



Rural Homeownership Fund (RHF) Certification & Draw Request

This form is not complete unless it is signed by the borrower and the member's authorized representative and required documentation is attached. **Please fax the completed form to the Bank at 515-699-1270.** Members will be reimbursed for Rural Homeownership Funds disbursed at closing when all required documentation is received by the Bank. Please allow 3 business days for processing following receipt of all required information. Call 1-800-544-3452, ext. 1173 with any questions.

If this is the **first disbursement** for this project number, please attach the following documentation:

- (1) Signed HUD-1 settlement statement or equivalent document for the sale of a single family home that documents the address of the property, date of disbursement of funds (closing date), purchase price, closing costs including costs paid outside of closing, rehabilitation costs paid or escrowed (if applicable), dollar amount of first and second mortgage loans, AHP subsidy, borrower deposits and earnest money, and seller or other credits to the borrower;
- (2) Calculation of Income Worksheet;
- (3) For each income earning household member, third-party documentation verifying income;
- (4) Copy of the retention document filed for the transaction;
- (5) Signed Final Truth-In-Lending Disclosure statement (TIL).

If applicable, always attach:

- (1) Documentation of rehabilitation if complete (see **Grant Information** below);
- (2) Documentation that home purchased by homebuyer was foreclosed (see **Grant Information** below);
- (3) Property appraisal if home purchased was from member real estate owned (see **Member Financing and Real Estate Owned** below).

For all other disbursements, provide only the Certification & Draw Request, HUD-1 settlement statement or equivalent document, and TIL unless additional documentation is requested by the Bank.

To complete this form on-line use the **TAB** key to move to data entry points, then type data or click on check box. Use **DELETE** or again click on checkbox to delete data. Use **SHIFT** and **TAB** keys together to move backwards. Do not use **ENTER** key to move to data entry points.

Project Information

Project Number: Enter the project number assigned at the time of the award.

Member Information

Member Name:	Member #:
Contact Person:	Contact Person Phone Number:
Contact Person Email Address:	Contact Person Fax Number:
<input type="checkbox"/> Check if there have been changes to the member contact information since the original reservation (contact person, address, phone, and fax). Please indicate change:	



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Grant Information

Type of Assistance: **Please check all that apply. Purchase of foreclosed property should only be selected if the borrower was provided a subsidy in excess of \$5,000 for that purpose.**

Downpayment Closing Costs Financial Literacy Counseling

Rehabilitation as part of a purchase. Please indicate if:

- rehabilitation is not complete (see Program Guidelines at http://www.fhlbdm.com/ci_ahp_rhf.htm)
 rehabilitation is complete (Attach lien waivers, paid receipts, or cancelled checks.)

Purchase of foreclosed property

Attach documentation of foreclosure. Acceptable documentation of foreclosure can include a copy of a Sheriff Deed, Deed-in-Lieu of Foreclosure, petition for non-judicial foreclosure, or documentation of a short sale agreed to by lender or loan servicer. Foreclosure must have occurred after January 1, 2007.

First-time Homebuyer
 borrower has completed financial literacy class

All first time homebuyers must complete a financial literacy class (homebuyer education), as defined in Definition and Acronyms. See Program Guidelines and Definitions and Acronyms at http://www.fhlbdm.com/ci_ahp_rhf.htm.

Member Financing and Real Estate Owned

Was the loan to the borrower originated in the member's name or by a subsidiary institution of the member?

Yes No

Note: The member will have originated the loan if the member or a subsidiary institution of the member is the lender on the HUD-1 settlement statement or other closing document.

If the loan was originated by the member, was the real estate sold to the borrower real estate owned by the member, or did the member hold a mortgage or lien on the real estate purchased by the borrower?

Yes No

Note: If you answered yes to this question, please attach a copy of an appraisal of the property performed by an independent state certified or licensed appraiser within six months prior to the date the member disbursed the AHP subsidy to the borrower.

Retention Agreement

Type of Retention Agreement:

- Federal Home Loan Bank Des Moines sample Retention Document
 Mobile Home (Call 1-800-544-3452, ext. 1173 for sample Deed Restriction)
 Other Retention Document

A sample Retention Document is available at: http://www.fhlbdm.com/ci_ahp_home.htm. If you are not using the FHLB Des Moines sample document your form must be pre-approved. Also, if property is a manufactured home and it is not fixed to a permanent foundation it will require a Deed Restriction for a manufactured home. Call 1-800-544-3452, ext. 1173 for assistance.



