

Homeownership Set-Aside Specialized Programs

FHLBs can target their Homeownership Set-Aside Program funding toward special populations, such as first-time homebuyers or veterans. FHLBs' describe these specialized programs in their AHP Implementation Plans. Below is a brief description of the programs offered by each FHLB.

FHLB ATLANTA

First-time Homebuyer: This program provides up to \$5,000 in matching funds for the down payment and closing costs of first-time homebuyers.

Community Partners: This program provides up to \$7,500 in matching funds for down payment and closing-cost funding to current or retired law enforcement officers, educators, health care workers, firefighters, and other first responders.

Community Rebuild and Restore: This product provides up to \$10,000 in funding for the rehabilitation of an existing owner-occupied property located in "Major Disaster Declaration" areas as designated by FEMA.

Foreclosure Recovery: This program provides up to \$15,000 in matching funds for down payment, closing-cost, and rehabilitation funds towards the purchase and rehabilitation of an existing home from the Real Estate Owned (REO) inventory of an FHLB Atlanta member.

Veterans and Returning Veterans Purchase: This program provides up to \$10,000 in funding for a home purchase or purchase/rehabilitation to members of any branch of the U.S. military or their surviving spouses.

Veterans and Returning Veterans Rehabilitation: This product provides up to \$15,000 in funding for energy efficient and accessibility improvements to a home owned by a veteran or active duty member of any branch of the U.S. military or surviving spouse.

Structured Partnership Product (SPP): This product provides funds for eligible purchase and/or rehabilitation transactions as defined by the terms and conditions of each of the FHLB of Atlanta's agreements with federal, state, or local governmental, quasi-governmental entities, or other organizations to deliver AHP-compliant products in collaboration with the FHLB of Atlanta.

FHLB BOSTON

Equity Builder Program: This program provides up to \$15,000 for down payment and closing cost assistance, homebuyer counseling costs, and/or rehabilitation costs to eligible homebuyers.

FHLB CHICAGO

Downpayment Plus®: This program provides up to \$6,000 for down payment and closing cost assistance, homebuyer counseling costs (up to \$700), and/or eligible rehabilitation costs.

Downpayment Plus Advantage®: This program is designed for nonprofits participating in homeownership programs. The nonprofit must partner with a member to access the program. The Downpayment Plus Advantage program provides up to \$6,000 to eligible households for down payment and closing cost assistance, homebuyer counseling costs (up to \$700), and/or rehabilitation costs.

FHLB CINCINNATI

Welcome Home: This program provides up to \$5,000 for down payment and closing cost assistance to eligible homebuyers.

FHLB DALLAS

Homebuyer Equity Leverage Partnership Program: This program provides up to \$7,000 for down payment and closing costs assistance for first-time homebuyers.

Special Needs Assistance Program: This program provides up to \$6,000 to special needs households for the repair and/or rehabilitation of an owner-occupied home for eligible homebuyers.

Housing Assistance for Veterans Program: This program provides up to \$7,500 for the necessary modifications to homes of U.S. veterans and active-duty personnel who are disabled by active military service since September 11, 2001.

FHLB DES MOINES

Home\$tart: This program provides up to \$7,500 for down payment, closing costs, counseling, or rehabilitation assistance to eligible homebuyers.

Home\$tart Plus: This program provides up to \$15,000 for down payment, closing costs, counseling, or rehabilitation assistance to eligible homebuyers on public assistance.

Native American Homeownership Initiative: This program provides up to \$15,000 for down payment, closing costs, counseling, or rehabilitation assistance to eligible Native American, Native Alaskan, or Native Hawaiian households.

FHLB INDIANAPOLIS

Homeownership Opportunities Program: This program provides up to \$8,000 for down payment and closing costs assistance for eligible first-time homebuyers.

Accessibility Modifications Program: This program provides up to \$15,000 for modifications that assist with aging in place and independent living for eligible senior or disabled homeowners.

Neighborhood Impact Program: This program provides up to \$7,500 for eligible repairs and maintenance costs including new windows, furnaces, water heaters, gutters, and insulation for eligible homeowners.

FHLB NEW YORK

First Home Club: This program provides up to \$7,500 in matching funds for the down payment and closing costs of first-time homebuyers.

POTENTIAL BENEFITS

Set-aside funds can help members reach new customer markets including first-time homebuyers, veterans, elderly, and special needs customers.

Set-aside funds can help members achieve Community Reinvestment Act goals.

There is minimal paperwork required for set-aside programs.

POTENTIAL CHALLENGES

Members must pass the entire amount of the subsidy on to their borrowers.

FHLB PITTSBURGH

First Front Door: This program provides up to \$5,000 in matching funds for the down payment and closing costs of first-time homebuyers.

FHLB SAN FRANCISCO

Individual Development and Empowerment Account (IDEA) Program: This program provides up to \$15,000 in matching funds for the down payment and closing costs of eligible first-time homebuyers who have saved under an Individual Development Account (IDA) or are participating in a family self-sufficiency or lease-to-own program leading to homeownership.

Workforce Initiative Subsidy for Homeownership (WISH) Program: This program provides up to \$15,000 in matching funds for the down payment and closing costs of eligible first-time homebuyers.

