



Welcome to the FHLBank Indianapolis 2023 HomeBoost Program Webinar

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.
- Today's webinar will be recorded and posted to our website at: www.fhlbi.com/CIDtraining

2023 HomeBoost: Minority DPA

PROGRAM OVERVIEW

June 27, 2023

Today's Agenda

June 27, 2023 | 2:00 – 3:00 PM

FHLBank Introduction

HomeBoost Overview

- Amount Available
- Program Timeline
- Eligible Households
- Eligible Properties

Members: HomeBoost Applications

- Special Purpose Credit Program Plan
- Member Sign Up Instructions
- Application Requirements
- Reporting/Closing Requirements

Live Q&A



Photo by Steve Koss, Model D Media

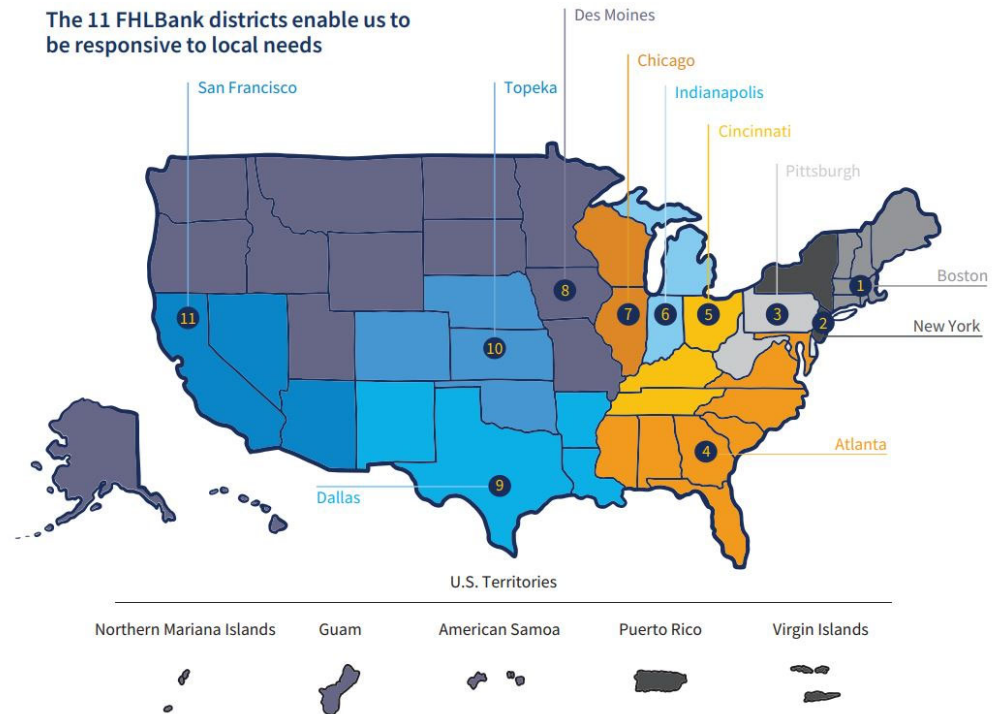
FHLBank Introduction

National System

- Created by Congress in response to Great Depression
- Provide lendable funds to other financial institutions
- Not a Bank in the traditional sense

