

## HomeBoost: Down Payment Assistance Program

### Frequently Asked Questions

This document addresses questions about the HomeBoost Down Payment Assistance program, a special purpose credit program (SPCP) offered by the Federal Home Loan Bank of Indianapolis (FHLBank). HomeBoost is a new down payment assistance program available exclusively to minority or first-generation first-time homebuyers.

**Q: What is a special purpose credit program or SPCP?**

**A:** SPCPs allow lenders to maintain programs that offer special benefits to people that share a common characteristic such as race or gender. For example, a SPCP may offer an interest rate discount to people of color. SPCPs are explicitly authorized by the Equal Credit Opportunity Act (ECOA), which otherwise generally prohibits discrimination based on such characteristics. Eight federal agencies recently released an [interagency statement](#) encouraging the use of SPCPs as an important tool that financial institutions can use to address historical barriers faced by underserved groups in accessing credit.

**Q: What are the requirements for a SPCP?**

**A:** Generally, a SPCP offered by a for-profit institution, or in which one participates (in this case HomeBoost), must be designed to meet special social needs, like increasing access to credit for underserved groups. The institution must have a written plan that includes an analysis supporting the special social need. The written plan must also include information about the class of persons who will benefit from the program, the procedures and standards under which it will be administered, and the duration of the program or when the need for it will be reevaluated.

**Q: How do SPCPs harmonize with fair lending laws?**

**A:** The Department of Housing and Urban Development (HUD) recently released a [statement](#) and [guidance](#) explaining why SPCPs implemented under ECOA are consistent with the Fair Housing Act and encouraging their use. Further analysis from the National Fair Housing Alliance explaining why SPCPs and antidiscrimination laws are in harmony can be found [here](#).

**Q: How can I confirm that my regulator accepts or approves of this SPCP?**

**A:** Federal regulators do not approve or reject SPCP proposals, but the recent interagency statement encourages lenders to consult with their regulators. Engaging regulators in discussion about specific SPCP plans before implementation may help minimize risk by allowing institutions to address their regulators' perspectives.

**Q: How may or will the collected demographic data (i.e., race and/or ethnicity) be used?**

**A:** The information is used to determine an applicant's eligibility for HomeBoost and to evaluate the program.

**Q: Does a member need to conduct its own assessment, findings or legal analysis to determine if HomeBoost should be offered by the member institution?**

**A:** A member should consult with its legal and compliance advisors to determine if participation in the HomeBoost program is appropriate for its organization. FHLBank Indianapolis has

prepared its written plan for the HomeBoost SPCP cognizant of members' concerns and will make a copy of the written plan available to those members expressing an interest. The Bank is happy to answer any questions members may have regarding the written plan.

**Q: My institution already enrolled in HOP. Why does my institution need to sign a new Master Agreement to participate in HomeBoost?**

**A:** The Master Agreement ensures members' agreement to abide by HomeBoost's program standards and procedures set forth in the written plan, which differ in some respects from HOP. This is necessary because ECOA requires the Bank to administer HomeBoost pursuant to the written plan.

The Bank also hopes that executing the new Master Agreement will significantly reduce any work that members determine they need to do for their participation in HomeBoost to be covered by ECOA's SPCP-specific protections. Those protections are not applicable to HOP.

**Q: Can a member submit application(s) to HomeBoost prior to signing the Master Agreement?**

**A:** No. Because a written plan must be in place at the outset of a SPCP, and a signed Master Agreement is part of the Bank's written plan, applications may only be submitted by members that have already executed a new Master Agreement.

**Q: Do HomeBoost projects qualify for Community Reinvestment Act (CRA) credits?**

**A:** A member's CRA examiner will need to determine whether it will receive CRA credit for participating in HomeBoost.

---

## Program Questions

**Q: Is HomeBoost a new program?**

**A:** HomeBoost was introduced as a pilot program in 2023. After evaluation of the program and district-wide housing data, it was determined the program should continue in 2024.

**Q: How is "Minority" being defined for purpose of eligibility?**

**A:** For the purposes of the HomeBoost eligibility criteria, "Minority" means homebuyer(s) who self-identify:

- Their Ethnicity as "Hispanic or Latino,"
- Their Race as "American Indian or Alaska Native,"
- Their Race as "Asian,"
- Their Race as "Native Hawaiian or Other Pacific Islander," or
- Their Race as "Black or African American."

**Q: How is "First Generation" being defined for purpose of eligibility?**

**A:** For the purposes of the HomeBoost eligibility criteria, "First Generation" means homebuyer(s) who self-certify that:

- The parents and/or legal guardian of at least one borrower does not currently own a home in the United States and has not previously owned a home in the United States,
- At least one borrower has aged out of foster care, or
- At least one borrower has been emancipated.

**Q: Does HomeBoost have a retention requirement or affordability restriction?**

**A:** No. Unlike HOP, there is no required retention requirement and/or affordability restriction.

**Q: Is the grant amount for HomeBoost the same as for HOP?**

**A:** No. The HomeBoost grant amount is up to \$25,000 per household. The HOP grant amount is up to \$20,000 per household.

**Q: Does the \$800,000 per-member cap apply to HomeBoost?**

**A:** No. The \$800,000 per-member cap in place for HOP does not apply to HomeBoost.

**Q: How long does the approval process take for a HomeBoost applicant?**

**A:** The goal is to review applications within 10 days of receiving a fully completed application.

**Q: What happens if a member applies under HomeBoost, but the applicant does not qualify?**

**A:** Members will be notified of application status upon full review by FHLB staff.

**Q: How do I know which members are participating in HomeBoost?**

**A:** To see which members are enrolled in the HomeBoost product, please refer to the Participating Members document on our HomeBoost webpage. Other members may be participating but have opted out of being included in the Participating Members document.

**Q: How does a member sign up for HomeBoost?**

**A:** All members must review the HomeBoost Plan and sign a new HomeBoost Master Agreement, and if not already registered, register for .GIVES. Both forms are available upon request by email to: [housing@fhlbi.com](mailto:housing@fhlbi.com).