



Member driven.
Community focused.



Homebuyer Equity Leverage Partnership (HELP)

Eric Leonard



Community Investment

November 19, 2019

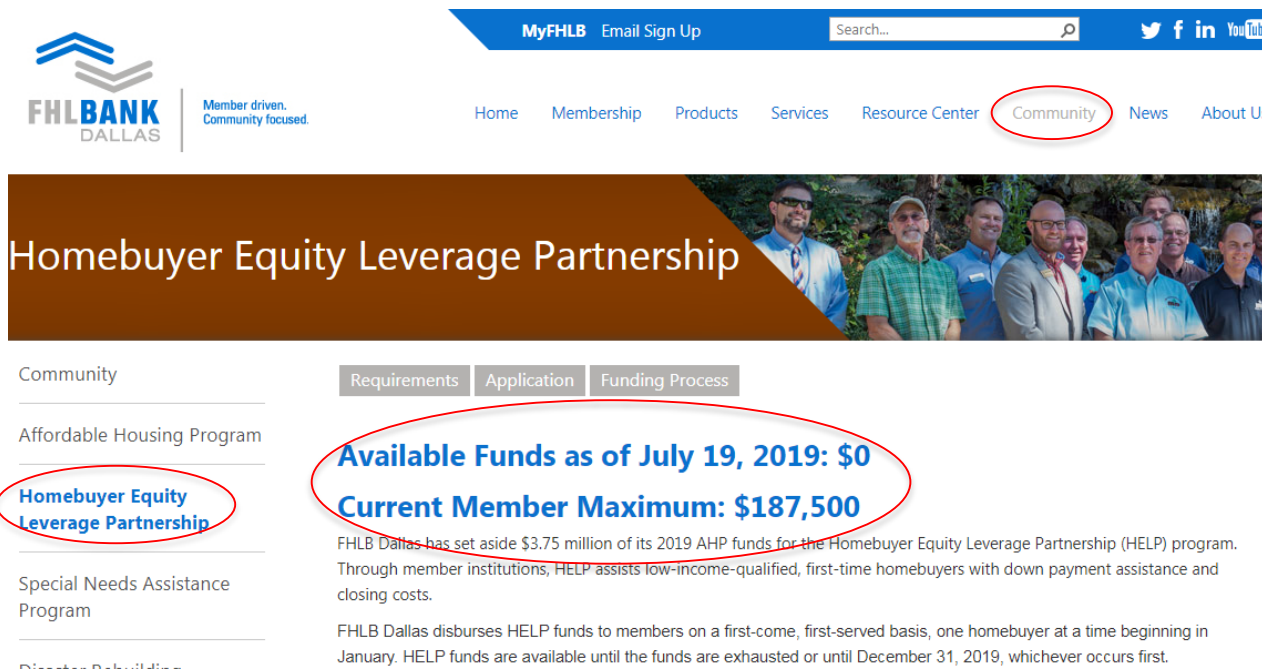
Agenda

- 2020 Program Changes and Updates
- HELP Overview
 - Program Specifics
 - Eligibility Requirements
- Disbursement Process & Required Documents
 - Initial Submission
 - Final Documents
- Preparing a Successful Request: Pointers & Tips
- Question & Answer

HELP Changes & Updates

- **Funding Available: January 2, 2020**
- HELP Allocation: Similar to 2019
- Member Cap: Similar to 2019
- Household Grant Amounts: \$5,500/\$8,500/\$10,000

Available HELP funding updated on FHLB Dallas website:



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Homebuyer Equity Leverage Partnership

Community

Affordable Housing Program

Homebuyer Equity Leverage Partnership

Special Needs Assistance Program

Disaster Rebuilding

Requirements Application Funding Process

Available Funds as of July 19, 2019: \$0

Current Member Maximum: \$187,500

FHLB Dallas has set aside \$3.75 million of its 2019 AHP funds for the Homebuyer Equity Leverage Partnership (HELP) program. Through member institutions, HELP assists low-income-qualified, first-time homebuyers with down payment assistance and closing costs.

FHLB Dallas disburses HELP funds to members on a first-come, first-served basis, one homebuyer at a time beginning in January. HELP funds are available until the funds are exhausted or until December 31, 2019, whichever occurs first.