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Borrower Information

Borrower Name:	Co-Borrower Name (if applicable):	
Property Address (Street, City, State, Zip Code):	Census Tract:	County:
<p>A census tract can be found on the website www.ffiec.gov by going to Geocoding/Mapping System section. Input the specific address and a search for the census tract is completed.</p>		

Borrower Income Information

Borrower Annual <u>Household</u> Income as verified for the RHF Program: \$	Household Size:	Income Limit Used for Qualification: MRB <input type="checkbox"/> 80% limit, \$ or HUD <input type="checkbox"/> 80% limit, \$ or NAHASDA <input type="checkbox"/> 80% limit, \$
Income Target: (check the targeting of the borrower's annual household income; must be at or below 80%) <input type="checkbox"/> 50% or less <input type="checkbox"/> 51-60% <input type="checkbox"/> 61-80%		
Please be sure to use the current Income Limits. These are available on the Community Investment Website page at http://www.fhlbdm.com/ci_ahp_rhf.htm.		
A Calculation of Income Worksheet found at http://www.fhlbdm.com/ci_ahp_rhf.htm must be completed for each household for your files.		
Please list below each household member included in the household by name and his/her annual income. If a household member has no income, please indicate as "0".		
Name	Annual Income	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
Total Borrower Annual Household Income Total should equal the Borrower Annual Household Income as stated above.	\$	



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Loan Information

Loan Application Date: (m/d/yyyy)	Sales Price: \$ Sales price can not exceed the maximum purchase price limit for the locality established by the applicable State Housing Finance Agency*.	RHF Grant Amount: \$ RHF grant can not exceed \$5,000 unless the borrower purchased a foreclosed property, in which case grant can not exceed \$10,000.	Type of Loan: <input type="checkbox"/> Conventional <input type="checkbox"/> FHA <input type="checkbox"/> VA <input type="checkbox"/> USDA <input type="checkbox"/> HUD 184
Loan Closed Date: (m/d/yyyy)			
Loan Closing Costs: \$	Dollar Amount of 1 st Mortgage Loan \$	Loan APR: %	Term of Loan (months):
Loan Origination Fees from HUD Line 803: \$		Annual Percentage Rate from Final Truth in Lending Statement	
Dollar Amount of 2 nd Mortgage (if applicable): \$		Loan APR from Final TIL: %	
Please enter the dollar amount of any second mortgage financing that assisted with down payment, costs, or rehabilitation. This does not include grants or deferred mortgages, including the AHP subsidy.		Term of 2 nd Mortgage (months):	
*Maximum purchase price limits established by State Housing Finance Agencies in Iowa, Minnesota, Missouri, North Dakota, and South Dakota are available on the Community Investment website at: http://www.fhlbdm.com/income_guidelines.htm. The member is responsible for obtaining maximum purchase price limits for any other state and for requesting approval of the limits from the Bank prior to disbursing any grant funds.			
For the 1 st Mortgage Loan, choose one: <input type="checkbox"/> Originated for portfolio <input type="checkbox"/> Loan to be sold If sold, choose one: <input type="checkbox"/> Fannie Mae <input type="checkbox"/> Freddie Mac <input type="checkbox"/> MPF <input type="checkbox"/> State Housing Finance Agency <input type="checkbox"/> Other		Check all that are applicable: <input type="checkbox"/> Single Family* (structure with 1 to 4 dwelling units) <input type="checkbox"/> Manufactured Home <input type="checkbox"/> Refinance of contract *A condominium or townhouse unit in a building with more than 4 units is not considered Single Family.	

Borrower Certification

- 1) I/We certify that the annual household income as stated on this Certification & Draw Request and on the Income Calculation Worksheets is true and accurate for all household members.
- 2) If applicable, I/We certify that I/we have completed a financial literacy program. **All first-time homebuyers are required to complete a Financial Literacy Program.**

Borrower's Signature	Co-Borrower's Signature
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High-Rate, High-Fee Loans and Anti-Predatory Lending Prohibitions

Any residential mortgage that does not comply with all applicable anti-predatory lending laws will be ineligible to be used with a Set Aside grant.

1. If a mortgage loan provided to a borrower for a home purchase exceeds the interest rate and/or points and fees threshold of the Home Ownership and Equity Protection Act of 1994 (HOEPA) and its implementing regulations (Federal Reserve Board Regulation Z), it will be ineligible to be used with a Set Aside grant. The threshold for interest rate and/or points and fees established by HOEPA are:

- (1) for a first mortgage loan, one where the annual percentage rate (APR) of the first mortgage loan exceeds by more than eight percentage points the rates on Treasury securities of comparable maturity;
- (2) for a second mortgage loan, one where the annual percentage rate (APR) of the second mortgage loan exceeds by more than 10 percentage points the rates in Treasury securities of comparable maturity; or
- (3) the total fees and points payable by the consumer at or before closing exceed the larger of \$579 or eight percent of the total loan amount. The \$579 figure is effective January 1, 2010. This amount is adjusted annually by the Federal Reserve Board, based on changes in the Consumer Price Index. Credit insurance premiums for insurance written in connection with the credit transaction are counted as fees.

