

2022 Equity Builder Program and Housing Our Workforce

Submitting an Application



Agenda

- Program Introductions/Benefits
- Homeownership Program Comparison
- Application Overview
- Programmatic Requirements
- Accessing the Online Application Process
- Program Information & Workflow
- Upcoming Training Sessions/Website Resources
- HCI Contacts

Equity Builder Program Introduction

- FHLBank Boston offers the EBP to members as a means of providing grant money to qualifying homebuyers to be used towards down-payment, closing-cost (including homebuyer education/counseling), and rehabilitation assistance
- The EBP is a separate set-aside of FHLBank Boston's Affordable Housing Program and regulated by Federal Housing Finance Agency
- Since 2003, over \$48.9 million has been disbursed to member institutions, assisting 4,251 homebuyers



Housing Our Workforce Introduction

- FHLBank Boston offers the HOW program to member financial institutions as a means of providing matching grants to income-eligible homebuyers to be used towards down payment
- The HOW program is a separate voluntary program of FHLBank Boston
- Since 2019, \$5.6 million has been disbursed to member institutions, assisting 421 homebuyers



Program Benefits

EBP

- Expands business development opportunities
- Expands homeownership opportunities for income-eligible households that lack funds for down payment **and/or** closing costs
- Supports your existing mortgage-lending programs
 - May qualify for Community Reinvestment Act consideration for flexible and innovative financing
- Can be used with other grants and down-payment assistance programs (except AHP)
- Qualified and Non-Qualified mortgage loans are eligible for EBP grants

HOW

- Expands business development opportunities
- Expands homeownership opportunities for income-eligible households that lack funds for down payment
- Supports your existing mortgage-lending programs
- Can be used with other grants and down-payment assistance programs (except AHP)
- Qualified and Non-Qualified mortgage loans are eligible for HOW grants

Homeownership Program Comparison

Program Comparison	EBP	HOW
Income Limits	<= 80% AMI	> 80% to <=120%
Maximum Grant per Household	\$22,000	\$20,000 with a 2:1 homebuyer match
Maximum Funds to Member	\$220,000	\$150,000
Use of Grant Funds		
- Down Payment	Yes	Yes
- Closing Costs (including Homebuyer Education & Counseling Fee)	Yes	No
- Rehabilitation Assistance	Yes	No
Member Application Period	February 1, 2022 – February 28, 2022	February 1, 2022 – February 28, 2022
Purchase Price Limit	No	Yes, based on Mortgage Revenue Bond limits
Annual Member Application	Required	Required
Staff Training	Required	Required
Executed EBP/HOW Disclosure	Required	Required
Purchase property must be an owner-occupied primary residence?	Yes	Yes
First-time homebuyer for first 1/3 enrollments	Required	NOT Required
First-time homebuyer education and counseling	Required	Required
5-year retention mortgage and note	Required	Required
Member concession/incentive to homebuyer	Required	NOT Required
Limited to New England states?	No	Yes
Homebuyer down-payment match requirement?	No	Yes

Application Period

Application Period:

- FHLBank Boston will accept online applications from members beginning **February 1, 2022, through February 28, 2022, until 3 p.m.**
 - Adobe e-sign the EBP or HOW agreement between **March 1 and March 14**
 - Receive approval to participate in the EBP or HOW week of March 14.
- Members must apply for EBP and HOW **separately.**

NOTE: Once approved, all funds are available on a ***first-come, first-served basis***. Enrollments are homebuyer specific. Subject property address can be updated or changed.

Member Requirements

1. Apply to participate in the program
 - Step 1: Formal online application process through the Community Lending login
 - Step 2: Execute the EBP and/or HOW Agreements through the **NEW** Adobe E-sign process
2. Originate an eligible first mortgage loan product: conventional fixed-rate or adjustable-rate mortgage
3. Provide the EBP-assisted homebuyer(s) with at least one special incentive/concession at the time of purchase
 - **Does NOT apply to HOW**
4. The first one-third of member's enrollments must be to first-time homebuyers
 - **EBP only**

First-Time Homebuyer Definition

- 42 U.S.C. §12704(14): Individual and spouse who have **not owned a home during the three-year period** prior to purchase, with exceptions for:
 - Displaced homemakers
 - Single parents
 - Owned a dwelling unit that was not permanently affixed to a permanent foundation; or
 - Owned a dwelling unit not in compliance with codes and which cannot be brought into compliance for less than the cost of constructing a permanent residence





