



Down Payment Assistance Products

Technical Assistance: Down Payment Products

FHLB Des Moines Community Investment Department

Learning Objectives

- 2020 Down Payment Program Overview (slide 3)
- Documents & Resources (slide 10)
- Accessing Funds (slide 12)
- Reservation Process (slide 14)
- Disbursement Process (slide 36)
- Appendix: Reservation and Disbursement Status Changes (slide 52)
- Contact Information (slide 54)



Technical Assistance: Down Payment Products

2020 PROGRAM OVERVIEW

Federal Home Loan Bank of Des Moines (FHLB Des Moines)

Who is FHLB Des Moines?

- FHLB Des Moines is a member-owned cooperative that provides funding solutions and liquidity to nearly 1,400 members to support mortgage lending, economic development and affordable housing in the communities they serve.
- Our district includes: Alaska, American Samoa, Guam, Hawaii, Idaho, Iowa, Minnesota, Missouri, Montana, North Dakota, North Mariana Islands, Oregon, South Dakota, Utah, Washington and Wyoming.



- FHLB Des Moines reserves 10% of net income for the **Affordable Housing Program** each year, including a **Down Payment Program**.

Down Payment Product Programs Available

What are the Down Payment Programs?

- **Home\$tart®** is available to first time homebuyers and can be used anywhere a member does business. The maximum grant amount per household for this program is \$7,500.
- **Native American Homeownership Initiative (NAHI)** is available to eligible Native American, Native Alaskan, and Native Hawaiian households. Funds must be used in the Bank's district. The maximum grant amount per household for this program is \$15,000.

What can the Grant funds be used for?

- Funds may be used to pay for down payment and closing cost in the purchase of a residence, counseling cost related to the purchase, or rehabilitation costs related to the purchase.
- Households must be at or below 80% of the area median income.
- Assists only owner-occupied residences.
- See the Program Guidelines on the Bank's website for restrictions.

Down Payment Product Programs Available

Where can I find the guidelines to these programs?

- Program Guidelines are updated annually and are available on the Bank's website at:

Home\$tart®: <https://www.fhlbdm.com/products-services/affordable-housing/homestart/>

NAHI: <https://www.fhlbdm.com/products-services/affordable-housing/nahi/>

How do I know who income qualifies?

- Income Calculation Guidelines and an Income Calculation Workbook can be found on the program webpages. Use these guidelines and form to calculate income.
- Total annual household income is calculated from income as of the Enrollment Date of the household (the date of their loan application or application for service). Obtain documentation of income per guidelines.
- Calculated income may not exceed 80% of the area median income, per HUD or NAHASDA income limits. Limits are available on our website at:
<https://www.fhlbdm.com/products-services/affordable-housing/income-and-purchase-price-limits/>

Round Open and Close Date & Member Caps

Home\$tart and NAHI Open and Close Dates

Down Payment Round Opens

January 2, 2020

Funds are available to members on a first-come first-serve basis until general pool limits for each program or member cap is exhausted. 2020 Round will close December 31, 2020.

Member Cap:

- \$100,000 maximum for **Home\$tart®**
- \$100,000 maximum for **NAHI**

The member cap is not a guaranteed amount. The member cap is the maximum amount of funds a member is able to use per program as long as funds remain available in the general pool. Once the general pool is fully reserved, no additional funds are available.

Round Funding Dates – 2020 Home\$tart®

2020 Home\$tart Funding Schedule

Dates	Amounts
January 2	\$2 million
April 1	\$2 million
July 1	\$2 million
October 1	\$2 million

Round Funding Dates – 2020 NAHI

2020 NAHI Funding Schedule

Dates	Amounts
January 1	\$125,000
April 1	\$125,000
July 1	\$125,000
October 1	\$125,000



Technical Assistance: Down Payment Products

DOCUMENTS & RESOURCES

Down Payment Products Resources

Products & Services - About - Resource Center - Member Support -

Careers Contact Us Logins -

FHLB DES MOINES

THE FEDERAL HOME LOAN BANK OF DES MOINES

We support mortgage lending, economic development and affordable housing in the communities our members serve.

ABOUT US

How can we help you?

- Advances (Rates)
- Letters of Credit
- Mortgage Partnership Finance
- Member Services
- Affordable Housing**

Where can I find more information?

- The Bank's website <https://www.fhlbdm.com> contains information on our Affordable Housing Programs, including the down payment programs.
- Open the webpage and select Home\$tart® or the Native American Homeownership Initiative to find webpages supporting down payment programs and other resources.

