

# HOMEOWNERSHIP INITIATIVES MASTER AGREEMENT

FOR LAUNCH DOWN PAYMENT ASSISTANCE &  
REVIVE HOME REPAIR PROGRAM



This Homeownership Initiatives Master Agreement ("Agreement"), dated as of this \_\_\_\_\_ day of \_\_\_\_\_, 2026, 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 provisions of the Federal Home Loan Bank Act ("Bank Act"), the Rules and Regulations of the Federal Housing Finance Agency ("FHFA") or its legal successor ("FHFA Regulations"), the policies of the FHFA, the Bank's Credit Policy Manual, and the Bank's Affordable Housing Program ("AHP") Implementation Plan, is authorized to make available direct cash subsidies to its members ("Subsidy") under its Launch Down Payment Assistance Program and Revive Home Repair Grant Program and any other Subsidy programs that may be established from time to time (collectively referred to herein as "Homeownership Initiatives"); and

**WHEREAS**, the Member desires from time to time to apply for such Subsidy that may be available to it; and

**WHEREAS**, the Member agrees to pass on the full amount of the Subsidy to income-qualified customers for down payment or other homeownership assistance in accordance with the terms of the applicable Homeownership Initiative Program as described in the AHP Implementation Plan;

**NOW THEREFORE**, intending to be legally bound, the Member and the Bank agree as follows:

## **A. Regulation and Implementation Plan**

With respect to the Homeownership Initiatives, the Member agrees to comply with:

1. The AHP regulations (12 C.F.R. Part 1291 as amended) and policies of the FHFA as may be in effect from time to time, or the regulations in effect from time to time of any successor in interest to the FHFA and acknowledges that future amendments to the regulations shall automatically amend this agreement where applicable; and
2. The AHP Implementation Plan of the Bank or any successor in interest to the Bank as may be in effect from time to time. To the extent the FHFA's applicable regulations are inconsistent with any term or provision of this Agreement; said regulations shall control and govern the conduct and obligations of the parties.

## **B. Homeownership Initiatives Certification**

The duly authorized officers of the Member hereby certify that the information contained in documentation provided or to be provided to the Bank on behalf of the Member is now and will in the future be correct. The Subsidy or other assistance provided shall only be used for down payment, closing costs, eligible counseling costs, or rehabilitation of owner-occupied housing pursuant to the requirements of 12 C.F.R. §1291.42(d), as amended, and the terms of the applicable Homeownership Initiative Program under which such Subsidy was granted.

Member agrees to notify the Bank immediately upon receiving information that the proceeds of a Subsidy granted by the Bank to the Member are not or are no longer being used for the purposes approved by the Bank.

## **C. Homeownership Initiatives Credit Application**

The Member hereby applies to the Bank for Subsidy on the terms described below and pursuant to the terms and conditions of the AHP Implementation Plan and the Advances, Pledge, and Security Agreement (“Advances Agreement”) between the Bank and Member.

The Member may request disbursements of Subsidy by completing and submitting a Bank prescribed request (“Disbursement Request”) in accordance with the Bank’s procedures and policies for the completion of the Disbursement Request in effect at the time of submission. The member is responsible for the content, accuracy and completeness of each Disbursement Request, and for obtaining all authorizations necessary to provide each Disbursement Request (and all associated documents and information) to the Bank. The Bank shall have no obligation to provide a Subsidy under this Agreement unless sufficient funds are available under the Homeownership Initiatives to fully disburse the amount requested and the Bank is satisfied as to Member’s creditworthiness and compliance with the terms of the Advances Agreement and the Bank’s Credit Policy Manual at the time of funding. The receipt or approval of this Agreement by the Bank shall in no way constitute a firm or binding commitment on the part of the Bank to provide the Subsidy.