FHLB Indianapolis

- 1 of 11 Regional FHLBanks
- District includes Michigan and Indiana



FHLBank Member Products





SteppingUp

COMMUNITY INVESTMENT

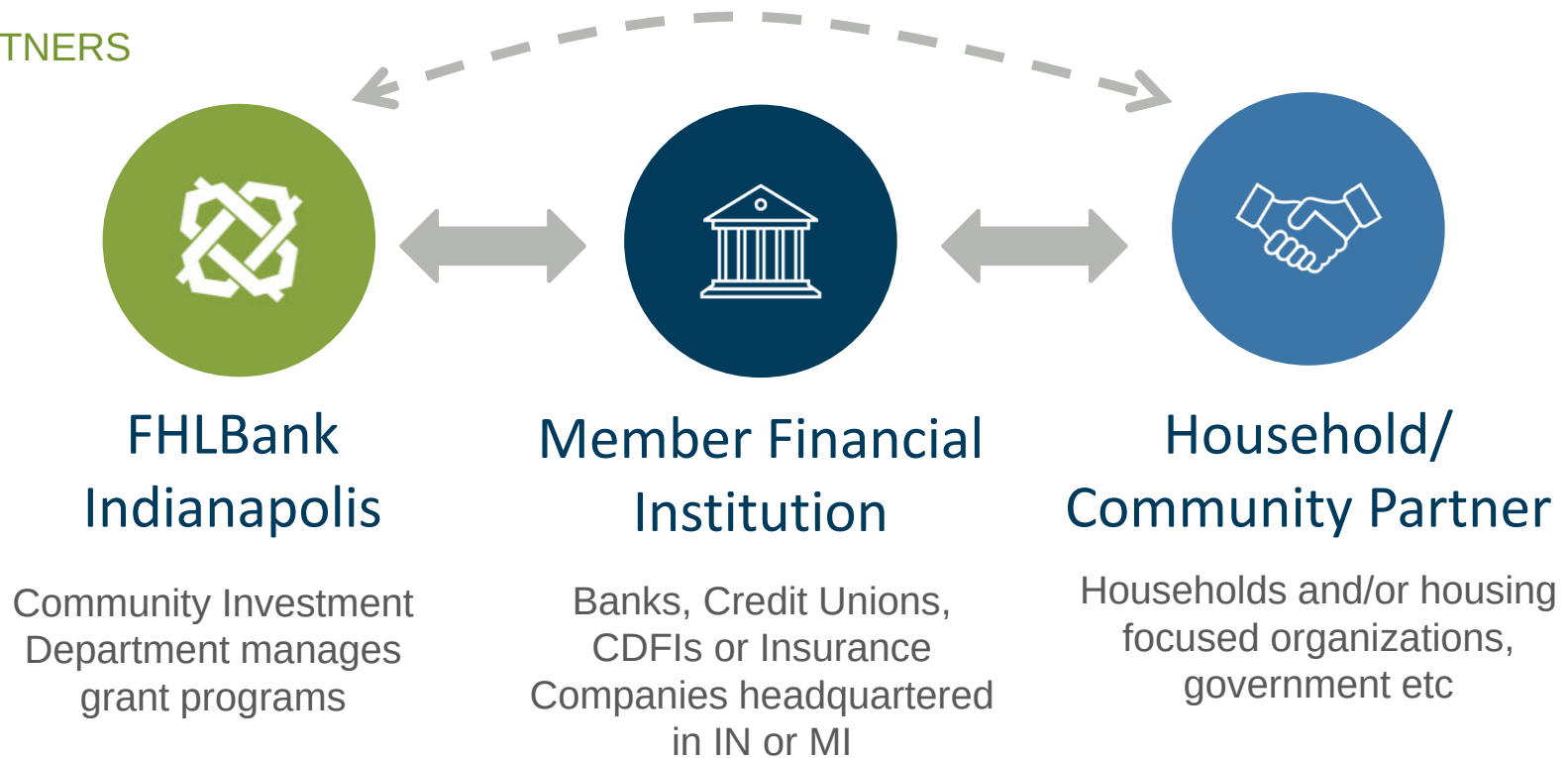
We committed 25% more funding for 2023!

~\$25,000,000
available in grants for 2023

Affordable Housing Program (AHP)	Homeownership Initiatives	Elevate Small Business Grant	HomeBoost: Minority DPA
General Allocation \$12.9M	General Allocation \$6.9M	Original Allocation \$500,000	NEW Offering
+	+	+	+
Stepping Up \$2.5M	Stepping Up \$1.3M	Stepping Up \$200,000	Stepping Up \$500,000
Total Allocation \$15.4M	Total Allocation \$8.3M	Total Allocation \$700,000	Total Allocation \$500,000

Partnerships are Essential

KEY PARTNERS



Why did FHLBank Indianapolis create HomeBoost?