Use the Treasury rates applicable to the term of your loan and the date of your loan closing to determine if your loan exceeds the HOEPA rate thresholds. These can be found at: <http://www.ustreas.gov/offices/domestic-finance/debt-management/interest-rate/yield.shtml>

2. Effective October 1, 2009 amendments to Regulation Z established a new class of “higher priced mortgage loans” to consumers. A mortgage loan may be defined as higher-priced if it is a first-lien mortgage and has an annual percentage rate (APR) that is 1.5 percentage points above an “average prime offer rate” established by the Federal Reserve Board, or 3.5 percentage points above that rate if it is a subordinate-lien mortgage. For these higher priced mortgage loans the new rules:

- 1) Prohibit a lender from making a loan without regard to the borrower’s ability to repay the loan from income and assets other than the home’s value. A lender complies, in part, by assessing repayment ability based on the highest scheduled payment in the first seven years of the loan (i.e. no balloon payment in first seven years of the loan unless the borrower’s have ability to repay the highest scheduled payment from income and assets other than the home’s value).
- 2) Require creditors verify the income and assets they rely upon to determine repayment ability.
- 3) Ban any prepayment penalty if the payment can change in the initial four years. For other higher-priced loans, a prepayment penalty period cannot last for more than two years.
- 4) Require creditors to establish escrow accounts for property taxes and homeowner's insurance for all first-lien mortgage loans.

If a residential mortgage loan provided to a borrower for home purchase exceeds the rate threshold for a higher-priced mortgage loan as established by Regulation Z, a member must demonstrate that the loan conforms to the Regulation to be eligible for funding. Use this Rate Spread Calculator to determine if the APR of your loan, at the day of closing, exceeded the higher-priced mortgage loan threshold:
<http://www.ffiec.gov/ratespread/newcalc.aspx>.

IMPORTANT: By signing the certification below, members certify that residential mortgage financing provided the borrower complies with applicable Anti-Predatory Lending Laws.

Member Certification



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Member certifies/warrants that:

- 1) the household will use the Rural Homeownership Fund (RHF) to pay for down payment, closing cost, counseling or rehabilitation assistance in connection with the eligible household's purchase of an owner-occupied unit, including a condominium or cooperative housing unit or manufactured housing to be used as the household's primary residence;
- 2) the property is in a rural location as defined by the AHP Implementation Plan and the RHF Guidelines;
- 3) the household had income at or below 80 percent of the median income for the area at the time the household was accepted for enrollment by the member in the RHF program (i.e. at the loan application date);
- 4) the member has determined, pursuant to the member's mortgage loan underwriting guidelines, that the household qualifies for the mortgage loan based on the household's current income and if the member has used future anticipated income in the underwriting of this mortgage loan, that the member also used future anticipated income in determining the household's eligibility for RHF;
- 5) **borrower is a first-time homebuyer non first-time homebuyer;**
- 6) if applicable, the first-time homebuyer has completed a financial literacy program provided by, or based on one provided by, an organization recognized as experienced in financial literacy education;
- 7) funds received from the Home Loan Bank for financial literacy program costs will be only be used if:
 - a. such costs are incurred in connection with the counseling of homebuyers who actually purchase an AHP-assisted unit;
 - b. the cost of counseling has not been covered by another funding source, including the member;
- 8) residential mortgage financing provided to the household complies with all applicable Anti-Predatory Lending Laws as defined in the AHP Implementation Plan; and higher cost mortgage financing meets the eligibility requirement of the AHP Implementation Plan or requirements of applicable Anti-Predatory regulation (see page 5 of this Certification & Draw Request Form);
- 9) the rate of interest, points, fees, and any other charges do not exceed a reasonable market rate of interest, points, fees, and other charges for a loan of similar maturity, terms, and risk;
- 10) homebuyer received no more than \$5,000.00, unless the homebuyer purchased a foreclosed property and the foreclosure occurred after January 1, 2007, in which case the homebuyer received no more than \$10,000.00;
- 11) the housing unit purchased or rehabilitated using Rural Homeownership Funds is subject to a legally enforceable retention document recorded in the member's name;
- 12) excluding reimbursement for eligible items paid outside of closing, member did not provide cash back to a household at closing of the mortgage loan in an amount exceeding \$250. Down payment and earnest money do not qualify as eligible items paid outside of closing. The Bank, in its sole discretion, will determine eligible items paid outside of closing. Member used any RHF subsidy exceeding \$250 that is beyond what is needed at closing for closing costs and the approved mortgage amount as a credit to reduce the principal of the mortgage loan or as a credit towards the household's monthly payment on the mortgage loan;
- 13) if the member provided mortgage financing to the household and real estate property owned by a member was sold to a household by the member, or the member held a mortgage or lien on real estate property sold to the household, the member certifies that the market value of such property was deemed to be the "as-is" or "as-rehabilitated" value of the property, as appropriate, and as reflected in an independent appraisal of the property performed by a state certified or licensed appraiser, within 6 months prior to the date the member disbursed RHF subsidy to the household;
- 14) Rural Homeownership Funds are not being used in conjunction with other competitive AHP funds.

Authorized signature is a member representative authorized to borrow funds from the Home Loan Bank or your institution's designated AHP representative as noted on the Authorized Personnel Form on file with the Home Loan Bank:

Authorized Signature:	Title:
Printed or Typed Name of Authorized Representative:	Date: