

Homeownership Initiatives

GRANT PROGRAMS FOR
THE LIFE-CYCLE OF
HOMEOWNERSHIP



FHLBank
INDIANAPOLIS

BUILDING PARTNERSHIPS.
SERVING COMMUNITIES.

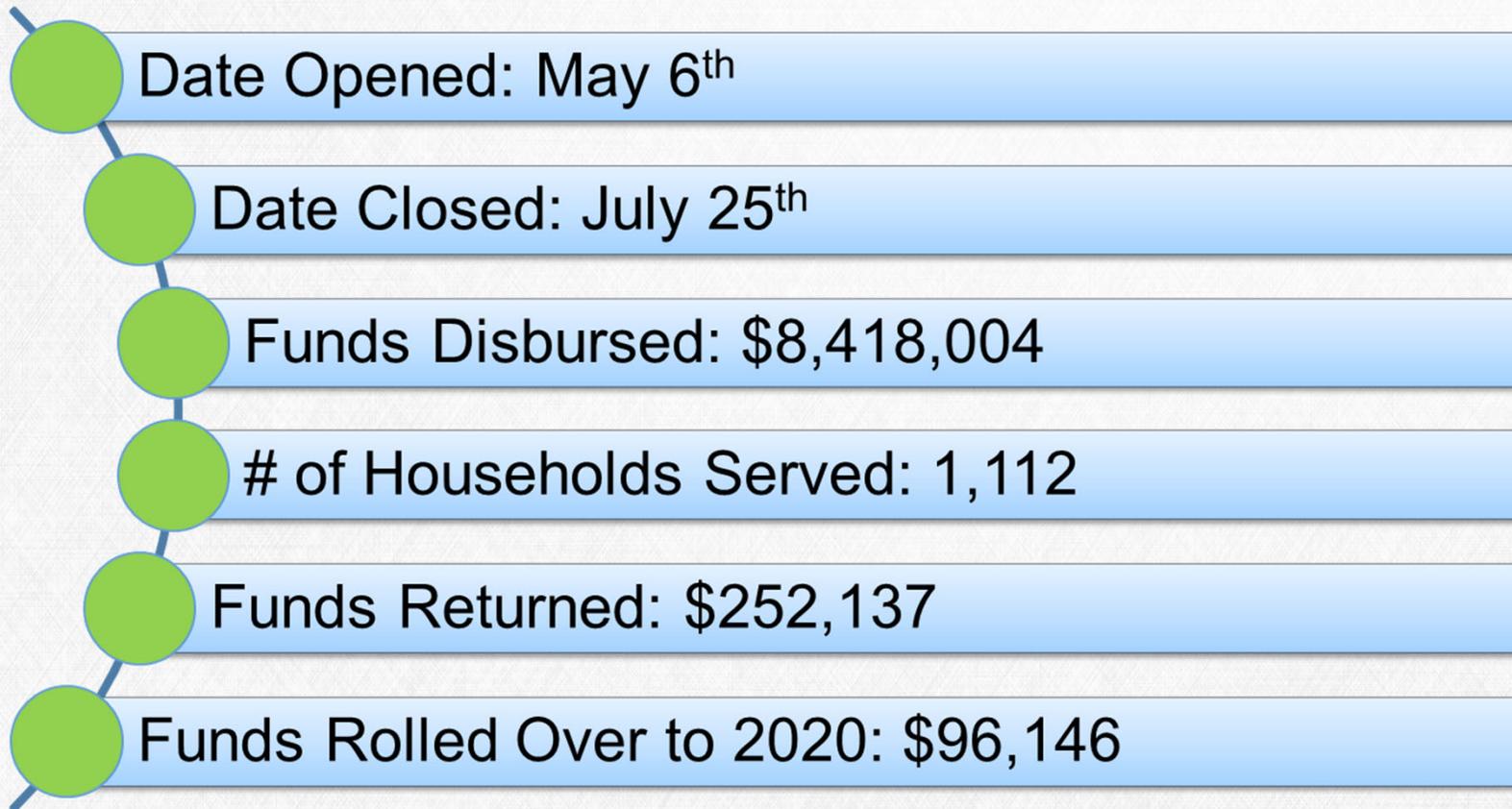
DATE: 2020

PRESENTED BY: Rori Chaney, Ronna Edwards



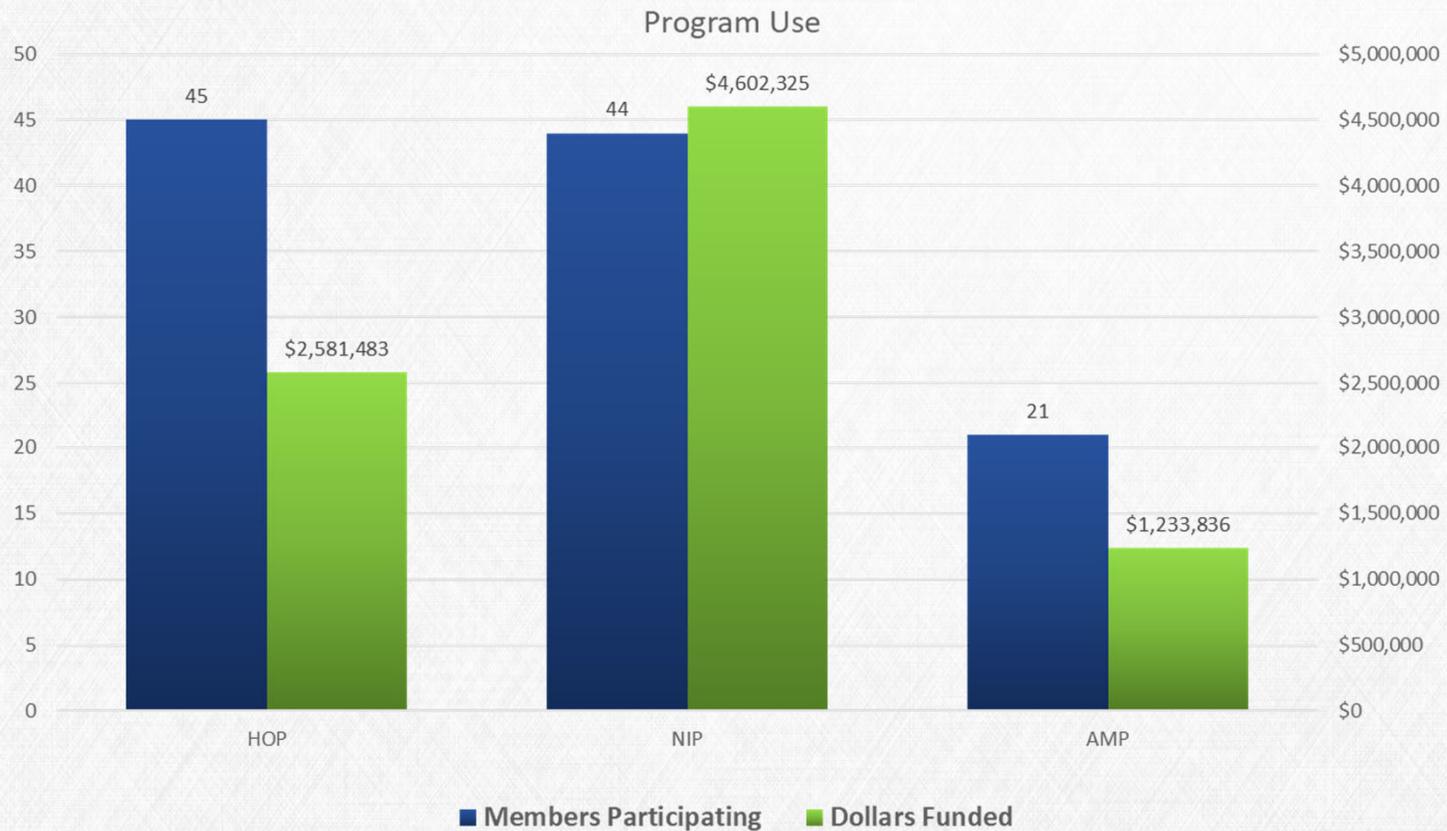
2019 Round in Review

HOMEOWNERSHIP INITIATIVES



2019 Member Participation

PROGRAM COMPARISON



2019 HOP Profile

HOMEOWNERSHIP OPPORTUNITIES PROGRAM



338	Total Households Assisted
\$2.6M	Total Funds Disbursed
\$8,000	Maximum Grant Amount
\$7,639	Average Grant Amount
\$37,027	Average Household Income
59%	Average Household AMI%



2019 NIP Profile

NEIGHBORHOOD IMPACT PROGRAM



661	Total Households Assisted
\$4.6M	Total Funds Disbursed
\$7,500	Maximum Grant Amount
\$6,969	Average Grant Amount
\$24,888	Average Household Income
45.41%	Average Household AMI%



2019 AMP Profile

ACCESSIBILITY MODIFICATIONS PROGRAM



113	Total Households Assisted
\$1.2M	Total Funds Disbursed
\$12,000	Maximum Grant Amount
\$10,931	Average Grant Amount
\$20,930	Average Household Income
