/Crawlspace Waterproofing
THE FOLLOWING ACCESSIBILITY & SAFETY REPAIRS ARE ALSO AVAILABLE UNDER NIP	
Entry Ramps	Entry Steps/Stairs
Mold and/or mildew remediation	Levered door handles
Interior/Exterior handrails	Widened doorways
Internal Chair or Wheelchair lifts	
Relocation of washer/dryer from basement to main level of the home	
Eligible Bathroom Accessibility Modifications/Repairs	
Installation of walk-in shower	ADA height toilets and fixtures
Grab bars	
The following repairs must be supported by an assessment by a certified professional demonstrating need to support access.	
Universal Design Flooring	Kitchen Accessibility Modifications
Conversion of lower level ½ bath to full bath (eliminate the need to go upstairs)	



Bid Requirements

- Each repair/modification requested must be supported by two comparable, independent bids
- Amount of subsidy requested should be supported by one of the bids or a combination of two bids
- If the higher bid is selected, the bids should not vary by more than 30%
 - If the variance is greater than 30%, a reasonable explanation should be provided why the higher bid was selected





Household Eligibility Requirements

Total household income must be at or below 80% AMI

- FHLBI uses HUD Income Limits

Must be current on mortgage and property taxes

- Or on an approved payment plan

NEW! Simple Deed/Ownership Requirements

- Applicant must be listed on deed/title of property
- Anyone can be listed on deed/title if proof of different residence is provided
- Do not have to have owned and lived in home for previous 6 months to qualify

Eligible Property Types



- The following property types are eligible to receive NIP funding:
 - Single-Family Detached Homes
 - Townhomes
 - Condos
 - Cooperatives
 - Manufactured Homes that are deeded as Real Estate

NIP Submission Threshold Requirements

NIP FILES THAT ARE MISSING
THRESHOLD DOCUMENTATION
WILL BE REJECTED

- Every NIP submission in FHLBI.Gives must contain the following documentation:
 - Required income documentation as specified by Income Guidelines
 - 2 independent, third-party bids
 - Signed/dated 2024 NIP application
 - Signed/dated 2024 Contractor Selection Confirmation (CSC)





NIP Post-Closing Requirements

- ❖ Repairs are to be completed within 6 months of member receiving funds
- ❖ Required Documentation:
 - ✓ Completed Rehab Closing Statement (RCS)
 - ✓ Proof of payment to Contractor:
 - ✓ Check copies, wire receipts, or;
 - ✓ Final invoices can be accepted if they show the balance due as \$0



Learning Opportunities

MEMBERS ONLY

FHLBank Indianapolis staff will host live chats in March and April for members to ask questions about programs, processes, and anything related to HOP and NIP.

Dates and details to be provided soon.



HomeBoost Minority Down Payment Assistance Program

What is HomeBoost?

- A **voluntary** special purpose credit program (SPCP) offered as a pilot program by FHLBank Indianapolis in 2023
- Provided up to **\$15,000** in down payment and closing costs assistance for first-time homebuyers that identified as a minority household and purchased a home in either Indiana or Michigan
- Served households earning **up to 120%** Area Median Income
- **\$2,500,000** available on Sept 5, 2023, funds depleted less than **two** months later
- **28** Members participated in pilot round, **159** households became homeowners





HomeBoost 2024

- ❑ 2023 program data continues to be reviewed and analyzed.
- ❑ Look for announcements soon about the 2024 round.





Q&A

Questions?

Please ask questions using the Q&A button at the bottom of your screen.





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