HOMESTART®

The 2018 Home\$tart® round has closed. Funding for the 2019 round will open on April 1, 2019.

CHANGES FOR 2019 (.PDF)

Look for announcements about the programs in the spotlight.

AFFORDABLE HOUSING

- AHP Housing Sponsors
- AHP Member Institutions
- Home\$tart®**
 - Get Started
 - Reservation of Funds
 - Disbursement/Reimbursement
- Native American Homeownership Initiative
- Income Limits and Purchase Price Limits
- Lien Release or Subordination
- Educational Resources
- Forms and Resources

Since 1990, FHLB Des Moines has awarded \$123.5 million in down payment and closing cost assistance to help more than 28,000 families with the purchase of a home.

Home\$tart Process

Click on one of the steps below to guide you through the Home\$tart process.

1. [Get Started](#)
2. [Reservation of Funds](#)
3. [Disbursement/Reimbursement of Funds](#)

Already know the process? [Find the forms and resources you need here.](#)

Why participate in Home\$tart?

- Meet Community Reinvestment Act objectives to serve low- to moderate-income households
- Provide grants to expand market share or increase penetration in existing markets
- Improve loan-to-value ratios on mortgage loans
- Build community goodwill
- Promote your corporate brand



Technical Assistance: Down Payment Products

ACCESSING FUNDS

Accessing Funds

How do I access Down Payment program funds?

- A member must first enter into a Down Payment Program Agreement with FHLB Des Moines. Agreements and instructions can be found on each of the Program webpages, under “Get Started”.
- After entering into a Down Payment Agreement, a member must delegate staff who will administer the program. The programs are administered through DP Online, an automated system. Access to DP Online is provided through eAdvantage, a member’s secure link to FHLB Des Moines. Instructions for providing user access are available on the Bank’s Program webpages, under “Get Started”. Refer to the [eAdvantage/DP Online Access Manual](#).
- The member’s assigned staff will reserve and request disbursement of grant funds in DP Online on a per unit basis.
- All disbursements by FHLB Des Moines are on a reimbursement basis after settlement of the home purchase. It is expected the grant amount will be credited to the household by the member at settlement. FHLB Des Moines will deposit funds to the member’s account to reimburse funds following the settlement, through our disbursement process.
- The Instructions that follow describe the reservation and disbursement process.



Technical Assistance: Down Payment Products

RESERVATION PROCESS

Reservation Process

The process of reserving funds is managed through DP Online.

- A DP Online User will open DP Online in eAdvantage. DP Online will open to the **Dashboard**.
- Select the funding Round you want to reserve funds in.
- The **Dashboard** for the Round will display the member allocation (member limit or cap), total funds remaining in the general pool, and member allocation remaining after previous member reservations. The member may reserve funds on a per unit basis up to their member allocation remaining, subject to availability of funds in the round allocation.

Initiating a reservation.

- Click **Initiate** to prompt the initiation of a Reservation.

The screenshot shows the DP Online Dashboard interface. At the top, there is a navigation bar with 'Dashboard' and a red-bordered 'Initiate' button. Below this, a dropdown menu is open, showing '2017 HomeStart' selected. The main content area is divided into two columns of statistics. The left column lists various reservation metrics, and the right column lists disbursement metrics. Annotations with arrows point to specific values: 'Member cap' points to '\$ 250,000.00', 'Money remaining in general pool' points to '\$ 2,708,215.00', and 'Funds remaining under member cap' points to '\$ 170,140.00'.

Reservation Statistics		Disbursement Statistics	
Member Allocation Limit Total	\$ 250,000.00	Total Amount of Funds Reserved	\$ 79,860.00
Round Allocation Total Remaining	\$ 2,708,215.00	Total Amount of Expired Reservations	\$ 117,500.00
Member Allocation Limit Remaining	\$ 170,140.00	Disbursement Requests Pending Submission	1
Reservation Requests Pending	1	Disbursement Request Submitted/Under Review	1
Reservation Requests Submitted	4	Total Disbursements Submitted	8
Reservation Requests Eligible	0	Total Disbursements Approved	7
Reservation Requests Ineligible	0	Disbursement Requests Rejected	0
Reservation Requests Expired	16	Total Amount of Funds Disbursed	\$ 42,250.00
Reservations Withdrawn	5	Homebuyers that Received Disbursements	7

Reservation Process

- Once a Reservation is initiated, the member must complete 7 sections in **Reservation Home**.
- After completion of each section, a green check mark will appear in **Reservation Home**. After completion of all sections, click on **Submit** to send the request to FHLB Des Moines.
- A member has ten days to submit a reservation after it is initiated.
- If a Reservation is not submitted within 10 days of being initiated, the reservation will expire. The member will be required to start a new reservation. The new reservation will be subject to the availability of funds, so it is important to complete the initial reservation promptly.
- Once submitted, the Reservation will be reviewed by FHLB Des Moines staff in the order received.
- Once the Reservation is approved by FHLB Des Moines, the member will have 120 days to close their loan and request reimbursement through the disbursement process.