GrantConnect Portal

- All application submissions for SNAP and HELP will be through this portal
 - No longer through email
- GrantConnect is your one-stop-shop for all documents and the status of your applications
- Webinar will be on December 6, 2019

Community Investment

GrantConnect Portal

Homebuyer Equity Leverage Partnership

Homebuyer Equity Leverage Partnership (HELP) provides down-payment and closing-cost assistance through Member institutions to income-qualified, first-time homebuyers.

[Go to Homebuyer Equity Leverage Partnership](#)

GrantConnect Portal Registration

“I have already used Single Sign On for AHP applications.”

- You already have a username and password.

“I don’t know if I have a username and password.”

- Call us and we will tell you if you do.

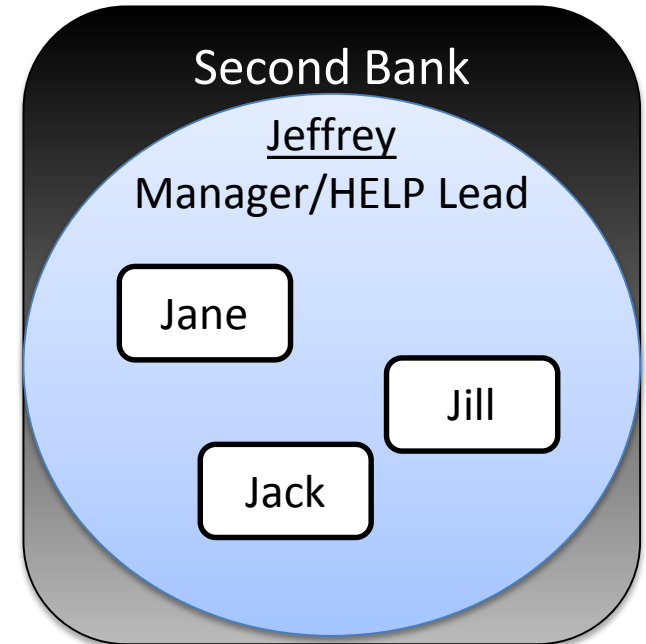
“I don’t have a username and password.”

- Registration is not open to new users at this time.

Members will need to make an internal decision on who will be submitting HELP (and SNAP) requests.

- Should it be open to all originators or only a select few?

How Do Users Work?



Please check with your management before registering.

Program Specifics - HELP

- Provides down payment & closing cost assistance for qualified, first-time homebuyers
- 2020 Grant Amounts:
 - Up to \$5,500: member & homebuyer satisfy all programmatic requirements
 - Up to \$8,500: member originates first mortgage
 - Up to \$10,000: member originates first mortgage **and** contributes at least \$350
- First-come, first-served (must submit complete application)
- All U.S. Property Locations are Eligible
 - Up to ½ of the member cap may be expended outside of the FHLB Dallas District
 - New Mexico
 - Texas
 - Arkansas
 - Louisiana
 - Mississippi



Preparing Your HELP Request

What Do I Need?

1. Member Enrollment Application
2. Ensure Homebuyer Eligibility
-
3. Closing Disclosure
4. Funding Manual
5. Deed Restriction
6. Submit HELP Request

1. Member Enrollment Application

Member must submit a Member Enrollment Application.

- This is a one-time enrollment process.

The screenshot displays the FHLB Dallas website. At the top, the navigation bar includes 'MyFHLB', 'Email Sign Up', a search bar, and social media icons. The main menu features 'Home', 'Membership', 'Products', 'Services', 'Resource Center', 'Community' (highlighted with a red circle), 'News', and 'About Us'. Below the navigation bar is a banner for the 'Homebuyer Equity Leverage Partnership' featuring a group photo of staff. On the left sidebar, under the 'Community' section, the 'Homebuyer Equity Leverage Partnership' link is highlighted with a red circle. The main content area shows a tabbed interface with 'Requirements', 'Application' (highlighted with a red circle), and 'Funding Process'. The 'Applying for a HELP Grant' section explains that FHLB Dallas does not provide direct grants to consumers. The 'Member Enrollment' section states that members must complete the 'HELP Member Enrollment Application' (highlighted with a red circle and a red arrow pointing to it) for participation. The 'Federal Home Loan Bank of Dallas' contact information is provided at the bottom.

