

# FREQUENTLY ASKED QUESTIONS FOR HOUSEHOLDS

## DEFINITIONS:

See a list of commonly misunderstood terms below. For a complete list of definitions, please view the FHLBI 2021 Implementation Plan at [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).

**Accessibility Modifications Program (AMP):** An FHLBI program that provides funds for accessibility modifications and minor home rehabilitation for eligible senior homeowners or owner-occupied households with a person(s) with a permanent disability.

**Area Median Income (AMI):** The midpoint of income in an area as defined and published by HUD. Households must be at or below 80%AMI based on household size to receive FHLBI grant funds.

**FHLBI:** Also referred to as "FHLBank Indianapolis" or "Bank." The Bank's legal name is the Federal Home Loan Bank of Indianapolis. Information about the Bank is available at <https://www.fhlbi.com/>

**First-Time Homebuyer:** An individual who meets any of the following criteria:

1. An individual and his or her spouse who has had no ownership in a principal residence during a three-year period ending on the date of the purchase of the property.
2. An individual who is a displaced homemaker and has only owned a principal residence with a spouse who has not worked full-time, full year in the labor force for more than two years and during that period, worked primarily without remuneration to care for a home and family.
3. A single parent who has only owned a principal residence with a former spouse while married and has 1 or more minor children for whom the individual has physical custody or joint physical custody as evidenced by the state authority on child support, guardianship and/or custody or divorce decree. If custody cannot be established by a court order, the primary residence of the child must be documented by third-party verification.
4. An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.
5. An individual who has only owned a principal residence that was not in compliance with state, local, or model building codes, or other applicable codes, and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.

**Homeownership Opportunities Program (HOP):** An FHLBI program that provides funds to first-time homebuyers for down payment and closing cost assistance.

**Manufactured Housing:** Manufactured housing (formerly known as a mobile home) is built to the Manufactured Home Construction and Safety Standards (HUD Code) and displays a red certification label on the exterior of each transportable section. Manufactured homes are built in the controlled environment of a manufacturing plant and are transported in one or more sections on a permanent chassis.

**Member:** FHLBI Members are regulated financial institutions having a principal place of business in Indiana or Michigan. Typically, these Members will be commercial banks, savings and loan institutions, credit unions, insurance companies, or community development financial institutions ("CDFIs"). All FHLBI grant funds are distributed through members who participate in the grant programs.

**Neighborhood Impact Program (NIP):** An FHLBI program that provides funds to homeowners for rehabilitation assistance with the goal of improving neighborhoods.

## HOW DO I APPLY FOR FUNDS?

A member of the FHLBI is needed to apply for any of the FHLBI programs. A list of registered members as well as program guidelines and other pertinent information is available at <https://www.fhlbi.com/products-services/community-investment-and-housing/homeownership-initiatives>.

## HOW MUCH MONEY CAN I GET?

Each program has different requirements and limits. For 2021, FHLBI maximums are as follows: HOP - \$5,000; NIP - \$7,500, AMP - \$10,000.

## WHAT DO I HAVE TO DO TO QUALIFY?

Households working with an eligible member must meet income requirements and own and occupy the home to be assisted.

Please see further program requirements - available at <https://www.fhlbi.com/products-services/community-investment-and-housing/homeownership-initiatives>.

## IS THIS FEDERAL MONEY?

FHLBI funding – including HOP/NIP/AMP – is a private grant, fully funded by FHLBI.

## WHAT KIND OF REPAIRS CAN I GET DONE TO MY HOME?

In general, NIP funds may be used for deferred maintenance repairs such as replacement of windows, roofs, HVAC, etc. AMP funds may be utilized for accessibility modifications to the home such as accessible bathroom modifications, ramps, widening of doors, etc. For a complete list of eligible repairs/modifications, please review the program guidelines available at <https://www.fhlbi.com/products-services/community-investment-and-housing/homeownership-initiatives>.

- Only central air conditioning replacement – no window units or other – is NIP-eligible. Installing central AC where it does not currently exist would not be an eligible use of NIP funds.

## CAN I CHOOSE MY OWN CONTRACTOR?

Yes. FHLBI requires the household obtain a minimum of 2, independent, third-party comparable bids for each repair/modification from eligible contractors. Bid/contractor selection is at the household's discretion. Please note, members may have additional contractor requirements.

## WHAT IF I HAVE AN ISSUE WITH MY CONTRACTOR?

Disputes surrounding the repairs/modification shall be resolved between the household and contractor(s).

## IS A MANUFACTURED HOME ELIGIBLE FOR HOP/NIP/AMP?

Provided the home is titled as real estate and permanently affixed to a permanent foundation such as that which is demonstrated by an Affidavit of Affixture, the property would be eligible.

## ARE LAND CONTRACTS ELIGIBLE?

A land contract is not an eligible form of ownership for FHLBI programs. HOP cannot be used to purchase a property that will be utilizing a land contract versus a traditional form of mortgage lending. NIP/AMP properties cannot be in a land contract.

## DO I HAVE TO PAY THE MONEY BACK?

It depends on which grant you receive:

- NIP/AMP: No return of funds is necessary.
- HOP: If a HOP-assisted home is sold or refinanced within the first five years, a portion of the grant funds received may need to be returned. Please contact the member for further information about this process.

### **HOW OFTEN CAN I RECEIVE GRANT FUNDS?**

No household may receive funds more than once every five years.

### **WHAT IF I HAVE A HOP/NIP/AMP RETENTION AGREEMENT ON MY HOME AND NEED IT REMOVED?**

Please contact the member who initially provided you with the grant. The member is responsible for any recording, subordination or release of the Real Estate Retention Agreement (retention agreement).

- The first paragraph of the retention agreement would indicate the name of the member institution.
- The bottom of Page 3 of the retention agreement typically includes a contact person's name.

### **HOW WILL I KNOW IF MONIES HAVE BEEN DISBURSED?**

The Member will be notified once the request has been approved and funds have been transferred.

### **WHY IS THE DISBURSEMENT TAKING SO LONG?**

Reasons for delay or denial:

- The necessary income documentation or tax returns was not submitted or was incomplete.
- All appropriate documentation to qualify the file has not been provided.