Cheryl McCollum | Logout Current as of January 15, 2016 at 2:48 PM CST Home | Messages (0) | User Guide

Reservation ID: 41 Homeowner: Cheryl Tester

Reservation Dashboard Initiate

Reservation Home

Grant Requested \$ 5,000.00
Reservation Status Reservation Request Pending
Withdrawal Requested (Y/N)? N
Set Aside Round HomeStart
Homeowner 1: Cheryl Tester
Homeowner 2:

Upon approval of the reservation, a disbursement can be initiated

Description	Status
Reservation Initiation Information	✓
Additional Member Contacts	✓
Site Selection	✓
Homeowner Selection	✓
Eligibility	✓
Request Timeline	✓
Household Income	✓

I hereby certify that I am an authorized employee of the participating member that this reservation is being submitted through and that all the information included in this reservation application is true and correct to the best of my knowledge. I also certify that I understand and have informed program participants of all the eligibility requirements needed to be fulfilled for eligibility and in order for my financial institution to receive reimbursement for this reservation, if approved, post-settlement.

Submit

Reservation Process

Navigating the Reservation

- To navigate between sections, click on the section in the **Reservation Home** screen.
- If you are in a section, use the **Previous** and **Next** buttons. Always **Save** a section before leaving it.

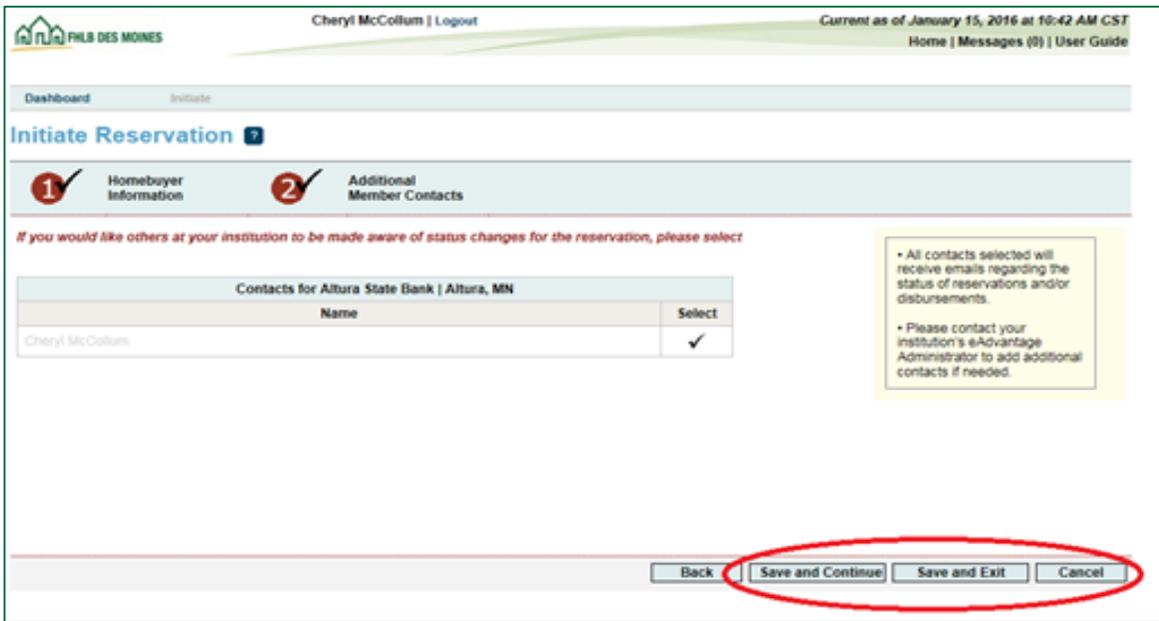
The screenshot displays the 'Site Selection' form within the FHLB Des Moines reservation system. The user is logged in as Cheryl McCollum. The current date and time are January 15, 2016, at 10:55 AM CST. The reservation ID is 46, and the homeowner is Cheryl Tester. The form includes fields for Address Line 1, Address Line 2, ZIP, and Zip+4, along with a 'Lookup' button. There are also fields for City, County, State, Congressional District, Census Tract, and CBSA. The form includes radio buttons for 'Related Party Transaction?' (Yes/No) and 'Is Property lender-owned (REO)?' (Yes/No). A 'Dwelling type' dropdown menu and an 'Attach appraisal of Property' field with a 'Browse' button are also present. A yellow box provides help for the Zip+4 field, including the URL www.usps.com or unitedstateszipcodes.org and instructions to click 'Lookup' after entering the zip+4 to populate other fields. At the bottom, there is a 'Save' button and an 'Undo' button. The 'Previous' and 'Next' buttons are circled in red. A red box highlights the 'Save' button. A red box highlights the text 'To submit your changes please click Save before exiting this page.' and the 'Save' button.