National: Minority households have:

- higher mortgage denial rates¹
- lower cash reserves²
- higher interest rates if homeowner³
- higher closing costs if homeowner⁴

District: Minority households have:

- higher denial rates from our member institutions⁵
- debt to income ratio and insufficient cash among top five reasons for denial, account for over 50% of denials⁶

2020 Homeownership Rates⁷

Race/Ethnicity	Indiana	Michigan
White Americans	76%	80%
Black Americans	38%	42%
Hispanic Americans	62%	61%
Asian Americans	57%	62%

1: Consumer Finance Protection Bureau, Data Point: 2021 Mortgage Market Activity and Trends, Office Research Publication (Sept. 2022),

<https://www.consumerfinance.gov/data-research/research-reports/data-point-2021-mortgage-market-activity-trends/>

2: U.S. Department of Housing and Urban Development, *Paths to Homeownership for Low-Income and Minority Households*, Evidence Matters (Fall 2012),

<https://www.huduser.gov/portal/periodicals/em/fall12/highlight1.html>, ("HUD Paths to Homeownership").

3 Id

4 Id

5 2021 HMDA data included all purchase mortgages for 1–4 family homes where the borrower intends to use the property as an owner-occupied residence and excluded reverse mortgages.

6 Id

7 National Association of Realtors Research Group, 2022 Snapshot of Race and Home Buying in America at 8–11 (February 2022),

<https://www.nar.realtor/sites/default/files/documents/2022-snapshot-of-race-and-home-buying-in-the-us-04-26-2022.pdf>.

HomeBoost: Basic Overview

Pilot program that provides \$15,000 in DPA grant funding to those who:

- are first-time homebuyers;
- identify as a minority household
- have a household income at or below 120% of the local Area Median Income;
- intend to purchase a primary residence in Indiana or Michigan.

At a minimum, \$500,000 will be available ~September 5, 2023.

Only FHLBank members can submit applications on behalf of eligible households.

Households will be assisted first-come, first-served basis.

HomeBoost: Eligible Households

Provides \$15,000 in down payment assistance grant funding to those who:

- are first-time homebuyers;
- identify as a minority household
- have a household income at or below 120% of the local Area Median Income (AMI);
- intend to purchase a primary residence in Indiana or Michigan.

Household Eligibility: First Time Homebuyer

HUD Definition:

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.

Household Eligibility: Minority Definition

HomeBoost Minority Definition – First Time Homebuyers who self identify as:

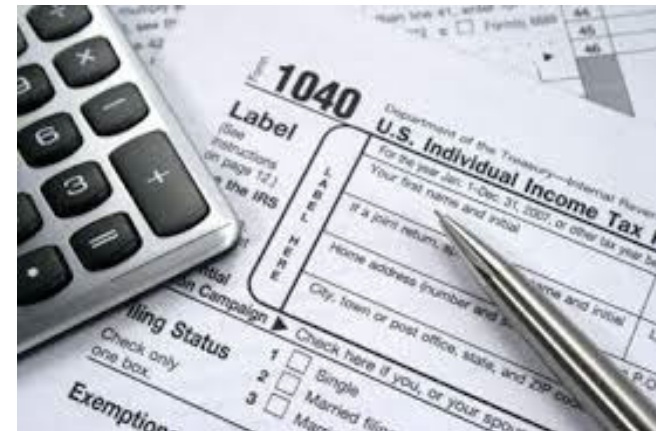
- Their Ethnicity as “Hispanic or Latino,”
- Their Race as “American Indian or Alaska Native,”
- Their Race as “Asian,”
- Their Race as “Native Hawaiian or Other Pacific Islander,” or
- Their Race as “Black or African American.”

As evidenced through:

- HMDA Section of Mortgage Application OR
- Minority Self Certification Form

Household Eligibility: Income Guidelines

- Households must have projected income at or below 120% of the Area Median Income (AMI) as determined by HUD
- Income guidelines, workbooks and other resources are published on the HomeBoost webpage
- We will verify the income calculation submitted. We do not require credit reports or credit scores.