39.78%	Average Household AMI%



Homeownership Opportunities Program

HOP- DOWN PAYMENT AND CLOSING COST ASSISTANCE
FOR FIRST-TIME HOMEBUYERS



FIRST TIME HOME BUYER



Who can receive HOP funds?

ONLY FIRST-TIME HOMEBUYERS



First-time home buyer (HUD):

- No ownership in a principal residence during a three-year period ending on the date of the purchase of the property.
- A displaced homemaker who has only owned with a spouse.
- Single parent who has only owned with a former spouse while married.
- Individual who has only owned a principal residence not permanently affixed to a permanent foundation.
- Individual who has only owned a property not in compliance with state, local or model building codes that cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.

Homeownership Opportunities Program

PER HOUSEHOLD LIMITS



Member originates
first mortgage

\$8,000

Non-member
originates
first mortgage

\$4,000

Eligible Closing Costs



- Loan origination fees
 - Doc prep fees
 - Credit report
 - Closing fees
 - Attorney fees
 - Appraisal fee
 - Title Insurance
 - Recording Fees
- ❖ See Implementation Plan for full list of eligible closing costs
- 30 days prepaid interest
 - Up to 10 months of escrow
 - Taxes and/or HO insurance
 - Flood Insurance
 - Grant funds may not be used to fund purchase of personal property:
 - Appliances
 - Barns, Pools, etc.

HOP Advantage - Example



Purchase without HOP Grant

Purchase with HOP Grant

<u>Purchase Price</u>	\$100,000
Down Payment	\$10,000
Buyer's Closing Costs	\$ 3,000
Out of Pocket	\$13,000
Financing: \$90,000 @ 4% 30 year term	PI:\$429.67
LTV without HOP Grant	90% LTV

<u>Purchase Price</u>	\$100,000
Down Payment	\$15,000
Buyer's Closing Costs	\$ 3,000
HOP Grant \$3,000 toward cc & \$5,000 toward down payment	(\$ 8,000)
Out of Pocket	\$10,000
Financing: \$85,000 @ 4% 30 year term	PI:\$405.80
LTV with HOP Grant	85% LTV

Eligible Properties

MUST BE OWNER-OCCUPIED



- Single-Family Detached (1-4 family)
- Condominiums
- Duplexes
- Townhomes
- Modular and Manufactured Homes
 - All properties must be titled as real estate and be permanently affixed to a permanent foundation