Initiate Reservation

At initiation, the user will be directed first to the **Initiate Reservation** screen to complete Sections One and Two of **Reservation Home**. Click on each section to open it for completion. Save each section when completed, and save the **Initiate Reservation** screen before leaving. Once **Initiate Reservation** is complete, funds are reserved for the grant award and the reservation is in process. You will have 10 days to complete and submit the other sections of the reservation or the reservation will expire.

Section One: Reservation Initiation Information

Section Two: Additional Member Contacts



Save and Exit: This will initiate the reservation but not complete additional sections.

Save and Continue: To continue and complete additional sections of the reservation.

Cancel: If the reservation needs to be cancelled. **This button will only be an option from the Homebuyer Information and Additional Contacts screens when first initiating the reservation.**

Section One: Reservation Initiation Information

At initiation, the user will be directed first to the Reservation Initiation Information Section.

Enter the grant amount requested

- Each program is different.
 - Home\$tart max grant \$7,500
 - NAHI max grant \$15,000
- The grant amount cannot be increased after a reservation is approved.
- The grant amount requested at reservation may be lowered at disbursement if all funds are not needed.

Enter Use(s) of Funds (at least one)

Identify the homeowner(s)

- All persons included on title must be shown as a homeowner.
- If there will be more than 2 title-holders, the additional title-holders will need to be identified in the Homeowner Selection Screen.

NOTE: The Bank does not allow non-resident co-borrowers, co-signers, or guarantors.

Amount Requested*

Grant Amount*

\$ 5,000.00

Uses of Funds (Select at Least One)*

Assistance with Acquisition Costs

Financial Literacy Education Counseling

Rehabilitation

Set-Aside Program Homeowner Name(s)

Homeowner 1:

Last Name*

First Name*

Middle Name

Homeowner 2:

(Required if two Applicants)

Last Name

First Name

Middle Name

Section Two: Additional Member Contacts

Member contacts may be identified who will receive system generated email notification of the submission of reservations and disbursements, status updates, and requests for and receipt of clarification of reservation or disbursement information.

Member contacts must be authorized DP Online Users provided access to DP Online through eAdvantage. They will be selected by the user initiating the reservation from a pre-populated drop down. See Instructions for providing user access on the Bank's program webpages, in "Getting Started".

Additional Member Contacts

To submit your changes please click Apply Changes before exiting this page. Cancel

Contacts for (Member Associated with Reservation / Logged in)

Name	Select
	<input type="checkbox"/>
	<input type="checkbox"/>
	<input checked="" type="checkbox"/>

1 - 3

Section Three: Site Selection

- You will need to input the address and information of the home being purchased.

If the address changes after a reservation is approved, contact a FHLB Des Moines Down Payment Products Analyst **as soon as possible to verify the reservation approval**. Contact information is provided at the conclusion of this document.

- Enter the zip code and the zip +4.

The system does not look up the zip + 4. Clicking on **Lookup** populates the city, county, and state. For assistance finding the Zip +4 go to: www.usps.com or unitedstateszipcodes.org. If you receive an error message after entering the zip + 4 email us at communityinvestment@fhlbdm.com with a screenshot of your error.

- Attach an appraisal if:

- This is a Related Party Transaction (buyer and seller are related, to demonstrate sale at fair market value)
- This is a lender-owner REO (member owns property being purchased, to demonstrate sale at fair market value).