Eligible Property Types

- **Primary residences only**
- **Single-family, owner-occupied housing including:** 1-4-family properties, duplexes, cooperatives, and condominiums occupied as the borrower's primary residence
- **Manufactured homes** meeting HUD guidelines and permanently affixed (or wheels up axels down) on property owned by borrower
- **Foreclosure and Short Sale properties**
- **New construction properties**

Household Requirements

- Homebuyer(s) will review, initial and sign the **EBP/HOW Disclosure** – **UPDATED for 2022**
- Homebuyer(s) will need to identify the household members and income sources for the entire household
- A household member is defined as an individual who expects to live in the property at the time of closing, going forward
- Household(s) cannot earn more than each program's respective Area Median Income (AMI) limits and must have sufficient income to support the purchase:
 - EBP **less than or equal to 80 percent** of AMI
 - HOW **greater than 80 percent and less than or equal to 120 percent** of AMI
- Homebuyer education/counseling is required for **first-time homebuyers** only and at least one adult member of the household must participate
 - Homebuyer education/counseling (if applicable) must be completed within 24 months prior to enrollment submission OR prior to the closing of the subject property

Household Requirements (continued)

- Homebuyer(s) will be required to provide a minimum of a \$500 down-payment contribution
 - HOW homebuyer(s) will want to put down more than \$500 minimum as grant is based on **two-to-one** match of the homebuyer(s) contribution of their own funds
- Provide a fully executed P&S agreement identifying the subject property's address, estimated closing date, and down payment
 - The agreement must be current at the time of enrollment and include all amendments
- Homebuyer(s) will be subject to FHLBank Boston's affordability retention Mortgage and Note

Accessing the Online Application

- Online application: <https://housing.fhlbboston.com/>
- First-time users will need to register for a Community Lending account
 - Password will be emailed to you
 - Your organization's admin will approve your new user account
- Existing usernames with passwords are valid
 - You can reset your password and retrieve username

NOTE: Everyone should have their own username and password

Please do not share!

Member Information

Members are **required** to provide a:

- Primary Contact
- AND
- Secondary Contact

All automated emails and correspondence will be sent to the primary and secondary contact people listed on the EBP and/or HOW application

- KEY individual(s):
 - Are required to participate in training sessions and should be able to offer training to other members in your organization
 - Should be knowledgeable about the EBP and/or HOW
 - Should be able to aid the homebuyer
 - Can be the same contacts for each program or different

Program Information

Eligible EBP/HOW Loan Products include:

- Typical financing products - Conventional fixed, portfolio, or adjustable: Fannie Mae, Freddie Mac, FHA, Rural Development, and State Housing Finance Agencies
- Adjustable-rate mortgage (ARM) must include initial interest rate, annual and lifetime caps
 - Maximum 2 percent annual and 6 percent lifetime cap

NOTE: ARMs are *not* eligible if:

- Interest-only and payment-option loans
- Adjustment term is less than 5/1
- 6/2/6 or 5/2/5 annual/lifetime percentage cap ARM programs

Program Concessions - EBP Only

Approved members provide homebuyer an incentive or concession:

- Explain the incentive/concession that you are offering to the homebuyer; and
- Indicate how this differs from your standard residential lending product(s)
- Examples of concessions
 - Lender credit
 - Waiving or reduction of fees
 - Below market rate
 - Expanded underwriting guidelines

The concession will need to be indicated at enrollment, documented at the time of closing, and provided at the time of disbursement request

Best practice would be to clearly document the concession provided to the homebuyer on the Closing Disclosure:

- Page 2 of CD Section J: Lender credits, and/or
- Page 3 of CD Section L: Other credits (line 06-09) or
- Waiving or reduction of fees
- If not on CD, provide additional supporting documents i.e., rate sheet or underwriting guidelines

Training Requirement

Upon approval of your EBP and/or HOW application:

- Members will designate at least one person to attend either live or pre-recorded online training session(s)
- Each training session will guide your staff through the specific covered topic and provide updated program changes for 2022
- Best practice would be to assign a coordinator to act as a liaison to ensure all requirements are met and all documents are submitted for each step
- Enrollment and Disbursement processes will be presented separately



Homebuyer Education/Counseling (First-time Homebuyers Only)

- Select from the list of organizations (CHAPA, HUD or NISHEC)
 - To submit an agency for approval (not listed), attach the curriculum
 - Curriculum to follow accepted industry standards regarding the purchase and ownership, including maintenance of the home

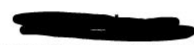
- Online education component is acceptable online through either Framework or eHome America, through the Bank’s approved agencies (CHAPA, HUD or NISHEC)
 - If a homebuyer completes online education directly through Framework or eHome America, the members are required to ensure the homebuyer completes the post-counseling component.