Non-eligible Properties

- Member REO Properties

HOP Requirements



- Final mortgage payment: PITI \leq 35% of gross household income
- Minimum \$1,000 contribution (borrower's own funds)
- Must have 12 months of continuous employment
- Homebuyer may not receive more than \$250 cash back at closing
- Homebuyer counseling required (\$150 of HOP funds toward this)
- Minimum loan term 5 years
- Minimum amortization 15 years
- No non-arm's length transactions
- No construction-perm transactions
- Other assistance funds are allowed (cannot be other FHLBank grants)

❖ See the Implementation Plan for further details www.fhlbi.com/communitiesandhousing

How to Implement HOP

SUGGESTIONS THAT WORK FOR OTHERS



- 1) Identify your champion
- 2) Set parameters on who you will offer it to
- 3) Train your people
- 4) Develop the program

Identifying Potential Recipients



- First-time home buyer
 - Host a first-time home buyer seminar
 - Work with area realtors
- Be familiar with your area's AMI limits
 - Quick link to FHLBI website and use AMI tool
- Recognize the typical qualified household types
 - Single income families with a large # of members
 - Occupations and employers with lower paying wages

Neighborhood Impact Program

NIP: DEFERRED MAINTENANCE REPAIRS



NIP Grant Details

REPAIRS FOR OWNER-OCCUPIED PROPERTIES



- Each homeowner can request up to \$7,500 for qualified repairs
- Each repair must be supported by at least two independent bids*
- Owner-occupants must have resided in the home for at least 6 months prior to enrollment
- Must be current on mortgage and taxes
- Household income must be $\leq 80\%$ AMI
- Funds can only be used for eligible repairs
- Must submit FHLBI NIP application and CSC form

NIP Repairs

WHAT REPAIRS ARE ELIGIBLE?



- HVAC repair/replacement
- Water heater replacement
- Windows
- Soffits and Fascia
- Siding
- Electrical – replace knob-and-tube wiring
- Roofing
- Gutters and downspouts
- Exterior Doors



*Full list of eligible repairs can be found in the 2020 AHP Implementation Plan

Accessibility Modification Program

AMP: HELPING KEEP FAMILIES IN THEIR HOMES



AMP

WHO IS ELIGIBLE?



Households where all members are age 62 or older



Households where all members are age 62 or older and age 17 or younger



Households with a member of any age who has a permanent disability (must be receiving disability benefits)



Only households in IN and MI

AMP

PROGRAM DETAILS



- Each household can request up to \$11,000 for eligible repairs
- Two independent bids must be obtained*
- If the agency supplying the assessment is also bidding on the project, there needs to be two (2) additional bids: 3 total bids.
- Owner-occupants must have resided in the home for at least 6 months prior to enrollment
 - ❖ Up to 50% of amount requested for AMP eligible repairs can be requested for NIP eligible repairs within the same request.
- Must submit FHLBI AMP application and CSC form.

AMP

ELIGIBLE MODIFICATIONS AND REPAIRS



- Ramps or zero step entries
- Hand-rails
- Levered door handles
- Widened doorways
- Bathroom modifications
 - Walk/roll-in showers
 - Grab bars
 - ADA approved toilets
 - Roll under vanity
 - Lower level ½ bath conversions
- Universal floor coverings
- Relocation of laundry facilities to the main floor
- Internal chair lifts
- CAPS assessment (\$250)



*Full list of eligible repairs can be found in the 2020 AHP Implementation Plan

How to Implement NIP/AMP

SUGGESTIONS THAT WORK FOR OTHERS



- 1) Identify your champion
 - CRA officer, Community Development
- 2) Identify who you will offer it to
 - Internal or external
- 3) Partner with Community Organizations
 - Set parameters on the relationship

Contractors

- Work with Member's business bankers to identify reputable local contractors

Identifying Potential Recipients



- In-house lending officers
 - Home equity loans for repairs
- Community organizations
 - Source of large pool of applicants
- Municipal programs
 - Piggyback with City/County government programs

Contact Information

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