- If the dwelling type is a duplex:

An appraisal may be required to estimate rental income, which should be included in calculation of income. Include in income documentation (Section Seven). If not provided, Staff will follow up to obtain during review of the reservation.

Section Four: Homeowner Selection

- Is this a first-time homebuyer?

All households assisted in the Home\$tart program must include a homebuyer (a homeowner who is a titleholder, to be identified at Reservation Initiation) that is a first-time homebuyer. See Definitions in the **Guidelines, Definitions and Acronyms** on our website for who qualifies as a first-time homebuyer. All homebuyers that are first-time homebuyers must complete an approved homebuyer ed course. Documentation of the completion of the homebuyer ed course Class must be provided in the Disbursement. **Beginning April 1, 2020, we will also be collecting the cert(s) at reservation before approval and at Disbursement.**

- What is the anticipated closing date of the transaction?
- Attach the signed and dated **Household Summary** from the Income Calculation Workbook and any Certification of Zero Income if applicable, as one PDF.

The Household Summary must be signed by all titleholders and adult income earners.

Household Member Number	Name (First and Last)	Relationship to Head of Household	Date of Birth	Age at Time of Enrollment / Income Qualification	Calculated Income from Individual Worksheets
1	Jane Doe	Borrower	4/6/1958	57	\$20,800.00
2					\$0.00
3					\$0.00
4					\$0.00
5					\$0.00
6					\$0.00
7					\$0.00
8					\$0.00
9					\$0.00
10					\$0.00
11					\$0.00
12					\$0.00
13					\$0.00
14					\$0.00
15					\$0.00
Total Household Income					\$20,800.00

Section Four: Homeowner Selection

When is a Certification of Zero Income required?

- Required for each household member 18 years of age or older claiming zero income from any source. Typical sources are noted in the form.
- This form will need to include the household member's name, signature, date, and reason for zero income including:
 - The household member currently has no income and expects no change as they are not in the workforce or expected to begin receiving income from any of the sources identified on the form. If they are expected to begin receiving income, that income should be included in Income Calculation.
 - They are currently unemployed. This does not include persons on temporary leave or seasonal workers laid off at the time of application, whose income should be included in the Income Calculation.
 - The person is a student and not employed. Please provide transcripts/registration to support student status.
- This document can be found on the program pages of our public website.

Select
reason
→



Certification of Zero Income

This form is to be completed by a household member age 18 or older who claims no income from any source.

Name: _____

I hereby certify that:

(1) I do not receive income from any of the following sources:

- a) Wages from employment (including commissions, tips, or bonuses)
- b) Alimony, child support, or maintenance
- c) Income from operation of a business or farm
- d) Rental income from real estate or personal property
- e) Interest or dividends from financial assets
- f) Social Security payments or pension payments, including death benefits
- g) Payments from annuities, insurance policies, or retirement funds
- h) Unemployment, disability, workman's compensation, or severance payments
- i) Public assistance payments (excluding SNAP or LIHEAP)
- j) Recurring gifts from organizations or persons outside my household
- k) Alaska PFD, other State, Native American Tribal, or Native Alaskan Village Corporation distributions or dividends

(2) Choose all that apply:

- There is no change expected in my income or employment status during the next 12 months*.
- I am looking for employment. I have been unemployed since _____.
- I am currently a student or in an unpaid apprentice program and not receiving income.

(3) The information provided above is true, complete and accurate. I understand that providing false representations herein may constitute an act of fraud. I acknowledge information provided is being used for specific purpose of determining my household is eligible to receive assistance from the FHLBDM Affordable Housing Program or Down Payment Products. I will fully cooperate with the Program Administrator and Member to obtain or provide any necessary documents to confirm the information provided.

Signature _____ Date _____

*If a person is expecting a change in their income or employment status during the next 12 months, income from those sources should be verified and included in calculation of income. For example, if the person has an offer of employment, or is on temporary leave of absence or laid off from their employer, income from those sources should be included in income calculation.

Section Five: Eligibility

Starting April 1, 2020

In an effort to streamline document collection prior to closing and to better serve our members, we will be collecting the First-Time Homebuyer Education Course Certificate for all individuals on title at reservation submission.

Collection of the certificate(s) will be required for reservation approval.

We will continue to collect the homebuyer education course certificates at disbursement.

Please ensure that all parties on title, if added to title after reservation approval, have taken the Homebuyer course prior to closing and all certificates are uploaded at disbursement. Failure to do so can impact disbursement approval.

Section Five: Eligibility

When is a Household Member Questionnaire required?

