



Announcement

Temporary Suspension of Repayment AHP Subsidy for Owner-Occupied Units

Effective March 13, 2018 and until further notice, the Federal Home Loan Bank of Des Moines (the Bank) will suspend the requirement for repayment of AHP/Down Payment Subsidy Awards in connection with the sale or refinance of an owner-occupied unit during the five-year term of the Homeownership Retention Agreement (or Deed Restriction). This includes Retention Agreements related to awards from the competitive Affordable Housing Program (AHP) and Down Payment programs. Down Payment includes Home\$tart, Home\$tart Plus, the Homeownership Fund (HOF), Native American Homeownership Fund (NAHI), and predecessor programs.

Per terms of the Bank's Retention Agreement and per Bank policy the Retention Agreement requires repayment from net gain (i.e. net proceeds) on the sale or refinance of the AHP assisted unit unless:

- If the sale of the property is to another low-or-moderate income household (below 80% of median income), no recapture is required and the Retention Agreement may be released.
- If this is a refinance and there is net gain to the household the member or its designee may choose to subordinate the Retention Agreement; therefore no recapture is required. The Bank provides a sample form for Subordination on its website.
- Upon the death of an assisted household the Retention Agreement may be released and there is no obligation for recapture. In these circumstances the Retention Agreement may be released.

As of the effective date above, the Bank will not require repayment of an AHP/Down Payment Subsidy Award when there *is* net gain from the sale or refinance of the AHP assisted unit. In these circumstances the Retention Agreement may be released. This suspension of the requirement for repayment from net gain will remain in effect until further notice.

If you have questions, please call the Community Investment Department at 800-544.3452, ext.2400.