Homebuyer Equity Leverage Partnership

Community

Affordable Housing Program

Homebuyer Equity Leverage Partnership

Special Needs Assistance Program

Disaster Rebuilding Assistance Program

Housing Assistance for Veterans

Partnership Grant Program

Small Business Boost

Community Advance Programs

Requirements **Application** Funding Process

Applying for a HELP Grant

FHLB Dallas does not provide grants or loans directly to consumers. Consumers, community-based organizations, and similar entities seeking HELP funds should contact a local FHLB Dallas member institution. Members should submit HELP grant requests to FHLB Dallas. HELP grants are available to member institutions on a first-come, first-served basis until funds are exhausted or the member reaches the member cap.

Member Enrollment

FHLB Dallas members may access HELP funds once they have completed the **HELP Member Enrollment Application**. This is a one-time enrollment application necessary for participation in the HELP program. The HELP Member Enrollment Application includes the HELP Subsidy Agreement, which explains member obligations under the program.

The HELP Member Enrollment Application and the HELP Subsidy Agreement need to be signed by a person listed on the current advances signature card on file with FHLB Dallas.

Original signatures are required. Please send the original forms to:

Federal Home Loan Bank of Dallas

Attention: Community Investment Department
8500 Freeport Parkway South, Suite 600
Irving, TX 75063

After completing the enrollment process, members will be eligible to request HELP funds during each annual offering.

2. Homebuyer Program Requirements

Verify homebuyer meets all programmatic requirements:

First-Time Homebuyer

Meets definition as stated in Attachment A

Contribution

Homebuyer must contribute a minimum of \$500 towards the purchase of their home.

Cash Back

Homebuyer may not receive any cash back at closing.

Income

Total annual household income may not exceed 80% of Area Median Income

Counseling

Must complete a homebuyer counseling program

Deed Retention

Must sign a 5-year retention agreement

Steps to Verify Income

1. Acquire income documentation from the homeowner.
2. Calculate annual income.
3. Identify the area median income.
4. Ensure that the household's annual income does not exceed 80% of the area median income.

Income Documents

Paycheck or VOE

Currently Employed

- Must be within 3 months prior to the income qualification date
- Verification of Employment must include paid-through date

Tax Return

Self-Employment & Seasonal Work

- Last two years of filed tax returns
 - Must be signed

Documentation

Non-Employment Income

- Social Security Award Letters
- Social Security Supplemental Income Notices
- Pension Statements
- Child Support

Provide Certification of Zero Income for all individuals who are:

- Ages 18 and older
- Not a full-time student
- Have no source of income

Found in HELP Funding Manual

Income Calculations & Documents

- FHLB Dallas annualizes income differently from mortgage underwriting
 - We use gross year-to-date earnings and forecast it out for the year
 - Utilize FHLB Dallas' Income Calculation Worksheet, available at fhlb.com
- Household income comes from all household members 18 years of age or older **and** any unearned income for minors
- Income Qualification Date
 - Date member determined the qualifying household income

Include paycheck paid through 4/4 and the first paycheck of the year starting 12/29

Pay Frequency:	<input type="radio"/> Weekly		
	<input checked="" type="radio"/> Bi-Weekly		
	<input type="radio"/> Semi-Monthly		
	<input type="radio"/> Monthly		
Borrowers VOE or Pay Stub Paid through date:	04/04/2020	Start Date:	12/29/2019
YTD Gross Income as shown on VOE or Pay Stub:	\$13,000.00		
Annual Income:	\$48,285.71		

Example

Homeowner made \$13,000 through 14 weeks of work.

$$\$13,000 / 14 = \$928.57 \text{ per week}$$

$$\$928.57 \times 52 \text{ weeks} = \underline{\underline{\$48,285.71}} \text{ annually}$$

HELP Program
Residential Funding Record

Name of Member: _____ FHFA ID#: _____

Applicant Name	Property Address	City	State	Zip Code	County	Date Income Qualified	Annual Income	Monthly Payments	Median Income Ratio %	Housing Ratio %	Household Size	Member Contribution	HELP Disbursement Amount	Cumulative HELP Funds
Susan First	123 Hilltop Ln	Alexandria	LA	71301	Rapides Parish	2/14/2019	40,200.00	850.00	71.95%	25.37%	3	0.00	8,500.00	8,500.00

Median Income Ratios

Area Median Income information provided on *fhlb.com*:

Community

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*Red River Bank has been using the

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Available Funds as of July 19, 2019: \$0

Current Member Maximum: \$187,500

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Members Participating in HELP Program

Below is a link to a list of members who participate in the HELP Program. Participating members are located within the state of charter origin and are listed in alphabetical order. Please note that members have their own underwriting criteria, lending area, or may have reached their FHLB program cap within a given year. If a member reaches the program cap, then they may or may not be able to assist you.