- Required for each household member 18 years of age or older, regardless of whether income is received.
- The form will need to include the household member’s name, signature, and all relevant questions answered.
 - This form replaces the manually completed letters of explanation we began requiring in 2019.
 - All adult HH members should complete the first 2 sections and sign/date the bottom.
 - Section 3 of the form should be completed by the HH member(s) who share/have custody of the minor household member(s) in question.
 - Supporting 3rd party documentation of divorce, custody, alimony and child support should be uploaded with the other supporting documents on the Household Income screen (Section Seven). Contact your Analyst with questions.
- This document can be found on the program pages of our public website.



**Homeownership Affordable Housing Program (AHP) and Down Payment Products (DP)
Household Member Questionnaire**
A completed questionnaire is required for each household member 18 years and older

Household Member Name: _____ DOB: _____ AGE: _____

The home being purchased/rehabbed will be my primary residence: Yes No NA

Are you a First Time Homebuyer? Yes No NA

In the past 5 years have you received an FHLB Des Moines AHP/DP grant? Yes No

Marital Status (Check all that apply):

Unmarried Married Separated¹ Previously Married²

Do you receive alimony, spousal support or child support? Yes No

¹Documentation of legal separation required. Must be separated for 12 months prior to enrollment date.
²Divorce decree(s) and all supporting documentation from previous marriage(s) required.

Complete the items below for any dependent children³ of the household member listed above:

Name	Date of Birth	Co-Parent in Household?	Is there court ordered child support ⁴ ?	Is there child support or cash support outside of a court order?
		No <input type="checkbox"/>	No <input type="checkbox"/>	No <input type="checkbox"/>
		No <input type="checkbox"/>	No <input type="checkbox"/>	No <input type="checkbox"/>
		No <input type="checkbox"/>	No <input type="checkbox"/>	No <input type="checkbox"/>
		No <input type="checkbox"/>	No <input type="checkbox"/>	No <input type="checkbox"/>
		No <input type="checkbox"/>	No <input type="checkbox"/>	No <input type="checkbox"/>
		No <input type="checkbox"/>	No <input type="checkbox"/>	No <input type="checkbox"/>

³A child may be included on the household summary if custody is shared
⁴Provide the child support order/parenting plan/custody agreement; if none contact FHLB Des Moines to determine alternate documentation needed to verify household size and income.

Certification: I certify that the information provided above is true, complete, and accurate. I understand that providing false representations herein may constitute an act of fraud. I acknowledge that the information provided is being used for the purpose of determining whether my household is eligible to receive assistance through the Federal Home Loan Bank of Des Moines Affordable Housing Program. I further certify that all income of any kind is fully disclosed on this questionnaire, and will fully cooperate with the Program Administrator/Sponsor and/or Member to obtain or provide any necessary income verifications or other documents to confirm the information provided.

Household Member's Signature _____ Date _____

Section Five: Eligibility

Enter the estimated 1st mortgage amount.

If this amount exceeds the purchase contract amount, staff will ask for clarification. Additional documentation may be requested. For example, if the mortgage amount exceeds the purchase price contract amount because the transaction includes new construction or material rehabilitation, staff will request and review documentation of costs to determine if they meet requirements in the Program Guidelines.

Enter the estimated loan term in months.

The minimum term is 60 months, per requirements in the Program Guidelines.

Attach the Purchase Contract

A purchase contract is required to reserve grant funds. The Purchase Contract must be signed by all parties and reflect a purchase price under the maximum purchase price limit for the location. The purchase price limits can be found on our website: <https://www.fhlbdm.com/products-services/affordable-housing/income-and-purchase-price-limits/>

Additional questions:

- Is household enrolled or receiving funds through any other FHLB Des Moines program or other FHLB?

We need to determine if you are you using the Down Payment program in conjunction with any other FHLB programs. If Yes, please provide explanation in text box provided. A Home\$tart® or NAHI grant award may not be used together funds from competitive AHP awards or other FHLB down payment assistance programs (does not include MPF® Xtra 3D loan product).

- Will FHLB Des Moines grant be passed through to a non-profit or other third party mortgage originator?

We need to determine if the property being purchased is also being financed by the seller (a non-profit or other third party originator, for example, Habitat). If Yes, please provide information including the organization and a contact person. The Bank will require an appraisal to demonstrate that the sale price does not exceed fair market value if the seller is providing financing. If you answered Yes to this question you will not be able to complete the screen until the appraisal is uploaded.