In consideration for the issuance of the Subsidy under any Homeownership Initiative Program, the Member acknowledges that this Agreement is subject to the terms specified above and the following conditions:

- I. Monitoring and Auditing.** Upon request, or as set forth in the AHP Implementation Plan, the Member shall certify to the Bank that the use of the Subsidy continues to be in compliance with Section 10 of the Federal Home Loan Bank Act and the applicable regulatory requirements (12 C.F.R. Part 1291, as amended). The Member expressly authorizes the Bank to audit the Member’s Homeownership Initiatives files, including loan and income documentation, retention agreements, accounting record keeping, site inspections, and other household eligibility documentation requested per the Bank’s discretion.
- II. Documentation.** The Member shall document the qualified use of Subsidy for each request for Subsidy subsequently funded by the Bank. The Member shall collect and maintain documentation of household eligibility, qualified use of subsidy and other related Homeownership Initiatives Program requirements in its files until the 5-year retention period (“Retention Period”) on the housing unit ceases or until such time that the Subsidy has been fully repaid to the Bank. The Member shall report to the Bank information related to each Subsidy request from time to time as requested by the Bank. The Member shall provide any additional relevant reports or information as may be required by the Bank or the FHFA. The Member cannot require a household to submit any other information after the purchase closing or completion of the rehabilitation.
- III. Retention Agreement Requirements.**

The Member shall ensure that an owner-occupied unit purchased using Subsidy is subject to a 5-year deed restriction or other legally enforceable retention agreement or mechanism as described in 12 CFR §1291.15(a)(7).

The Bank or its designee is to be given notice of any sale, transfer, assignment of title or deed, or refinancing of the unit occurring prior to the end of the Retention Period.

In the case of a sale prior to the end of the Retention Period (including transfer or assignment of the title or deed to another owner, subject to certain exceptions outlined herein), an amount calculated by the Member via a Bank prescribed calculation and verified by the Bank, equal to the lesser of: (a) the Subsidy, reduced on a pro rata basis per month until the unit is sold, transferred, or its title or deed transferred, during the Retention Period; or (b) any net proceeds from the sale, transfer, or assignment of title or deed of the unit, minus the AHP-assisted household’s investment, shall be repaid to the Member for reimbursement to the Bank, unless the purchaser is a very low, low-, or moderate-income household which is defined as having not more than 80% of the area median income, or the household had obtained a permanent mortgage funded by an AHP subsidized advance and not a

direct subsidy, or the amount of Subsidy required to be repaid pursuant to this paragraph is \$2,500 or less. For purposes of determining whether a subsequent sale, transfer or assignment of the unit is to a purchaser that qualifies as a very low, low-, or moderate-income household, the Bank shall determine the purchaser's income using one or more proxies that are reliable indicators of the subsequent purchaser's income, and which shall be selected by the Bank prior to such determination and stated in the Bank's AHP Implementation Plan, unless documentation demonstrating that household's actual income is made available to the Bank. Upon the sale of the home, the purchaser has no retention or AHP Subsidy repayment obligations, regardless of whether or not the purchaser is very low-, low- or moderate-income;

In the case of any refinancing prior to the end of the Retention Period, an amount calculated by the Member via a Bank prescribed calculation and verified by the Bank, equal to the lesser of: (a) the Subsidy, reduced on a pro rata basis per month until the unit is refinanced, during the Retention Period; or (b) any net proceeds from the refinancing of the unit, minus the AHP-assisted household's investment, shall be repaid to the Member for reimbursement to the Bank, unless the property continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism incorporating the requirements of clauses (i), (ii), (iii) and (iv) contained herein, or the household had obtained a permanent mortgage funded by an AHP subsidized advance and not a direct subsidy, or the amount of Subsidy required to be repaid pursuant to this paragraph is \$2,500 or less; and

In the case of a foreclosure, deed-in-lieu, or assignment of the first mortgage to the Secretary of HUD (assuming AHP funding is used in conjunction with FHA financing), the obligation to repay the direct Subsidy to the Member shall terminate upon final settlement or disposition, once such action is completed. Otherwise, the covenants contained herein shall continue until release by the Member in writing or the expiration of the Retention Period, whichever should first occur.