- List of Participating HELP Members

Helpful Resources

HELP Funding Manual

2019 Median Incomes

Income Calculation Worksheet (right click to save as)

This is the Income Calculation Worksheet from the last slide.

Out of District Tables - <https://www.huduser.gov/portal/datasets/il/il19/Section8-IncomeLimits-FY19.pdf>

HUD AMI Portal - <https://www.huduser.gov/portal/datasets/il.html>

Median Income Ratios

The “Low Income Limits” represents the approximate eligibility cutoff

- These values are rounded based on HUD methodology
- Good for “eyeballing ” eligibility for the HELP grant

Odessa, TX MSA

FY 2018 MFI: 75300

PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON
EXTR LOW INCOME	15300	17450	20780	25100	29420
VERY LOW INCOME	25450	29050	32700	36300	39250
LOW-INCOME	40700	46500	52300	58100	62750

Calculating a Household's AMI Ratio

1. Calculate household income (numerator)
2. Multiply the "Very Low Income" (50%) value by two for the applicable household size (denominator)
3. Divide household income by value calculated in Step 2

	PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Odessa, TX MSA FY 2018 MFI: 75300	ENTER LOW INCOME	15088	17158	28788	25100	29420	33740	38060	42380
	VERY LOW INCOME	25450	29050	32700	58100	62750	67400	72050	76700
	LOW-INCOME	40700	46500	52300					

Example: 3-Person Household, Odessa, TX MSA

Annual household income
documented as
\$48,285.71

$\$32,700 \times 2 =$
\$65,400

$\$48,285.71 / \$65,400 =$


74% AMI

Housing Cost Ratio

- Monthly payment below 40% of homebuyer's monthly income is required
 - To ensure that the homeowner can afford their new home
- If the ratio is above 40%, we need an explanation to confirm that the homeowner can handle the cost.
 - Example:
 - They are paying a similar amount in rent currently.
 - They have no debt, so the homebuyer is comfortable with the amount.
 - The homebuyer has been saving specifically for this.
 - Any homebuyer created letter confirming their knowledge about the high ratio.

Housing Cost Ratio Calculation

Monthly House Payment x 12 / Family Annual Income x 100 = Housing Cost Ratio


$$\text{\$825.00} \times 12 / \text{\$48,285.71} \times 100 = \underline{20.5\%}$$

Certificate of Counseling

- Must provide a certificate of completion with homebuyer's name
- Industry-accepted curriculum provider
- Up to \$500 of HELP award may be expended on counseling costs
 - Members can reimburse nonprofits who are providing the counseling
- Should be listed on the Closing Disclosure



Preparing Your HELP Request

What Do I Need?

1. Member Enrollment Application
2. Ensure Homebuyer Eligibility
-
3. Closing Disclosure
4. Funding Manual
5. Deed Restriction
6. Submit HELP Request

3. Closing Disclosure

- A Loan Estimate or draft CD is acceptable for the initial funding request
- FHLB Dallas must verify homebuyer receives the benefit of the HELP grant
- Reference funds as **FHLB-HELP GRANT** as a separate line item
- Ensure that evidence of any member contribution is provided at both the time **HELP funds are requested AND loan closing**
- No cash back at closing

Closing Disclosure This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Closing Information		Transaction Information		Loan Information	
Date Issued	4/15/2013	Borrower	Michael Jones and Mary Stone	Loan Term	30 years
Closing Date	4/15/2013	123 Anywhere Street		Purpose	Purchase
Disbursement Date	4/15/2013	Anytown, ST 12345		Product	Fixed Rate
Settlement Agent	Epsilon Title Co.	Seller	Steve Cole and Amy Doe	Loan Type	<input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA
File #	12-3456	321 Somewhere Drive		Loan ID #	123456789
Property	456 Somewhere Ave	Anytown, ST 12345		MIC #	000654321
Sale Price	\$180,000	Lender	Ficus Bank		