FHLB TOPEKA

Homeownership Set-aside Program: This program provides up to \$5,000 for down payment and closing cost assistance, homebuyer counseling costs, and/or rehabilitation costs to eligible first-time homebuyers.

Potential Benefits

- Set-aside funds can help members reach new customer markets including first-time homebuyers, veterans, elderly, and special needs customers.
- Set-aside funds can help members achieve Community Reinvestment Act goals.
- There is minimal paperwork required for set-aside programs.

Potential Challenges

- Members must pass the entire amount of the subsidy on to their borrowers.

RESOURCES

Atlanta Federal Home Loan Bank Affordable Housing Programs

<http://corp.fhlbatl.com/services/affordable-housing-programs/>

Boston Federal Home Loan Bank Affordable Housing Programs

<http://www.fhlbboston.com/communitydevelopment/ahp/index.jsp>

Chicago Federal Home Loan Bank Affordable Housing Programs

<http://www.fhlbc.com/ProductsandServices/CommunityInvestmentsandAffordableHousingPrograms/GrantPrograms/Pages/federal-home-loan-bank-chicago-community-investment-downpayment-plus-program-DPP.aspx>

Cincinnati Federal Home Loan Bank Affordable Housing Programs

<https://www.fhlbcin.com/community-investment>

Dallas Federal Home Loan Bank Affordable Housing Programs

<https://www.fhlb.com/community/Pages/Affordable-Housing-Program.aspx>

Des Moines Federal Home Loan Bank Affordable Housing Programs

<http://www.fhlbdm.com/strong-communities-fund/housing-programs/>

Indianapolis Federal Home Loan Bank Affordable Housing Programs

<https://www.fhlbi.com/products-services/communities-and-housing/competitive-affordable-housing-program>

New York Federal Home Loan Bank Affordable Housing Programs

<http://www.fhlbny.com/community/housing-programs/fhc/fhc-information-for-hlb-member-community-lenders.aspx>

Pittsburgh Federal Home Loan Bank Affordable Housing Programs

<http://www.fhlb-pgh.com/housing-and-community/programs/first-front-door.html>

San Francisco Federal Home Loan Bank Affordable Housing Programs

<http://www.fhlbsf.com/community/grant/ahp.aspx>

Topeka Federal Home Loan Bank Affordable Housing Programs

<https://www.fhlbtopeka.com/Community-Programs-Grants>

Using FHLBs' Homeownership Set-Aside Programs

A bank representative from Florida said that his bank looks for ways to provide the optimal amount of mortgage-related assistance for the veterans they serve by taking advantage of the veteran housing loan subsidy programs offered by the FHLB of Atlanta. These FHLB Set-Aside Fund programs offer veterans up to \$15,000 toward down payment, closing costs, principal reduction, or rehabilitation assistance for the purchase or purchase/rehabilitation of an existing unit, typically structured as a forgivable five-year second mortgage with no interest or payments. The FHLB veterans' programs can be used with the VA home loan guarantee program or other conventional or portfolio products.

Another bank representative said that her bank has participated in the FHLB of Pittsburgh's First Front Door (FFD) program for several years. This program provides up to \$5,000 in matching funds (subsidy match is 3:1) for the down payment and closing costs of first-time homebuyers with an area median income of 80 percent or less. The program requires homeownership counseling. The bank uses FFD in conjunction with its own program designed for low- and moderate-income borrowers. "FFD is valuable to buyers who are strong borrowers but are a little short on funds to close. The FHLB of Pittsburgh has streamlined the registration process, which makes the process from registration to funding easier to submit and track."

One representative said that her bank combines the FHLB of Cincinnati's Welcome Home program with its Federal Housing Administration (FHA) loans through a correspondent. Welcome Home provides up to \$5,000 for down payment and closing costs assistance to eligible homebuyers with a minimum subsidy match of \$500.

A bank representative from Minnesota discussed the Native American Homeownership Initiative (NAHI) through the Federal Home Loan Bank of Des Moines' Homeownership Set-Aside program. NAHI provides up to \$10,000 to offset home purchase costs including down payment, closing costs, homeownership counseling, and home repairs. FHLB members may enroll and then reserve funds – up to \$20,000 at a time – on a first-come, first-served basis, subject to availability.

According to the bank representative, getting started with the NAHI program was a "very easy process" that only took between a month and six weeks from start to finish. There were no costs incurred to offer the program other than the loan officer's time, which was minimal. And there was no staff training involved since they kept it simple by just having one loan officer manage the NAHI program delivery including all NAHI applications.

While the bank originates mortgages, they typically do not originate the first mortgages on loans that use NAHI funds. Customers using NAHI funds usually want a 30-year mortgage, which the bank currently does not offer through its portfolio product or a government insured product. "We are a smaller community bank. So if we can get our customers better financing elsewhere, we are absolutely going to do that." The bank works with partner organizations that offer U.S. Department of Housing and Urban Development's (HUD) Section 184 Indian Home Loan Guaranty loans or USDA's Rural Development loans, both natural product matches for the NAHI funds.