Enter Estimated 1st Mortgage Amount for this property purchase* 132456

Enter Estimated 1st Mortgage Term (Months)* 360

Please attach Homeowners Property Purchase Contract*

Uploaded File Info
blank doc.docx Remove

Is household enrolled or receiving funds through any other FHLBDM program or other FHLB?* Yes No

Explain by providing amount and source of funding*

afdsfsafd

You have 3000 characters remaining for your description.

Will the FHLB DM grant be passed through to a non-profit or other third party mortgage originator?* Yes No

Non-Profit or other third party

Name of the organization:* dfafds

Contact person name:* adfsad

Phone Number:* adsfasf

Attach Lease Agreement and/or Appraisal for Property* Browse... ?

Section Five: Eligibility

New Question Effective April 1:

A signed Household Member Questionnaire is required for all adult household members and a Homebuyer Education Course Certificate is required for all titleholders. Upload all required questionnaires and certificates as one (1) pdf attachment.

Each adult household member, regardless of income, must complete and sign the Household Member Questionnaire.

Each individual who will be on title must complete an approved Homebuyer Education Course prior to closing and provide the class certificate.

Please upload all completed and signed Household Member Questionnaires and all Homebuyer Education Course Certificates as one pdf attachment to this screen.

Is household enrolled or receiving funds through any other FHLBDM program or other FHLB?* Yes No

Will the FHLB DM grant be passed through to a non-profit or other third party mortgage originator?* Yes No

A signed Household Member Questionnaire is required for all adult household members and a Homebuyer Education Course Certificate is required for all titleholders. Upload all required questionnaires and certificates as one (1) pdf attachment. *

Uploaded Files Info

Blank CD.pdf

Section Six: Request Timeline

This section will track reservation and disbursement dates. There is nothing to be filled in by the user at reservation. It will be automatically populated and saved. A green check mark should appear in **Reservation Home**.

Request Timeline

To submit your changes please click [Apply Changes](#) before exiting this page. [Cancel](#)

Reservation Date (Funds Reserved) 12/31/2018
Reservation Completion Expiration Date* 01/10/2019
Reservation Expiration Date
Closing/Settlement Date
Retention Expiration Date

[+ Audit](#)

Section Seven: Household Income

Indicate the income guideline that will be used to income qualify the household. Options include:

- Home\$tart®: HUD state or HUD county limits. You may elect the higher of the two.
- NAHI: HUD state, HUD county or Native American (NAHASDA) Guidelines. You may elect the higher of the three.

The HUD and NAHASDA limits can be found on our website: <https://www.fhlbdm.com/products-services/affordable-housing/income-and-purchase-price-limits/>

Attach the Bank's Income Calculation Workbook in the Excel format. The Workbook should be used to calculate household income per the Bank's Income Calculation Guidelines. The Guidelines and the Workbook are provided on the program pages of our website.

Income Calculation Guidelines include:

- Who to include in a household
- Income inclusions and exclusions
- Required income documentation
- Instruction on income calculation

After attaching the Workbook, you will be prompted to attach income documentation. Attach as a pdf.

The screenshot shows the 'Household Income' section of the FHLB Des Moines website. At the top, there is a navigation bar with 'Reservation', 'Dashboard', and 'Initiate' links. Below this, the 'Household Income' section is active, featuring three radio buttons: 'HUD County', 'HUD State', and 'Native American Income Guidelines'. The 'HUD County' option is selected. Below the radio buttons, there is a question: 'Please indicate the income guideline that was utilized for this request. (Select one)*'. Below this, there is a question: 'Have you completed the Income Calculation Workbook that includes all household members?'. Below this, there is a file upload field: 'Please attach your completed Income Calculation Workbook*'. Below the file upload field, there is a 'Browse...' button. Below the 'Browse...' button, there is a green arrow pointing to a box labeled 'After attaching workbook'. Below the green arrow, there is a box labeled 'Please attach all Household Income supporting documentation' with a sub-section 'Uploaded Files Info' showing 'WVOE Bonus.pdf'. At the bottom right, there is a 'Save' button highlighted with a red circle. At the bottom left, there is a note: '* Required to save the page' and '* Required prior to submission'. At the bottom right, there is a note: 'To submit your changes please click Save before exiting this page.' The page also includes a user profile at the top right: 'Current as of January 13, 2018 at 11:09 AM U.S.T.' and 'Home | Messages (0) | User Guide'. The reservation ID is 45 and the homeowner is Cheryl Tester.