Loan Terms	Can this amount increase after closing?
Loan Amount	\$162,000 NO
Interest Rate	3.875% NO
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$761.78 NO
Prepayment Penalty	Does the loan have these features? YES - As high as \$3,240 if you pay off the loan during the first 2 years
Balloon Payment	NO

Projected Payments		
Payment Calculation	Years 1-7	Years 8-30
Principal & Interest	\$761.78	\$761.78
Mortgage Insurance	+ 82.35	+ —
Estimated Escrow <small>Amount can increase over time</small>	+ 206.13	+ 206.13
Estimated Total Monthly Payment	\$1,050.26	\$967.91

Estimated Taxes, Insurance & Assessments <small>Amount can increase over time See page 4 for details</small>	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input checked="" type="checkbox"/> Other: Homeowner's Association Dues <small>See Escrow Account on page 4 for details. You must pay for other property costs separately.</small>	In escrow? YES YES NO
\$356.13 a month		

Costs at Closing	
Closing Costs	\$9,712.10 Includes \$4,694.05 in Loan Costs + \$5,018.05 in Other Costs - \$0 in Lender Credits. See page 2 for details.
Cash to Close	\$14,147.26 Includes Closing Costs. See Calculating Cash to Close on page 3 for details.

CLOSING DISCLOSURE PAGE 1 OF 5 - LOAN ID # 123456789

L. Paid Already by or on Behalf of Borrower at Closing		78,042.00
01	Deposit	\$500
02	Loan Amount	\$72,042
03	Existing Loan(s) Assumed or Taken Subject to	
04		
05	Seller Credit	
Other Credits		
06		
07		
Adjustments		
08	FHLB HELP GRANT	\$5,500
09		
10		
11		

4. Funding Manual

Utilize HELP Funding Manual to complete all required forms

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Members Participating in HELP Program

Below is a link to a list of members who participate in the HELP Program. Participating members are located within the state of Texas and are listed in alphabetical order. Please note that members have their own underwriting criteria, lending area, or may have reached their FHLB program cap within a given year. If a member reaches the program cap, then they may not be able to assist you.

- List of Participating HELP Members

Helpful Resources

- HELP Funding Manual
- 2019 Median Incomes
- Income Calculation Worksheet (right click to save as)

Must be signed by whoever is listed on the Closing Disclosure

1. Request for Disbursement of Funds	4. Household Income Certification	7. Deed Restriction
2. Member Certification	5. Income Calculation Worksheet (preferred)	8. Certification of Zero Income, if applicable
3. Residential Funding Record	6. Loan Certification	9. Attestation of 1 st -time Homebuyer

5. Deed Restriction

- Does not need to be recorded on initial submission
- Must include
 1. Homebuyer's name
 2. Address of home to be purchased
 3. HELP amount
- Must include a legal description of the property (Exhibit A)

DEED RESTRICTIONS (Homebuyer Equity Leverage Partnership Program)

Member FHFA ID Number _____

THE STATE OF _____ (insert STATE) _____
COUNTY/PARISH OF _____ (insert COUNTY/PARISH) _____

The undersigned, _____, is the _____ of certain real property and improvements located at _____ (insert CITY), _____ (insert NAME OF COUNTY STATE), and more particularly described on Exhibit A attached hereto and incorporated herein for all purposes (the "Property"). For value received, the adequacy and sufficiency of which are hereby acknowledged, Owner does hereby impress the Property with the following deed restrictions:

1) For purposes of these restrictions, the following terms have the meaning indicated:

"Bank" means the Federal Home Loan Bank of Dallas

"Direct Subsidy" means the amount funded by the Bank for the benefit of Owner, for the purpose of assisting Owner in the purchase or construction of the Property, which Direct Subsidy shall not exceed \$ _____ (insert AMOUNT OF DIRECT SUBSIDY).

"HELP" means the Homebuyer Equity Leverage Partnership Program of the Bank.

"Low- or Moderate-Income Household" means a household with an income at or below 80% of the median income for the area as determined by the United States Department of Housing and Urban Development, with adjustments for family size.

EXHIBIT A

Subject Property Legal Description

Lot 16, in Block 2, of Hanging Gardens Addition, an addition of the City of Chesterfield, Wailing County, Texas, according to the Map or Plat thereof recorded in/under Volume 857-E, Page 2, Map/Plat Records, Wailing County, Texas

Needs to be in FHLB 2020 language.

Households should maintain documentation of the deed restriction for the length of the retention period.

