



## Homeownership Fund Checklist for a Successful Program

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1. Review the following documents found at the [Homeownership Fund](#) (HOF) program page of the FHLB Des Moines website, including:
  - Program Guidelines
  - Definitions and Acronyms
  - Certification & Draw Request Form
  - Instructions for Submitting the Certification & Draw Request Form
  - Income Determination Guidelines
  - Calculation of Income Worksheet
  - Calculation of Income Worksheet Instructions
  - Retention Agreement (Deed Restriction)
  - Financial Literacy Resources
  
2. Determine Household Eligibility:
  - Total household income as of the enrollment date may not exceed 80 percent of the area median income adjusted for household size.
  - Eligible households will be determined using the greater of the area median income adjusted for household size: 1) as periodically published for use under the MRB program for the state in which the retention document will be recorded; 2) as published annually by HUD for each county or MSA; or 3) the applicable median income for purposes of NAHASDA income limits for eligible Native American households. MRB and HUD income guidelines for Iowa, Minnesota, Missouri, North Dakota, and South Dakota and NAHASDA income limits can be found on our [website](#). The member is responsible for obtaining income limits for other states and for requesting approval of the limits from the Bank prior to disbursing funds.
  - Review the [Income Determination Guidelines](#) and utilize the [Calculation of Income Worksheet](#) for calculation of income.
  
3. Determine the Type and Amount of Assistance: Funds must be used to pay for down payment, closing costs, counseling, or rehabilitation in connection with an 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. Refer to our [Definitions and Acronyms](#) for a description of eligible closing costs and to the [Program Guidelines](#) for eligible rehabilitation and counseling costs.

4. Special Requirements: Please refer to [Program Guidelines](#) for all requirements. Requirements include but are not limited to:
- Eligible rehabilitation: Eligible rehabilitation should include correction of deferred maintenance and/or replacement of principal fixtures and components of existing buildings, and should not include luxury items and repairs, improvements, replacements, alterations, and additions for recreational or commercial use, or used for rental units that are part of an owner-occupied dwelling. A transaction that includes new construction financing is not eligible unless approved by the Bank in advance. New construction that includes agendas that are inconsistent with affordable housing agendas is not eligible for reimbursement. The Bank, in its sole discretion, may deny any subsidy request that is inconsistent with these guidelines. (See [Instructions for the Certification and Draw Request Form](#) for information on documenting rehabilitation and administration of escrow accounts.)
  - Financial Literacy Counseling: All First-Time Homebuyer's must complete a financial literacy education program as described in [Definitions and Acronyms](#), and certify this in the [Certification & Draw Request Form](#).
  - Limited Cash Back to Borrower: A member may not provide cash back to a household at closing of the mortgage loan in an amount exceeding \$250.00, excluding reimbursement for eligible items paid outside of closing. **Deposits and earnest money do not qualify as eligible items paid outside of closing and should not be reimbursed if reimbursement will exceed \$250.00.**
  - Retention/Deed Restrictions: Assisted units are subject to a five year [Retention Agreement \(Deed Restriction\)](#). Sample copies for use with fee simple land are located on the HOF Program page. Forms for use with mobile homes may be requested from the Bank. If you wish to use a document other than the sample provided, the Bank must approve the document. Contact Nicole Croghan at 1.800.544.3452, ext. 8205 for assistance.
  - If a grant is denied, the member or designee must release the Deed Restriction and provide a copy of the release to the FHLB Des Moines.
  - Appraisals: Copies of appraisals are required for real estate owned property sold by the member or a subsidiary of the member to the borrower.
  - Mortgage loans originated to assist households must have a term of at least 5 years.
5. Anti-predatory lending requirements: Any residential mortgage that does not comply with applicable anti-predatory lending laws will be ineligible to be used with a grant. **In addition, 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), as redefined under the Dodd – Frank Act, it will be ineligible to be used with a Set Aside grant.** Please see the [Program Guidelines](#) and page 6 of the [Certification & Draw Request Form](#) for guidance. By signing the Certification & Draw Request Form, members certify that residential mortgage financing provided the borrower complies with applicable Anti-predatory Lending laws.

6. Submitting the [Certification & Draw Request Form](#): Please refer to the [Instructions for the Certification and Draw Request](#) on the HOF program page for help in completing the form.
7. Reimbursement to your institution: This is a reimbursement program and the Member will not receive funds until after the Bank's Community Investment Department has received the completed [Certification & Draw Request Form](#) and supporting documents. Reimbursement to the Member will be in the form of a credit to its Demand Deposit Account (DDA) at the Bank.
8. Recapture of Funds: In most cases, if the home is sold during the five-year retention period a portion of the award funds must be returned to the Bank (i.e. recaptured). Terms for recapture are described in the Deed Restriction. You should use the [Recapture of Funds](#) form on the HOF program page to calculate recapture and return funds to the Bank. Contact the Bank at 1.800.544.3452, ext. 1173 if you require assistance.
9. Keep in touch with the Community Investment Department. The Bank's Community Investment Department is here to help you! We encourage you to call if you feel you need assistance. If you have questions, please call Nicole Croghan at 1.800.544.3452, ext. 8205.