

**Partnership
that pays**



Welcome to the FHLBank Indianapolis 2023 Community Investment Workshops

THE WEBINAR WILL BEGIN SHORTLY

- For the best video & audio experience, we recommend disconnecting from VPN.
- **Please submit questions throughout the presentation by using the Q&A box in Zoom.**
- Time providing, questions will be answered at the end of the session.
- Feel free to use the chat function to connect with other attendees, but we will not be monitoring the chat box for questions.
- Today's webinar will be recorded and posted to our website at: www.fhlbi.com/training

FHLBANK INDIANAPOLIS February 28, 2023 1

1



**Partnership
that pays**

2023 Community Investment Workshops

HOMEOWNERSHIP INITIATIVES

February 28, 2023 MaryBeth Wott, Rori Chaney, Ronna Edwards

FHLBANK INDIANAPOLIS 2

2




Today's Agenda

FEBRUARY 28, 2023 | 2:00 – 3:00 PM

<p>Introduction</p> <p>Homeownership Initiatives Overview</p> <ul style="list-style-type: none"> • Program Basics • Program Resources <p>Homeownership Opportunities Program (HOP)</p> <ul style="list-style-type: none"> • Program Basics • Reporting/Closing Requirements 	<p>Neighborhood Impact Program (NIP)</p> <ul style="list-style-type: none"> • Program Basics <p>Accessibility Modifications Program (AMP)</p> <ul style="list-style-type: none"> • Program Basics <p>NIP/AMP Reporting/Closing Requirements</p> <p>Request Submission Common Errors</p> <p>Live Q&A</p>
--	--

FHLBANK INDIANAPOLIS
3

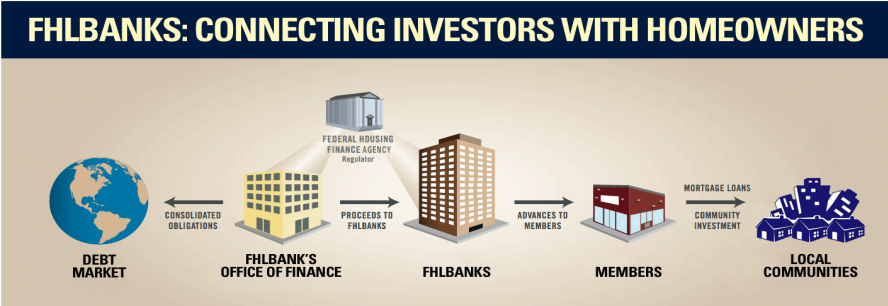
3



Federal Home Loan Bank System

OVERVIEW

<ul style="list-style-type: none"> • Cooperatives created by Congress in 1932 • 11 regional banks with over \$1 trillion in total assets • Member owned – only members can access products/services 	<ul style="list-style-type: none"> • Each FHLBank independently managed • 10% of yearly net earnings from each bank are reinvested into communities
--	---

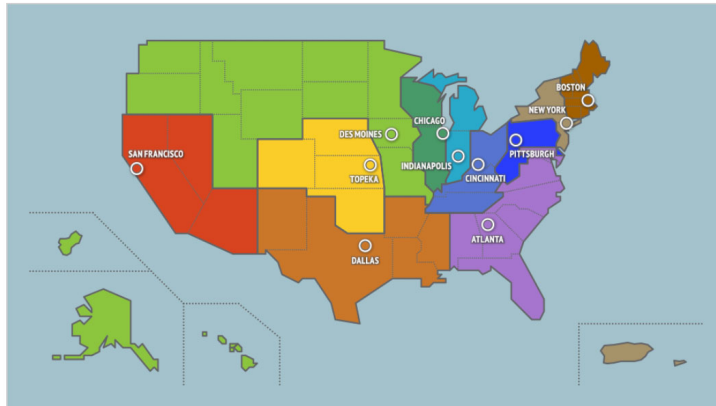


FHLBANK INDIANAPOLIS
4

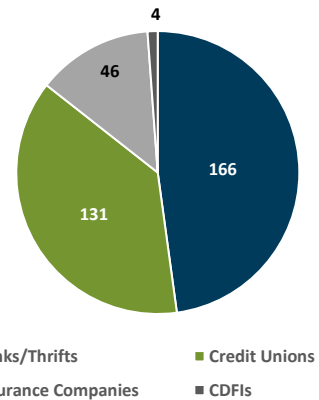
4

Where are we?