Eligible Properties

- Located in Indiana or Michigan
- 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



Household Required HUD Counseling

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

Counseling Resource Guide on HomeBoost webpage



Homebuyer Contribution



Minimum \$500 contribution:

- Gross contribution minus any cash back at closing
- Must be homebuyer's **own resources**; 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 \$500, the file is out of compliance

Transaction Requirements

- Mortgages are subject to member underwriting criteria
- No minimum credit scores and/or maximum front-end ratios
- Funds cannot be used for rehab
- Closing to be within 90 days of FHLBank final approval



Unlike our HOP program, HomeBoost does not require an affordability restriction period and/or retention agreement



2023 HomeBoost: Minority DPA

MEMBERS: HOMEBOOST
APPLICATIONS

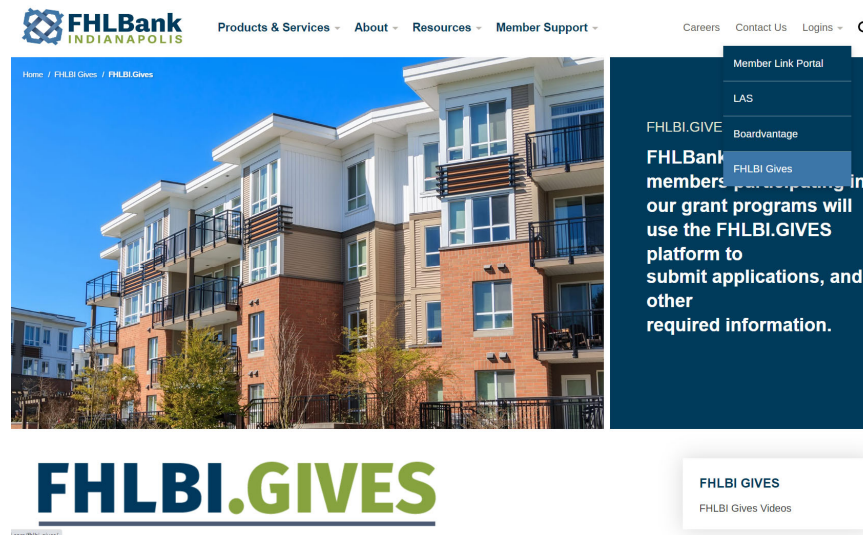
Summary: Key Differences from HOP

- Increase to **\$15,000** per household
- Exclusively available to **minority households**
- At or below **120% Area Median Income**
- First time homebuyer definition updated to **HUD definition**
- Up to **90 days** to close on transaction
- No affordability restriction and/or retention agreement
- No front-end ratio maximums
- No member cap in funding use
- No application maximum in .GIVES

Submitting HomeBoost Requests

FHLBI.GIVES

HomeBoost requests must be submitted through FHLBI.GIVES
Only FHLBank Indianapolis Members have access



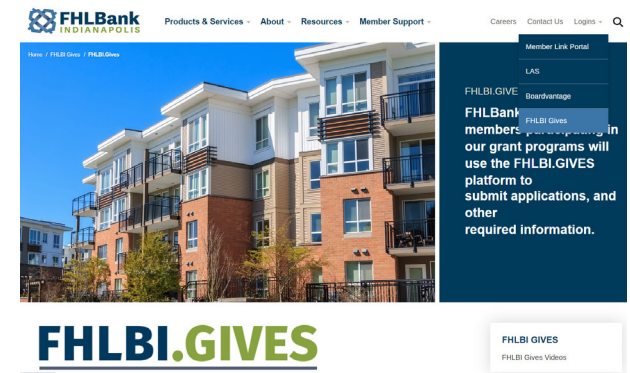
.GIVES Submission

Following entered into .GIVES

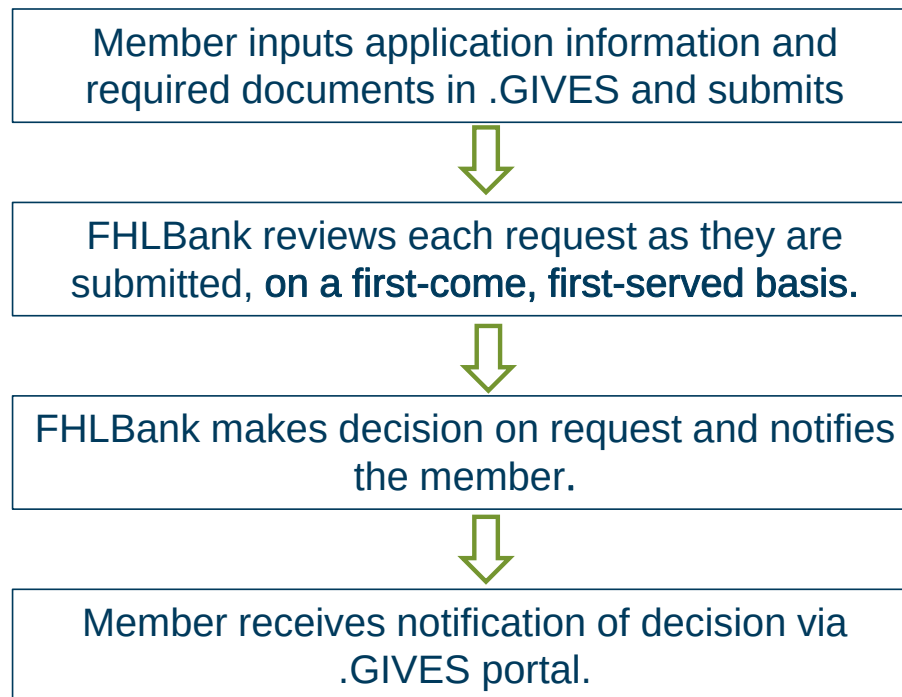
- Household information
- Income information
- Information on property to be purchased
- Mortgage terms

