



Community Investment Bulletin

FEDERAL HOME LOAN BANK OF INDIANAPOLIS

Homeownership Initiatives – Upcoming Training, Definition of Closing Costs & HOEPA Data

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To All Interested Parties:

Upcoming Training: The Federal Home Loan Bank of Indianapolis (FHLBI) has scheduled a webinar for the Homeownership Initiatives Programs (HOP/NIP). This training will be held at 10:30am on Wednesday, June 11, 2008. Training is mandatory for the primary and secondary contacts at member institutions that would like to participate in Homeownership Initiative Programs and optional for additional users. You may register online soon via a link at <http://www.fhlbi.com/news/eventcal.asp>

Definition of Closing Costs: Includes expenses over and above the price of the property incurred by the buyer when transferring ownership of the property. Representative closing costs include, but are not limited to, loan origination fees, loan discount fees, appraisal fees, credit report, mortgage insurance application fees, closing fees, document preparation, attorney fees, title insurance (for mortgagor or owner), judgment search fees, abstracting fees, recording fees, local tax fees, survey fees, plat drawing fees, prepaid interest for up to 30 days, initial flood insurance premium, two months' escrow of mortgage insurance, five months of property tax, two months' escrow of flood insurance, first year's premium on homeowner's insurance, first year's premium for mortgage insurance, property inspection fees. Project administrative costs attributable to the sponsor are not an eligible use of AHP subsidy and may not be considered a closing cost.

HOEPA Data: The FHLBI is required by the Federal Housing Finance Board under 12 CFR Part 914 to collect data for each household participating in HOP/NIP. In addition to data previously collected, we must report if the household's loan is subject to the Home Ownership and Equity Protection Act of 1994 (HOEPA). HOEPA, in general, applies to high interest loans with APRs greater than 8 (for 1st liens) or 10 (jr. liens) percentage points above the yield on comparable Treasury securities or high-fee loans. The rules primarily affect refinancing and home equity installment loans. The Homeownership Qualification Form contains a field that must be completed for each household disbursement.

Please feel free to contact the Community Investment Department with any questions by calling 800-688-6697.

Sincerely,

MaryBeth Wott
Vice President and Community Investment Officer
(317) 465-0368