FEDERAL HOME LOAN BANK SYSTEM



FHLBI MEMBERSHIP
AS OF 12/31/22



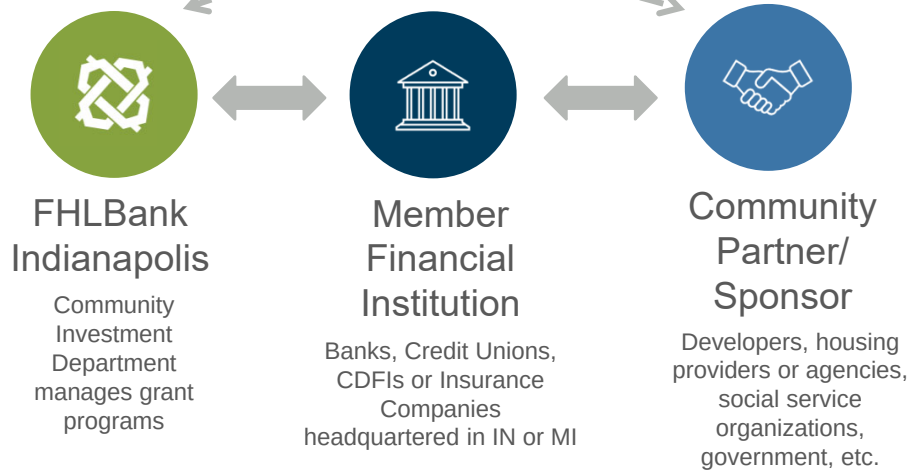
FHLBANK INDIANAPOLIS

5

5

Partnerships are Essential

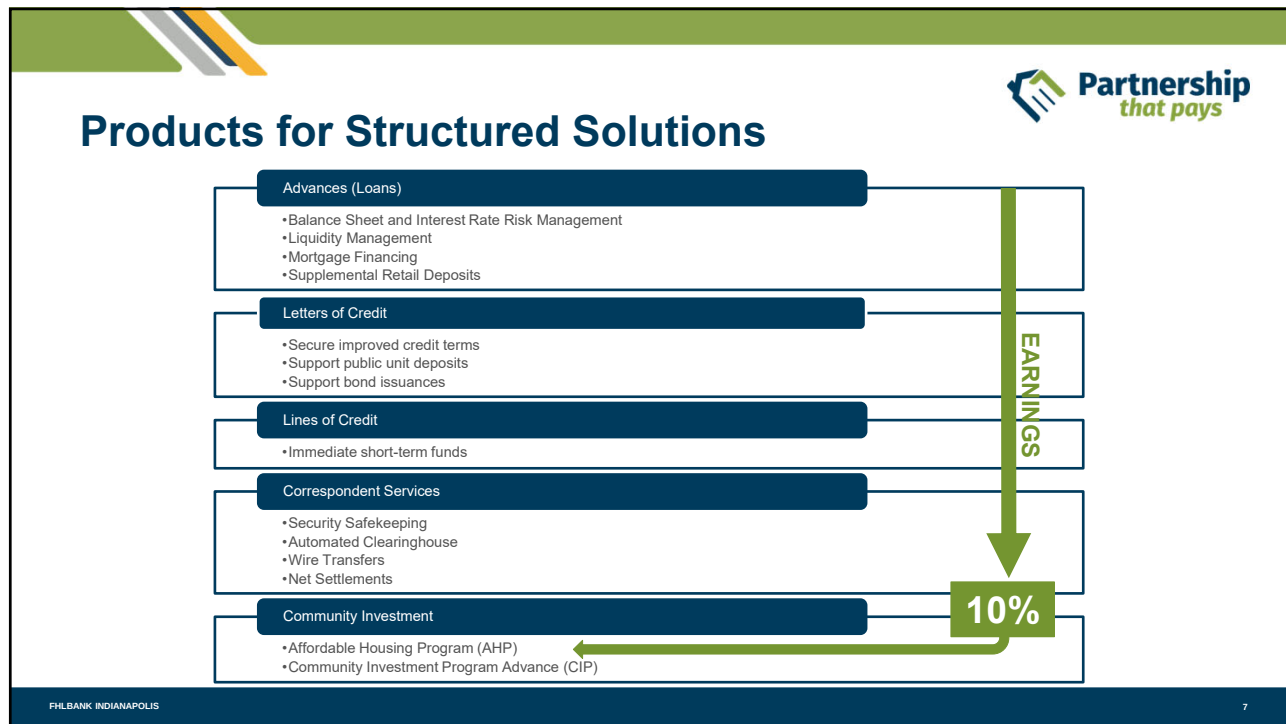
KEY PARTNERS



FHLBANK INDIANAPOLIS

6

6



7

Stepping Up

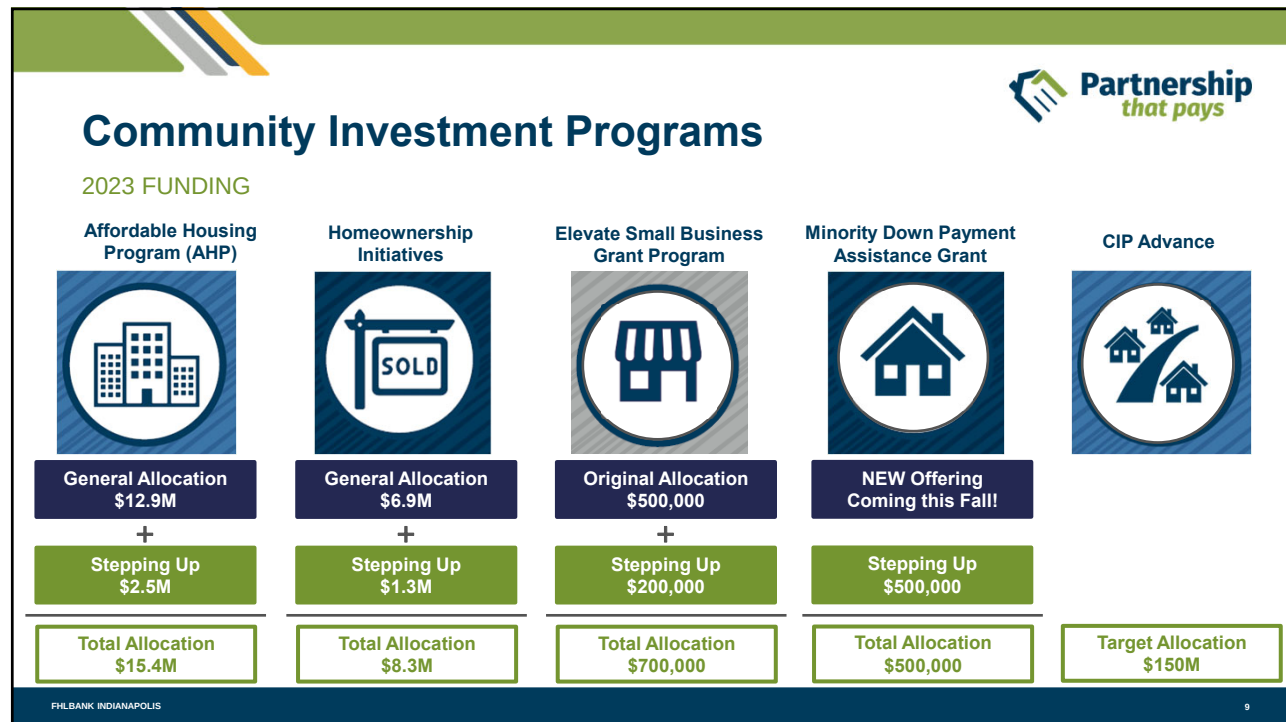
COMMITTING 25% MORE FUNDING

SteppingUp

COMMUNITY INVESTMENT

FHLBANK INDIANAPOLIS 8

8



9

 **Partnership**
that pays


Community Spirit Award

CONGRATULATIONS TO OUR 2022 COMMUNITY CHAMPIONS



Celeste Spivey
VP, Community Development and CRA Officer
ChoiceOne Bank
Sparta, MI





Becca Murphy
VP, Affordable Lending
Merchants Bank of Indiana
Carmel, IN

FHLBANK INDIANAPOLIS

10

10




Community Investment Workshop Webinars

REGISTER AT [FHLBI.COM/RESOURCES/EVENTS](https://fhlbi.com/resources/events)



Homeownership
Initiatives

FEBRUARY 28
LIVE WEBINAR



Affordable
Housing

MARCH 3
LIVE WEBINAR



Community and
Economic Development

MARCH 6
LIVE WEBINAR

RECORDINGS CAN BE FOUND AT [WWW.FHLBI.COM/TRAINING](https://www.fhlbi.com/training)