- The Bank will not permit online education/counseling agencies i.e.: Fannie Mae, Freddie Mac or MGIC are not approved



Certificate of Completion

THIS CERTIFICATE IS AWARDED TO



ON February 27, 2019

For Successfully Completing
The Framework® Homeownership Education Course

Framework® is administered by a HUD-Approved Intermediary and meets the National Industry Standards for Homeownership Education

Framework Homeownership LLC is owned and managed in partnership by the Housing Partnership Network and the Minnesota Homeownership Center. The Framework® Homeownership Education Course meets the homeownership education requirement for the Fannie Mae HomeReady® mortgage loan, HomePath Ready Buyer™ program, and may fulfill requirements for other home buying programs. www.frameworkhomeownership.org

CERTIFICATE ID: 451647

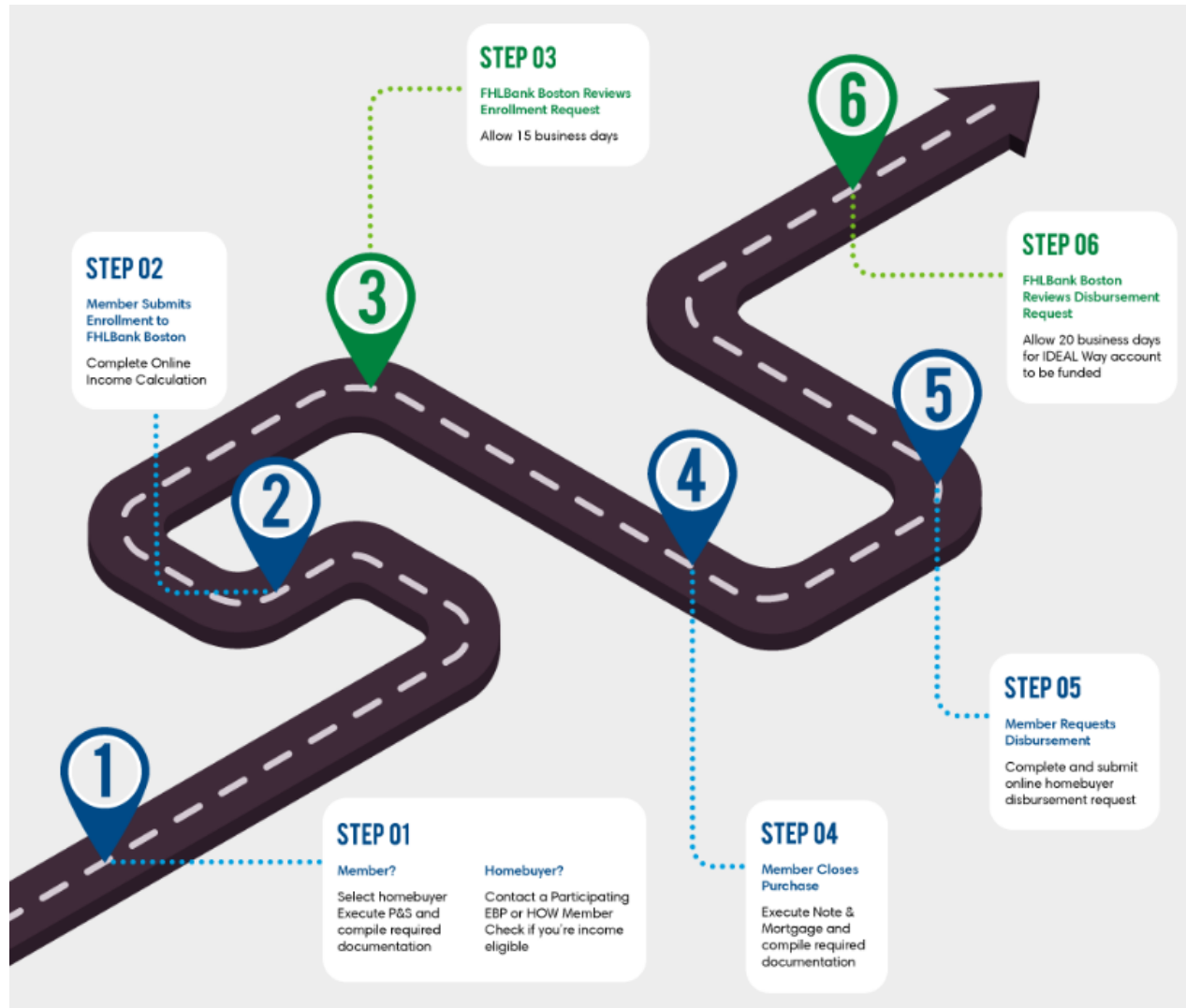
Validate and Submit

- Validation screen identifies incomplete or missing information
 - All validation issues must be resolved in order to submit the application
- Summary page will confirm the attachments/exhibits
- Submit: sends the completed application to the Bank
 - Please print a copy of the application for your records

Program Agreements- NEW Process!

- The agreements are part of both the EBP and HOW application processes and have been updated in 2022
 - Must be executed **separately**
 - **NEW** process is NOT done through Community Lending Login
- Must be signed by a person delegated within your organization that is authorized under the *User Entitlement Administrators* through *Online Banking*
 - Please contact us if you are unsure who is an authorized officer
