



# Announcements

## **BANK ANNOUNCES 2007 NATIVE AMERICAN HOMEOWNERSHIP INITIATIVE**

The Federal Home Loan Bank of Des Moines announces the allocation of \$1 million of its annual Affordable Housing Program (AHP) contribution to members to help eligible households purchase single family, owner-occupied properties in Native American Service Areas.

### **Fund Facts: Native American Homeownership Initiative (NAHI)**

- Funds are available on a first come, first served basis beginning February 1, 2007 until December 31, 2007.
- Each member may reserve up to \$50,000 at a time for up to 90 days. Members with an allocation of any year's NAHI funds must disburse these before they can reserve funds in the current program. Funds not disbursed at the end of 90 days will be made available to all members for reservation.
- All loans must be closed on or before March 31, 2008. For loans closed on or before March 31, 2008, where funds have been escrowed for rehabilitation, work must be completed and all funds disbursed from the escrow account by March 31, 2009. Documentation of expenditure of the entire escrowed amount in the form of paid receipts and/or lien waivers must be submitted to the Bank no later than April 30, 2009 for reimbursement. If a balance remains in the escrow account on March 31, 2009, the entire amount must be applied to the principal of the first mortgage or as a credit toward the household's monthly payment on the mortgage loan, and all required documentation must be submitted to the Bank no later than April 30, 2009 for reimbursement.
- Except for amounts escrowed for rehabilitation, any non-disbursed funds remaining as of March 31, 2008 will be added to the AHP contribution for the next round of AHP applications.
- NAHI funds may not be used in conjunction with funds from other Affordable Housing Program awards including the Rural Homeownership Fund.

- Members that use NAHI to finance home purchases must provide an incentive to the borrower. Any fee reduction must be a minimum of \$50 in order to qualify as an incentive. Acceptable incentives are described in detail on the Bank's Web site, [www.fhlbdm.com](http://www.fhlbdm.com). Other types of incentives may also qualify if approved by the Bank. Loans originated to be sold into the secondary market, other than State Housing Credit Agency or USDA guaranteed loans, must provide a monetary incentive.
- Mortgage financing may be obtained from a financial institution or Tribal Housing Authority of the homebuyer's choice or the member may restrict funds to mortgages obtained through the member.
- Whether or not the member originates the first mortgage, the member providing the grant is responsible for filing and monitoring the deed restriction, "soft" second mortgage or other legally enforceable retention agreement.

**Fund Criteria: NAHI Homebuyers**

- The NAHI program is available for both first time homebuyers and non-first time homebuyers.
- Funds are not available to households that already own a home.
- Eligible homebuyers must have an annual household income at or below 80 percent of whichever is greater, Native American Housing Assistance and Self-Determination Act (NAHASDA) income limits or Mortgage Revenue Bond (MRB) income limits.
- Eligible homebuyers may receive up to \$10,000 towards a down payment, closing costs or rehabilitation.
- Households must be eligible for housing assistance grants provided under the NAHASDA pursuant to a policy adopted by a tribe or tribally-designated housing entity.



- Prior to closing, all homebuyers must complete a financial literacy program which includes homebuyer education and instructions on how to recognize and avoid predatory lending.

### **How to Apply**

Eligible members must complete a Native American Homeownership Initiative Enrollment Form for each member bank charter. A copy is available on the Community Investment page of the Bank's website, [www.fhlbdm.com/ci\\_ahp\\_nahi.htm](http://www.fhlbdm.com/ci_ahp_nahi.htm). At enrollment, the Bank will forward the Commitment Form and other documentation necessary to administer the program.

Please carefully review the following documents on the Bank's website before submitting your NAHI Enrollment Form. If you have questions or need copies of these, call the Community Investment Department at 800.544.3452, ext. 1173.

- 2007 NAHI program guidelines for a complete program description.
- Income Determination Guidelines for Owner-Occupied projects.
- NAHASDA and MRB income limits.

Fax the NAHI Enrollment Form to the Bank's Community Investment Department, 515.699.1270.