FHLBANK INDIANAPOLIS

11

11




Community Investment In-Person Networking Workshops

REGISTER AT [FHLBI.COM/RESOURCES/EVENTS](https://fhlbi.com/resources/events)

MAR 14

COMMUNITY INVESTMENTS

**Indiana
Community Investment
Networking Workshop**



MARRIOTT INDIANAPOLIS NORTH
10AM – 1PM (LUNCH INCLUDED)

MAR 16

COMMUNITY INVESTMENTS

**Michigan
Community Investment
Networking Workshop**



LANSING COMMUNITY COLLEGE
10AM – 1PM (LUNCH INCLUDED)

FHLBANK INDIANAPOLIS

12

12




Homeownership Initiatives Programs

February 28, 2023 Rori Chaney, Community Investments Dept Mgr.

FHLBANK INDIANAPOLIS 13

13




Homeownership Initiatives

Programs to serve your communities

Homeownership Opportunities Programs – HOP

- Funding for down payment, closing and counseling costs for first-time home buyers

Neighborhood Impact Program – NIP



- Funding for rehab of owner-occupied homes

Accessibility Modifications Program – AMP

- Funding for modifications of owner-occupied homes of the elderly or disabled


FHLBANK INDIANAPOLIS 14

14



Program Basics

- Forgivable grants of up to **\$10,000** per household with income \leq 80% AMI
- Household income includes income of each household member 18 years or older, with an exception for students who are not heads of households
- First-come, first-served review process



FHLBANK INDIANAPOLIS
15

15

Program Resources

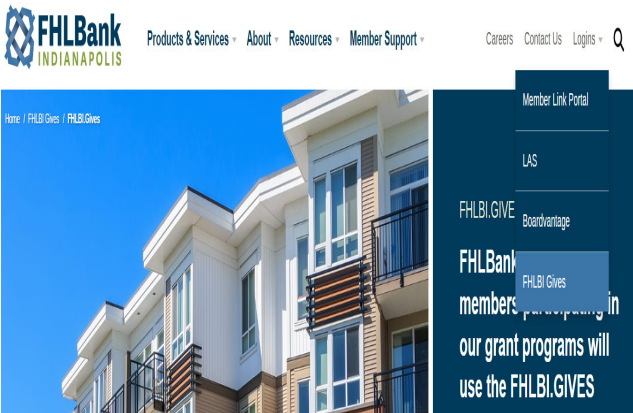
Available on our website: www.fhlbi.com

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

- Program Guidelines
- Income Guidelines and Documents
- Marketing and Informational Materials
- Post-Closing Documents
- Payoff Worksheets (HOP)


We have also created Training videos to walk you through the processes of using FHLBI.GIVES

These can be found by using the Login dropdown found on the website.



FHLBANK INDIANAPOLIS
16

16



Program Guidelines

Guidelines for each of the programs can be found on their respective website page:

HOP RESOURCES

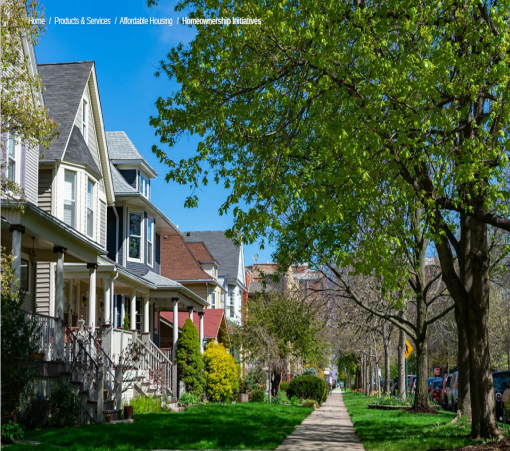
- HOP Guidelines and Requirements

NIP RESOURCES

- NIP Guidelines and Application Docs

AMP RESOURCES

- AMP Guidelines and Application Docs




HOMEOWNERSHIP INITIATIVES



Building support, stability, and strength through homeownership.

FHLBANK INDIANAPOLIS
17

17



Income Guidelines

- Households must have projected income at or below 80% of the Area Median Income (AMI), as determined by HUD
- Income guidelines, workbooks and other resources are published on each programs page on www.fhlbi.com and 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.

FHLBANK INDIANAPOLIS
18

18

Program Basics – Eligible Properties

MUST BE OWNER OCCUPIED

- Single-Family Detached
- Condominiums
- Townhomes
- Modular and Manufactured Homes
 - All properties must be titled as real estate and be permanently affixed to a foundation
- Duplexes
 - *Potential rental income to be included in income qualification calculation



19

Homeownership Initiatives Programs

Registration and Access

- FHLBank Indianapolis Members must have a signed Master Agreement on file (2020 or later)
- Annually, Members must submit a Registration/Certification form
 - Identifies program contacts
 - Designates users for FHLBI.GIVES
- These forms are located on the website



Homeownership Initiatives Master Agreement

For Homeownership Opportunities Program, Neighborhood Impact Program, and Accessibility Modifications Program

This Homeownership Initiatives Master Agreement ("Agreement"), dated as of this _____ day of _____, 2023, is between _____ with its principal place of business at _____ ("Member") and the Federal Home Loan Bank of Indianapolis, with its principal place of business at 8250 Woodfield Crossing Boulevard, Indianapolis, Indiana 46240 ("Bank").

WHEREAS, the Bank, subject to the and Regulations of the Federal Reserve Bank of Indianapolis, is authorized to implement the Homeownership Opportunities Program ("HOP") and the Accessibility Modifications Program ("AMP") and may be established from time to time;

WHEREAS, the Member desires to participate in the Homeownership Initiatives Master Agreement;

WHEREAS, the Member agrees to down payment or other homebuyer assistance;

NOW THEREFORE, intending to be

A. Regulation and Implementation

With respect to the Homeownership



2023 Registration and Certification Homeownership Initiatives (HOP, NIP, AMP)

Program Information

FHLBank Indianapolis' (Bank) Homeownership Initiatives are available for member institutions (each such institution, a "Member") to assist first-time homebuyers with down payment and closing cost assistance, to assist owner-occupied households with eligible deferred maintenance repairs, as well as assisting elderly or disabled owner-occupants with accessibility modifications. This form is required, along with the Homeownership Initiatives Master Agreement, to participate in the programs. Please complete the form in its entirety with the proper signature.

Program Manager(s)

The Program Manager(s) is the main contact from your financial institution for Bank staff communications and the contact listed on the Bank's public website, if you elect to publish your participation to be contacted by households and outside agencies regarding Homeownership Initiatives. (see Publication Consent below)


Member Institution:

Main Address:

Program Manager(s) Information

Name and Title: _____ City, State: _____
 Email Address: _____ Phone: _____
 Responsibility: ☐ HOP ☐ NIP ☐ AMP
 Name and Title: _____ City, State: _____
 Email Address: _____ Phone: _____
 Responsibility: ☐ HOP ☐ NIP ☐ AMP

20



Key Changes for 2023

- HOP only round opens March 1st
 - \$500,000 allocation, will close once funds are used or EOD April 28th whichever occurs first.
- HOP-NIP-AMP general round to open May 15th
- New submission and threshold requirements
- Maximum grant amount for each program is **\$10,000**
- Front end ratio (PITI) for HOP now **38%**

FHLBANK INDIANAPOLIS
21

21



Submission & Threshold Requirements

NEW

Members are limited to five (5) active submissions in FHLBI.GIVES per program at any given time