Upon the death of the AHP-assisted sole owner, or owners in the case of multiple title holders, the AHP Retention Agreement terminates and there is no obligation to repay the AHP Subsidy.

**IV. Representations and Warranties.** Member represents and warrants to the Bank that:

1. It is not in default under the Advances Agreement.
2. It has full corporate power and authority and has received all corporate and governmental authorizations and approvals as may be required to enter into and perform its obligations under this Agreement and to receive any Subsidy that may be requested.
3. It will maintain the terms of this Agreement and the Subsidy granted hereunder on its books and records.
4. It is aware of applicable regulations of the FHFA, in particular 12 C.F.R. Sections 1291.42 (minimum eligibility standards for AHP projects and procedure for funding), 1291.51 (monitoring requirements), 1291.60 and 1291.61 (non-compliance) and 1291.15 (retention and other agreement requirements), and will fully comply with all such regulations now in effect or as amended in the future.
5. It holds the amount of Federal Home Loan Bank Capital Stock required by statute.
6. It is not subject to a regulatory enforcement action, receivership, conservatorship, or other agreement whether pending, threatened, or obtained by consent, by any state or federal regulatory agency where such action or agreement may materially affect its operations.

**V. Reporting of Fraud, Crimes and Misconduct.** The Bank is committed to protecting its revenue, property, reputation, and other assets. The Bank has an Anti-Fraud Policy ([Anti-Fraud Policy](#)) in place to support this commitment and to enhance its compliance efforts. This Policy addresses not only instances of possible fraud, crimes and other misconduct within the Bank, but also fraud, crimes and misconduct detected in our dealings with our members, AHP sponsors, and vendors. Federal regulations place affirmative duty on the Bank to report

suspected fraud, crimes and other misconduct if detected.

Member and Project Sponsor agree to report any instances of fraud, crimes or other misconduct involving the Bank, whether it occurs inside or outside of the Bank. Such reports should be made according to the Bank's then-current fraud reporting system, as disclosed at [www.fhlbi.com/who-we-are/corporate-governance/](http://www.fhlbi.com/who-we-are/corporate-governance/), or by emailing: AML\_officer@fhlbi.com.

**VI. Funds Availability.** Member acknowledges that the Subsidy is subject to funds availability and rationing. Funding deferrals or funding denials are likely to occur, and the Bank shall not be liable for losses incurred for such delays, denials or Subsidy recaptures.

**VII. Remedial Actions for Noncompliance.** The Member is liable for ensuring that the household is eligible for the AHP subsidy. The Member is also responsible for repayment of misused subsidy to the Bank if the household is found to be ineligible after disbursement of the subsidy. Any legal action by a Member against an ineligible household to recover the amount of AHP subsidy would be separate from and outside of the AHP agreement and would have no bearing on the Member's liability to repay the AHP subsidy to the Bank for an ineligible household.

In the event the Subsidy is not used in accordance with the terms of the applicable Homeownership Initiative Program and the AHP regulations or is not used for qualified purposes as set forth in the requirements for the applicable Homeownership Initiative Program, the AHP regulations or the Bank's AHP Implementation Plan, the Member shall not advance any further Subsidy. If recapture of the Subsidy or recovery of the Subsidy is required pursuant to 12 C.F.R. Sections 1291.60 and 1291.61, the amount to be recaptured or to be recovered shall be immediately deemed to be an advance issued to the Member by the Bank, and will be subject to the terms and conditions of the Advances Agreement and the Bank's Collateral Policy and Credit Policy Manual, while the Bank determines which action permitted under Section 1291.60 will be taken. The Member agrees to fully cooperate with respect to any action taken including the execution of additional advances documentation and assignment of security. Additionally, the Bank may without limitation take any one or more of the following actions:

