



## HOP/NIP/AMP

# Frequently Asked Questions

### General Information

1. **How much money is available?**
  - a. Programs funds are available on a household-by-household, first-come, first-served basis until the annual allocation of funds have been exhausted.
  - b. FHLBank Indianapolis posts available funds on each program's home page.
2. **What are the income restrictions?**
  - a. Funding is restricted to assisting households with incomes that are 80% or less of the area median income (AMI). AMIs are based on household size, county and state of residence.
3. **Do funds need to be paid back?**
  - a. FHLBank Indianapolis' HOP/NIP/AMP funds are a **grant**.
    - i. No repayment is required for NIP/AMP. HOP households would have no repayment requirements provided the household maintains ownership for 5 years.
  - b. A 5-year retention period for each HOP homeowner is secured with the required recording of the Real Estate Retention Agreement. If the home is sold inside of the retention period, a potential return of a prorated amount of monies (1/60<sup>th</sup> per month remaining in retention) may need to be returned.
    - i. For more information, please review the Instructions tab of the Funds Return form available on the HOP home page.
4. **Is this government money or a government grant?**
  - a. HOP/NIP/AMP monies are private funds provided by FHLBank Indianapolis.

### Income Qualification

1. **Why do my income calculations differ from FHLBank Indianapolis' calculation?**
  - a. When calculating income, FHLBank Indianapolis considers the total gross income of every adult household member, including overtime and other pay that may not be included for loan qualification.
2. **Does FHLBank Indianapolis "gross-up" non-taxed income for the purposes of qualification?**
  - a. FHLBank Indianapolis utilizes total gross income – including deductions for insurance. The practice of "grossing-up" income is not accepted.
3. **What if the HOP household has had a change of job in the past 12 months?**
  - a. Providing there has been no gap in employment there should not be issue. It may be necessary to document all positions with VOEs reflecting start-end dates.

## Disbursement Process

1. **Once a disbursement request is submitted, when can I expect to receive the funds?**
  - a. FHLBank Indianapolis strives to review disbursement requests within 10 business days of receipt of the request. Requests are reviewed in the order in which they were received. At times of high volume, we may be unable to meet these guidelines but will attempt to review as soon as possible.
  - b. If additional information or documentation is required, FHLBank Indianapolis request from the Member. Once provided, FHLBank Indianapolis will work the request back into our pipeline for re-review.
2. **How will I know if monies have been disbursed?**
  - a. The Member will be notified once the request has been approved and funds have been transferred.
3. **Why is the disbursement taking so long?**
  - a. Reasons for delay or denial:
    1. The necessary income documentation or tax returns was not submitted or was incomplete.
    2. The Member has not provided the appropriate certifications.
    3. FHLBank Indianapolis is unable to complete a review or otherwise process and the request has expired.

## Post Disbursement

1. **HOP:**
  - a. **What documentation is expected to be forwarded to FHLBank Indianapolis after closing?**
    - i. Closing is to occur within 30 days of disbursement. Once closed, please provide a copy of the final Closing Disclosure and post-closing information.
2. **NIP and AMP:**
  - a. **How long do I have to complete the repairs and/or modifications?**
    - i. All repairs/modifications are to be completed within 6 months of disbursement of funds by FHLBank Indianapolis.
3. **Refinances and Payoffs**
  - a. **What do I do if a I am contacted about a release or subordination of the Real Estate Retention Agreement on the subject property?**
    - i. Member records, releases and/or subordinates the retention agreement.
    - ii. If household is a past NIP/AMP recipient, the retention agreement can be released.
    - iii. For HOP households, FHLBank Indianapolis and Member must be given notice of any disposition of the property such as sale, refinancing, foreclosure, deed in lieu or assignment to HUD.

## HOP Information

### 1. Is counseling required?

- a. Recipients are required to complete eligible homeownership counseling ***prior*** to closing. For additional counseling resources or information, please review the Counseling Resource Guide at <https://www.fhlbi.com/products-services/communities-and-housing/homeownership-program>.

### 2. How is the household's minimum \$1,000 of their own funds calculated?

- a. The homebuyer's cash contribution totaling  $\geq$ \$1,000 is a combination of deposit/earnest monies, items paid outside of closing (and documented on the CD) and cash brought to the closing table.
  - i. Any cash back at closing would be netted from the borrower's cash contribution.
- b. Funds personally contributed - and documented - by the household to an IDA would also count as part of their cash contribution.

## NIP and AMP Information

### 1. How do I know what repairs/modifications are eligible?

- a. Please review the NIP/AMP Guidelines for a complete list of eligible repairs.
  - i. Please be mindful of repairs not included on the list of eligible repairs as this would indicate the repair is ineligible.
  - ii. Be certain repairs and their associated costs are itemized on the bids so as to help with comparison as well as eliminate any ineligible costs for the purposes of NIP/AMP.
  - iii. Before and after photos may be helpful, particularly in areas where eligibility is called into question

### 2. With the 2 comparable bids, how does FHLBank Indianapolis calculate the 30% acceptable variance?

- a. When the higher of the bids/contractors is selected, the amount should not vary by  $>$ 30% of the selected bid.

### 3. What if I am unable to obtain a 3<sup>rd</sup> bid that is within 30% of the selected bid?

- a. Please provide an explanation as to the reason(s) why you are unable to do so and provide any supporting documentation.

### 4. How do I establish ownership of the property?

#### a. What if the home is owned by a trust?

- i. This would be an acceptable form of ownership if the trust documents reflect the primary resident(s) of the home are the sole beneficiaries of the trust.

#### b. What if there is a land contract?

- i. By FHLBank Indianapolis definitions, land contracts are not a qualified form of ownership and thus the household/property would not be eligible.

#### c. What if someone is in title to the property but lives elsewhere?

- i. All persons in title must reside in subject property and claim it as their primary residence. However, children included on title for estate planning purposes are permitted without this residence requirement.

#### d. Are mobile or manufactured homes eligible?

- i. Yes, provided the home is permanently affixed and titled as real estate.

## Reference Sources and Materials

1. FHLBank Indianapolis Website [www.fhlbi.com](http://www.fhlbi.com)
2. Implementation Plan [https://www.fhlbi.com/products-services/community-investment-and-housing/latest-updates/affordable-housing-program-\(ahp\)-implementation-plan](https://www.fhlbi.com/products-services/community-investment-and-housing/latest-updates/affordable-housing-program-(ahp)-implementation-plan)
3. Other Grant Resources <https://www.fhlbi.com/resources>