- Once a submission receives a decision, another may be added

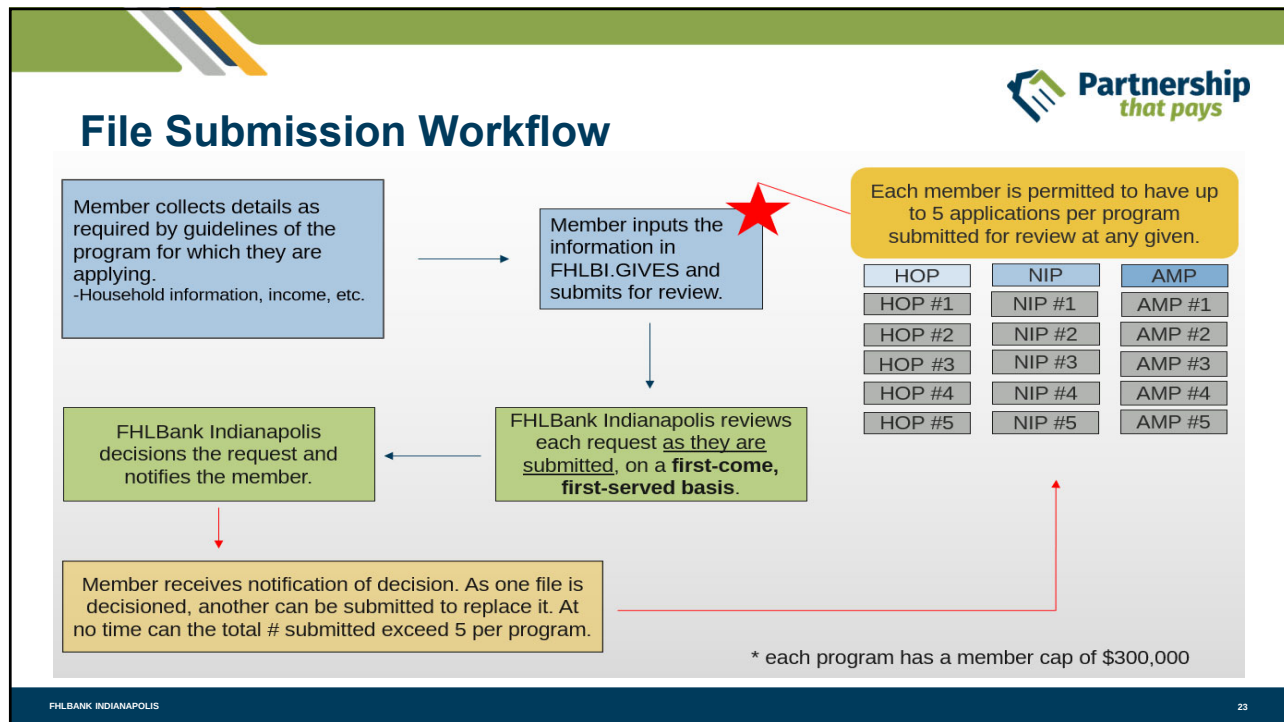
Submissions must contain complete documentation

- Income documents for all applicable household members
- Program specific documents as listed on: [Submission Threshold Requirements](#)



FHLBANK INDIANAPOLIS
22

22



23

Homeownership Initiatives

FHLBI.GIVES

HOP/NIP/AMP requests must be submitted through FHLBI.GIVES

Only FHLBank Indianapolis Members have access to FHLBI.GIVES

FHLBANK INDIANAPOLIS

Products & Services - About - Resources - Member Support - Careers Contact Us Logins -

Home / FHLBI Gives / FHLBI.GIVES

FHLBI.GIVES

FHLBI.GIVES

FHLBI Gives

FHLBI Gives Videos

FHLBANK INDIANAPOLIS

24



Homeownership Initiatives

HOMEOWNERSHIP OPPORTUNITIES PROGRAM (HOP)

February 28, 2023 Rori Chaney, Community Investments Dept Mgr.

FHLBANK INDIANAPOLIS 25

25



Homeownership Opportunities Program

Up to \$10,000 for down payment, closing and counseling costs.

HOP – Homeownership Opportunities Program

HOP only round opens March 1st – April 28th or until funds are exhausted, whichever occurs first.

HOP also available in general round which opens May 15th.

Members are capped at \$300,000 of HOP funds.

FHLBANK INDIANAPOLIS 26

26



Who can receive HOP funds?

ONLY INCOME-ELIGIBLE FIRST TIME HOMEBUYERS

First time homebuyer:

1. An individual, or his/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.
3. A single parent who has only owned a principal residence with a former spouse while married.
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.

FHLBANK INDIANAPOLIS

27

27



HOP Requirements

HOMEBUYER CONTRIBUTION





Minimum \$1,000 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 \$1,000, the file is out of compliance

FHLBANK INDIANAPOLIS

28

28


HOP Requirements

Pre-Purchase Education & Counseling

Homebuyer counseling required prior to closing on the purchase:



- HUD or State-certified program;
- Online counseling with one-on-one follow-up with member;
- Grant funds may be used for payment of counseling costs
- Certifications are good for 12 months

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



FHLBANK INDIANAPOLIS
29


29

HOP Requirements



FOR TRANSACTIONS

- Maximum Front-End Ratio (PITI):
 $\leq 38\%$, including HOA fees
- Minimum term / amortization:
5 years / 15 years
- HOP cannot be used for rehab
- Closing to be within 60 days of FHLBI final approval