The following documents are uploaded in .GIVES

- First time homebuyer certification
- Borrowers Mortgage Application
- Minority Self-Certification Form (if no HMDA data in Mortgage Application)
- Income documentation



.GIVES Workflow



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
- Missing signatures/dates on documentation
 - i.e. Homebuyer Affidavit
- Documents not attached in a compatible format
 - Please attach pdfs/word documents



Post-Closing Process

Once obtained, the following documents should be uploaded into FHLBI.GIVES for every recipient:

1. A copy of the final, fully executed Closing Disclosure
2. A copy of the Underwriting Transmittal Summary 1008
3. Evidence of completion of approved housing counseling *prior* to the loan closing, if not submitted with the initial request.

A percentage of your files will be selected for monitoring.

Member Sign up Instructions

Registration and Access

1. **Email** us at housing@fhlbi.com to request a copy of the HomeBoost Special Purpose Credit Program (SPCP) Plan and the HomeBoost Master Agreement.
2. **Review** the HomeBoost SPCP Plan, HomeBoost Master Agreement, and [.GIVES Registration Form](#).
3. **Execute** the HomeBoost Master Agreement and .GIVES Registration Form.
4. **Email** the completed HomeBoost Master Agreement and .GIVES Registration Form to housing@fhlbi.com

Once submitted, NEW users will receive login credentials allowing them to access [FHLBI.GIVES](#) where all requests for HomeBoost must be submitted.

HomeBoost: Special Purpose Credit Program Plan

Special Purpose Credit Program (SPCP) Plan

- A SPCP Plan has been created to support this Program
- In order to participate in HomeBoost, members must review the HomeBoost SPCP Plan
- Participating members must sign HomeBoost Master Agreement that points to this SPCP Plan

HomeBoost SPCP Plan Regulator Review

- Plan reviewed by the Federal Housing Finance Agency
- Plan reviewed by the Consumer Financial Protection Bureau

Member Legal Resources

- Members can learn more at [SPCP Toolkit for Mortgage Lenders](#)
- Members can review the **FAQs** available on HomeBoost webpage
- FHLBank hosted an SPCP webinar for members last month. If members would like to watch this recording, please email a request to housing@fhlbi.com to receive the link

Application Process Overview

Member Pre-application:

- Complete Master Agreement after SPCP Plan Review
- Receive .GIVES credentials
- Market to customers/community, may also partner with non-profit institutions and mortgage brokers

.GIVES Applications:

Members submit applications on behalf of households starting ~Sept 5, 2023

Post-Award

- Household has up to 90 days of subsidy disbursement to close.
- Member submits post closing documents as soon as they become available.



HOMEBOOST MINORITY
DOWN PAYMENT
ASSISTANCE

Helping close the
homeownership gap
for minority
households in Indiana
and Michigan.

**Can you layer the HomeBoost dollars with other
DPA programs?**

Yes, you can! We encourage it.



LIVE Q&A

Please use the Q&A button to submit questions

Additional Questions?



Please visit the **FAQs** posted on the HomeBoost webpages to find answers to common questions.

If you have additional questions not covered in the FAQ, please contact us at housing@fhlbi.com

Thank you!

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

WWW.FHLBI.COM/CIDTRAINING