1. Re-price the Advance at the interest rate charged to Members on non-subsidized advances of comparable type and maturity at the time of the original Advance.
2. Call the Advance.
3. Assess a prepayment fee, including reasonable expenses incurred by Bank concerning AHP auditing and enforcement (including attorneys' fees).
4. Require the Member to reimburse the Bank for the subsidized amount remaining on the Advance.
5. Recapture all or any portion of any direct Subsidy with interest as calculated by the Bank. **Note:** no interest, penalties or other charges may be charged to the household for any reason in relation to repayment of the AHP subsidy.
6. Require the Member to provide Eligible Collateral, as defined in the Advances Agreement, to meet the Member's Collateral Requirement as increased by the amount of the subsidy to be recaptured.
7. Acting in the Bank's reasonable and sole discretion, the Bank expressly reserves the right to charge the Member's account or liquidate collateral to recapture the Subsidy without prior advance to Member or its legal successor.

**VIII. Membership Termination.** In the event of membership termination, the Member or its legal successors and the Bank agree to abide by the terms of this Agreement, but future Bank funding shall cease. Subject to FHFA regulation and policy directives, the former Member agrees to provide or supplement collateral in support of the Subsidy to the Bank until such time that the Subsidy has been fully repaid or the retention period on the housing unit ceases. The former Member agrees to post collateral from time to time in an amount deemed sufficient by the Bank to meet the former Member's outstanding potential liability under the Homeownership Initiatives.

**IX. Other Agreements and Policies.** This Agreement is subject to the terms and conditions of the Homeownership Initiatives Registration and Certification Form, the AHP Implementation Plan as same may be amended or adopted from time to time, the Advances Agreement, the Bank's Collateral Policy and Credit Policy Manual and such other program documents as are in effect from time to time and the regulations of the FHFA. The Bank shall make forms of Retention Agreement available.

**X. Fair Lending Compliance.** Member acknowledges that Bank is committed to compliance with all fair lending requirements prescribed by the Fair Housing Act, Equal Credit Opportunity Act and Regulation B and all other applicable laws and regulations. Member shall not discriminate against any Subsidy applicant, potential applicant or recipient on a prohibited basis under federal, state or local fair lending laws, including but not limited to all fair lending requirements prescribed by the Fair Housing Act, Equal Credit Opportunity Act and Regulation B. Bank shall in no way be responsible for Member's compliance with such fair lending laws. Bank shall have the right to independently monitor or verify Member's compliance with such laws. If Bank determines that Member is in violation of any fair lending laws with regard to the Subsidy, Bank may take whatever action it deems necessary to mitigate the risks or issues discovered, including any of the actions under Section VII.

**Member represents that the undersigned are fully authorized to sign this Agreement, and if accepted, agree to the terms and conditions contained herein.**

*This Agreement must be signed by two officers who are listed on the "Certified Resolutions for Advances" on file with FHLBI. Please inquire at [housing@FHLBI.com](mailto:housing@FHLBI.com) if you are uncertain of current authorizations.*

**Member Authorized Signature 1**

|               |                     |
|---------------|---------------------|
|               | <b>Name:</b>        |
| <b>Title:</b> | <b>Date Signed:</b> |

**Member Authorized Signature 2**

|               |                     |
|---------------|---------------------|
|               | <b>Name:</b>        |
| <b>Title:</b> | <b>Date Signed:</b> |

***Return this signed agreement via email to: [housing@fhlbi.com](mailto:housing@fhlbi.com)***

**Federal Home Loan Bank of Indianapolis Signature 1**

|                                       |                          |
|---------------------------------------|--------------------------|
|                                       | <b>Name: Rori Chaney</b> |
| <b>Title: Associate Director, CID</b> | <b>Date Signed:</b>      |

**Federal Home Loan Bank of Indianapolis Signature 2**

|  |                            |
|--|----------------------------|
|  | <b>Name: MaryBeth Wott</b> |
| <b>Title: SVP, Community Investment &amp; Strategic Planning Officer</b> | <b>Date Signed:</b>        |