FHLBANK INDIANAPOLIS
30

30



Retention Agreements

Deed Restriction on the property purchased

- HOP grants are forgiven 1/60th per month over 5 years, and secured with a recorded retention agreement
- The most recent version of the Retention Agreement must be used (rev. 11/20), found under HOP Resources on the website.
- Members are responsible for the preparation and recording of the Retention Agreement at the onset of using HOP.
- During the five-year retention period, Members are also responsible for:
 - Subordination: on a refinance
 - Release: upon sale or refinance

FHLBANK INDIANAPOLIS 31

31



HOP Post-Closing Process

Once obtained, the following documents should be uploaded into FHLBI.GIVES for every HOP recipient. A percentage of your files will be selected for monitoring:

1. A copy of the final, fully executed Closing Disclosure
2. A copy of the fully executed and recorded retention document
3. Evidence of completion of approved housing counseling *prior* to the loan closing, if not submitted with the initial request.

FHLBANK INDIANAPOLIS 32

32





Homeownership Initiatives

NEIGHBORHOOD IMPACT PROGRAM (NIP)

February 28, 2023 Ronna Edwards, Sr. Compliance Analyst

FHLBANK INDIANAPOLIS 33

33



Neighborhood Impact Program

AVAILABLE TO ANY FHLBI MEMBER

NIP – Neighborhood Impact Program

- Owner-occupied rehabilitation for eligible households
- Each Member could potentially access a maximum of \$300,000
- Each household can request up to \$10,000

FHLBANK INDIANAPOLIS 34

34



NIP Repairs

WHAT REPAIRS ARE ELIGIBLE?

- Roofing
- Soffit & Fascia
- Gutters & Downspouts
- Siding
- Windows
- Exterior Doors
- HVAC repair/replacement
- Water heater replacement
- Weatherization needs
 - Caulking
 - Weather stripping
 - Insulation








*A complete list of eligible repairs can be found in the 2023 NIP Guidelines

FHLBANK INDIANAPOLIS
35

35



Homeownership Initiatives


ACCESSIBILITY MODIFICATIONS PROGRAM (AMP)

February 28, 2023

Ronna Edwards, Sr. Compliance Analyst

FHLBANK INDIANAPOLIS
36

36

Accessibility Modifications Program

AVAILABLE TO ANY FHLBI MEMBER

AMP – Accessibilities Modification Program

- Accessibility modifications and rehabilitation for eligible senior or disabled owner-occupied households
- Each Member could potentially access a maximum of **\$300,000**
- Each household can request up to **\$10,000**

FHLBANK INDIANAPOLIS 37

37




Who is Eligible

AMP grants support homeowner accessibility modifications and rehabilitation for income-eligible senior or disabled households located in Indiana or Michigan.




*See AMP Guidelines for eligibility details

FHLBANK INDIANAPOLIS 38

38

Eligible Households



Type 1



All household members are age 62 or older

Type 2



Household members are age 62 or older and are the documented guardian(s) of a household member(s) age 17 or younger

Type 3



A household member of any age with a permanent disability

FHLBANK INDIANAPOLIS

39

39

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
- Universal floor coverings
- Relocation of laundry facilities to the main floor
- Internal chair lifts
- Professional assessment



*A complete list of eligible repairs can be found in the 2023 AMP Guidelines

FHLBANK INDIANAPOLIS

40

40

AMP

Additional feature

Each household may request up to \$10,000 for eligible modifications.

Up to 50% of amount requested for AMP eligible modifications can be requested for NIP eligible repairs within the same request.



FHLBANK INDIANAPOLIS

41

41

Example

AMP and NIP Repairs Combined – Must apply through AMP



AMP = Bathroom modifications totaling **\$6,500**

$\$6,500/2 = \$3,250$

Could then request up to **\$3,250** for deferred maintenance type repairs such as windows, doors, gutters, hot water heater, HVAC, siding, roofing, etc.*



Total Request = **\$9,750**



FHLBANK INDIANAPOLIS

42

42



General Program Requirements

NEIGHBORHOOD IMPACT PROGRAM AND
ACCESSIBILITY MODIFICATIONS PROGRAM

February 28, 2023 Ronna Edwards, Sr. Compliance Analyst

FHLBANK INDIANAPOLIS 43

43


NIP and AMP

HOUSEHOLD QUALIFICATION OVERVIEW

Household Income must be at or below 80% AMI	Must have owned and occupied home for at least 6 months
NIP/AMP	
Be current and paid on mortgage and property taxes	All individuals listed on the title must reside in the property*


FHLBANK INDIANAPOLIS 44

44



Property Title Requirements

HOUSEHOLD QUALIFICATION OVERVIEW




- There are to be no changes to the title of the property in the last 6 months prior to enrollment.
- The few exceptions to this requirement are:
 - Death of title holder
 - Legally finalized divorce

*Adult children may be listed on the title but not reside in the property for estate planning purposes.