6. Form Submission

Submit all forms with supporting documents on [GrantConnect](#)

What is in the HELP Request Submission?

1. The HELP Funding Manual
 - a) Deed Restriction with Exhibit A
 - b) First-Time Homebuyer Attestation
2. Income Documentation
3. Closing Disclosure/Loan Estimate
4. Homebuyer Counseling Certificate

If the submission is under 15 pages, you're missing something.

So your funds have been disbursed and the home has closed, now what?

- Within **30 days** of disbursement of grant funds from FHLB Dallas:
 1. Final Closing Disclosure
 - Signed and dated
- Within **60 days** of disbursement of grant funds from FHLB Dallas:
 1. Final Deed Restriction
 - Signed and dated
 - Using 2020 language found in the Funding Manual
 - Must be recorded
 - Legal description of the property (Exhibit A) is attached
- Failure to provide final documents within approximately 30 and 60 days may delay future funding requests.

Preparing a Successful Request

Common Mistakes

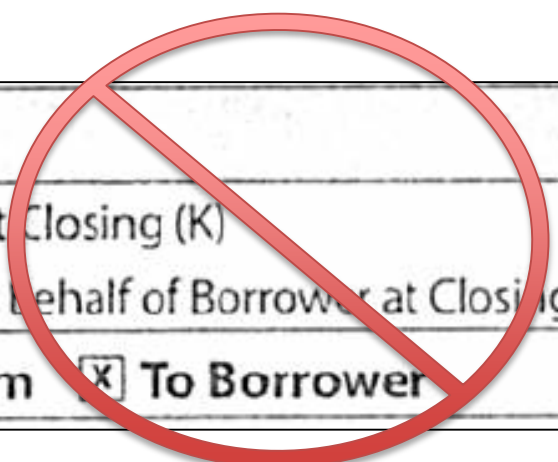
1. Numbers don't match
2. Addresses don't match
3. No legal description on the Exhibit A
4. Income Documentation date is after the Income Qualification Date
5. Used "Check Date" instead of "Pay Period End Date" to calculate income
6. Loan Certification is not fully filled out
7. Household Income Certificate is not fully filled out

Difficult Documents

1. Closing Disclosure
2. Deed Restrictions

1. Closing Disclosure Common Errors

- The HELP grant isn't listed
- The homebuyer receives cash back
- There is no evidence of homebuyer contribution
- HELP amount should be shown on the Adjustments and Other Credits section



CALCULATION		
Total Due from Borrower at Closing (K)		\$162,843.99
Total Paid Already by or on behalf of Borrower at Closing (L)		-\$163,677.05
Cash to Close	<input type="checkbox"/> From <input checked="" type="checkbox"/> To Borrower	\$833.06

2. Deed Restriction Common Errors

- Failure to record instrument or provide proper recording instructions
- Deed restriction is bundled with other instruments, such as mortgage or deed of trust, for recording
- Deed Restriction is written in non-FHLB language
- Critical information missing or incorrect:
 - Homebuyer's Name
 - Address
 - HELP amount
 - Closing/retention period begin date
- Failure to include legal description of property

Book 3880 Page 0955
★ Jeannie Pike - Circuit Clerk
Garland County, AR
Term/Cashier: H51CCH2/TAMMIE TUCKER
09/15/2017 9:08AM
Iron: 228008
Total Fees: \$25.00

DEED RESTRICTIONS
(Homebuyer Equity Leverage Partnership Program)

Member FHFA ID Number:

THE STATE OF: Arkansas
COUNTY/PARISH OF: Garland

The undersigned, , ("Owner"), is the owner of certain real property and improvements located at 134 Rocky Reef Circle in Hot Springs Garland County or Parish, Arkansas, and more particularly described on Exhibit A attached hereto and incorporated herein for all purposes ("the Property"). For value received, the adequacy and sufficiency of which are hereby acknowledged, Owner does hereby impress the property with the following deed restrictions:

1. For purposes of these restrictions, the following terms have the meaning indicated:

"Bank" means the Federal Home Loan Bank of Dallas or its designee

"Direct Subsidy" means the amount funded by the Bank for benefit of the Owner, for the purpose of assisting the Owner in the purchase or construction of the Property, which Direct Subsidy shall not exceed \$ 3,500.00 ★