- Agreements will be sent through Adobe Sign directly to your designated/authorized signers on **March 1, 2022**
 - **Must execute within 10 business days** (check your spam) which is **by EOD March 14, 2022**
 - Option to wet-sign is permitted through Adobe Sign software

Roadmap for Homeownership Assistance Programs



EBP/HOW Webinar Sessions

Enrollment

- Describes only the homebuyer enrollment process in detail
- Live or pre-recorded training is **required** prior to reserving funds for income-eligible households
- Open to all participating members and their staff

Disbursement

- Describes only the disbursement/reimbursement process in detail
- Live or pre-recorded training is **required** prior to requesting disbursements by at least one staff member
- Covers the 5-year retention period and the requirements for both member and homebuyer



Register for LIVE sessions

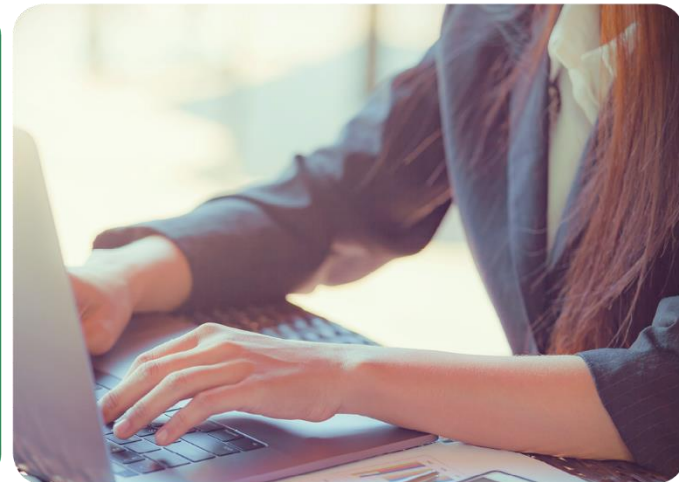
Next Steps: Enrolling Homebuyers

March 16, 2022 and March 29, 2022

Final Steps: Requesting Disbursement

April 12, 2022 and April 21, 2022

***Pre-recorded webinars will be available**





Website/Resources

To learn more about EBP and HOW:

- Register for EBP/HOW LIVE Training Sessions or access pre-recorded versions
- Locate current EBP/HOW Documents and Forms – **To be updated early 2022**
- Find the AHP Implementation Plan, Attachment D – **UPDATED**
- Visit the Housing and Economic Growth section of the FHLBank Boston's website at:
<https://www.fhlbboston.com/fhlbank-boston/products-programs/housing-economic-growth#/>

Questions?



Housing and Community Investment

For more information, contact:

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Thank You!

We look forward to working with you!