FHLBANK INDIANAPOLIS
45

45



Bid Requirements

MINIMUM OF TWO COMPARABLE, INDEPENDENT BIDS FOR EACH REPAIR OR MODIFICATION


Detailed bids with pertinent information:

- ✓ Homeowner's name and property address
- ✓ Specifics – i.e. how many windows will be replaced/what type of windows, etc.

Disbursement amount should be supported by one of the bids or a combination of the two bids.


If the higher of the two bids 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.




FHLBANK INDIANAPOLIS
46

46



AMP Bid Requirements

AMP BID REQUIREMENTS = NIP REQUIREMENTS *PLUS*




- Bids must include specific details of the accessibility modifications: accessible toilet, roll-in shower, etc.
- Must describe installation plans and specifications for the accessibility features

** If an assessment fee is being charged to AMP, be certain to include the certification documentation of the professional completing the assessment when submitting the disbursement request*


FHLBANK INDIANAPOLIS
47

47




3rd NIP Bid

PARTNER AGENCY CAN COMPLETE REPAIRS



IF

The partner agency will be performing repair work



THEN

Obtain a 3rd Bid to substantiate costs

FHLBANK INDIANAPOLIS
48

48

Other Requirements



All modification and repairs are to be completed within **6 months** of the member receiving NIP/AMP funds.



NIP/AMP funds cannot be used towards modifications or repairs that are specific to a home-based business



49

NIP/AMP Post-Closing Process




SUBMISSION IN FHLBI.GIVES

After all modifications and repairs have been completed and the contractor has received payment, post-closing documentation must be submitted for each household in FHLBI.GIVES.



50




NIP/AMP Post-Closing Process

At a minimum, members should maintain the following in their files for every NIP/AMP recipient:

1. Application used to obtain household information;
2. A copy of all documentation obtained and used to qualify the household at enrollment;
3. Original bids and any change orders;
4. Contractor Selection Confirmation (CSC), signed by homeowner;
5. Final, fully-executed **Rehabilitation Closing Statement**, signed by both the homeowner and the member;
6. Final cost verification for work performed, evidenced by copies of final invoices, receipts and cancelled checks or similar forms of payments to the contractor(s).

FHLBANK INDIANAPOLIS
51


51



Request Submission in FHLBI.GIVES



COMMON ERRORS

- Data entry/typos
- Missing required documentation:
 - Income Documentation:
 - Tax returns or missing W2s/1099s
 - Paystubs are not consecutive or dated within last 60 days
 - NIP/AMP application, 1x Homebuyer Affidavit, Contractor Selection Confirmation (CSC)
- Missing signatures/dates on documentation
 - i.e., FHLBI NIP/AMP application, CSC, 1x Homebuyer Affidavit
- Documents not attached in a compatible format
 - Please attach pdfs/word documents
- Bids are not broken down or specific enough
 - Important to see the cost for each modification and repair requested.
 - Only use round numbers – no cents – rounding down if necessary




FHLBANK INDIANAPOLIS
52

52

Questions?






Please visit the FAQ posted on the program home pages to find answers to common questions.

If you have additional questions not covered in the FAQ, please contact us at housing@fhlbi.com or call: 800-866-6697

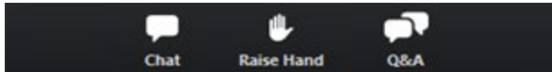
The 2023 funding round for HOP-only begins March 1st
The general funding round for HOP/NIP/AMP opens May 15th

FHLBANK INDIANAPOLIS 53

53



Please use the Q&A button to submit questions about HOP, NIP, or AMP.



*All questions submitted will be compiled, answered, and then sent to all attendees after the webinar.

FHLBANK INDIANAPOLIS 54

54



Thank You!

TODAYS WEBINAR WAS RECORDED AND
WILL BE POSTED TO OUR WEBSITE.

WWW.FHLBI.COM/FHLBI-GIVES/VIDEOS/

FHLBANK INDIANAPOLIS 55