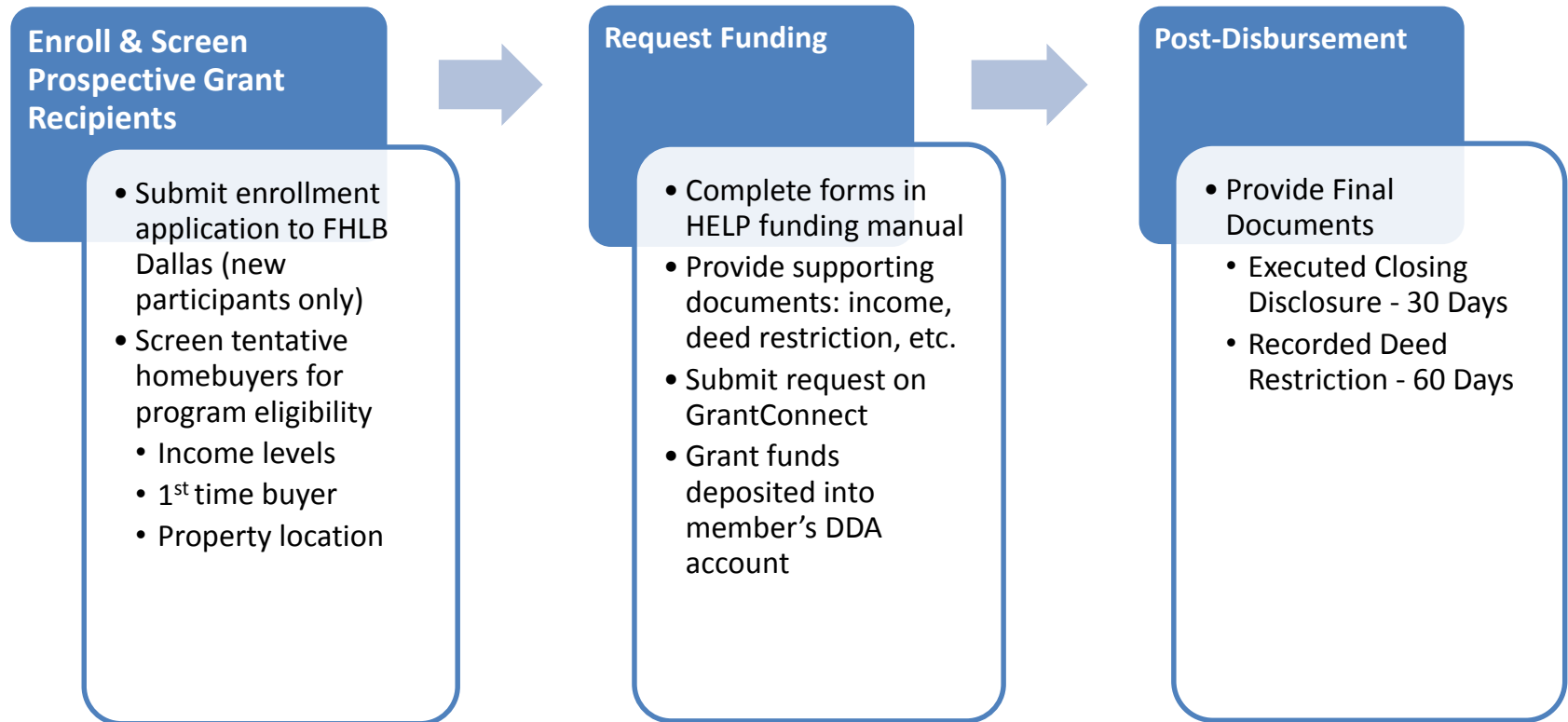
"HELP" means the Homebuyer Equity Leverage Partnership Program of the Bank.

"Low-or-Moderate-Income Household" means a household with an income at or below 80% of the median income for the area as determined by the United States Department of Housing and Urban Development, with adjustments for family size.

"Retention Period" means a period of five (5) years beginning on 07/17/2017 ★

These errors take time & resources to correct. Failure to provide FHLB Dallas with a properly executed, recorded document within 60 days of disbursement of the HELP grant may delay future funding requests.

HELP Summary



Remember: Show Your Work! Everything needs to be documented.

Questions about HELP or GrantConnect Registration?

For more information, please contact:
Community Investment at 800.362.2944 or
AHP@fhlb.com

Additional information is available online at ***fhlb.com/community***