Section Seven: Household Income

Where do I start with the income calculation?

- The Income Calculation Guidelines and Income Calculation Workbook can be found on the program pages of our website.
- The *Instructions* tab in the workbook <highlighted in red> will give you abbreviated instruction of how to complete the Workbook. More complete instruction is provided in the Income Calculation Guidelines. It is important that the Guidelines be reviewed before completing income calculation in the Workbook.
- A *Notes* tab in the workbook <highlighted in red> has been added for the member to add additional notes on the income calculations.

What information is needed on the Household Summary?

The Household Summary is part of the Income Calculation Workbook. In the Summary provide:

- *Member*- Participating Member Bank (may be different from the lender)
- *Enrollment Date*- The date of the household's loan application or application for assistance
- *Borrower*- Primary Homebuyer's Name (head of household)
- *Household Size* - Do Not Enter - This will auto populate
- *Address*- Address of the property being purchased
- Names of all persons included in the household, per instruction in the Income Calculation Guidelines
- Relationship to Head of Household is a drop down- select option that best correlates to person
- Enter date of birth- age will auto populate
- Income will auto populate after household member worksheets in the Workbook are completed

When the Workbook is complete, print the Summary, have it signed by all homebuyers on title and all other adult income earning household members.

- A second page is provided for additional adult income earning household member signatures. If not needed, please disregard page 2.
- Upload a pdf copy of the signed Summary in Section Four: Homeowner Section
- Include any Certificates of Zero Income in the pdf

Household Summary form example.


HOMEOWNERSHIP AHP & DOWN PAYMENT PROGRAMS
Income Calculation Workbook - Household Summary

Enter the information requested in the highlighted boxes below. All individuals that will reside in the home should be listed. For each income earning adult member of the household, enter that person's income on a separate worksheet (HH Member 1, HH Member 2, etc.). Print this page and obtain the signature of the Homeowner and Co-Homeowner, and any additional income earning adult members of the household as additional Co-Homeowners. Create additional signature page for Co-Homeowners if necessary. Upload a copy of the signed form as "Household Summary" where instructed in AHP Online or DP Online.

Member: * Enrollment Date:

Borrower: Household Size:

Address:

City: State: Zip:

County:

Household Member Number	Name (First and Last)	Relationship to Head of Household	Date of Birth	Age at Time of Enrollment / Income Qualification	Calculated Income from Individual Worksheets
1	John Doe	Borrower	1/1/1963	55	\$48,000.00
2	Betsy Doe	Co-Borrower	2/5/1966	51	\$0.00
3	Gary Doe	Child	5/9/1999	18	\$0.00
4	Martha Doe	Child	4/8/2005	12	\$0.00
5					\$0.00
6					\$0.00
7					\$0.00
8					\$0.00
9					\$0.00
10					\$0.00
11					\$0.00
12					\$0.00
13					\$0.00
14					\$0.00
15					\$0.00
Total Household Income					\$48,000.00

Certification: I certify that the information provided above is true, complete, and accurate. I understand that providing false representations herein may constitute an act of fraud. I acknowledge that the information provided is being used for the purpose of determining whether my household is eligible to receive assistance through the Federal Home Loan Bank of Des Moines Affordable Housing Program. I further certify that all income of any kind is fully disclosed on this questionnaire, and will fully cooperate with the Program Administrator/Sponsor and/or Member to obtain or provide any necessary income verifications or other documents to confirm the information provided.

Homeowner Signature _____ Date _____

Co-Homeowner Signature _____ Date _____

Section Seven: Household Income

If an error occurs when uploading the Income Calculation Workbook, what do I do?

Try these remedies, and if not successful, call Community Investment for support:

- The Workbook is in .xlsx format. Try saving and uploading with an .xls file extension.
- Test the upload in both Internet Explorer or Chrome.
- Make sure the document is not in "Read Only" mode.
- Try saving the workbook with a different name.
- If all items above have been tried, the Workbook you are using may be corrupted. Go to the public website and start over with a new Workbook.
- To avoid corrupting the Workbook, do not cut/paste and inserting formulas into Workbook cells.

Error message example

Error ID:	EDA95B
Error Message:	An unexpected error has occurred. Please contact Community Investment support at communityinvestment@fhlbdm.com with a brief explanation of what screen and step you were on when you received this error.

Reservation Process

Submit the Reservation

Confirm all sections are complete on **Reservation Home**. They are complete when Status is noted by a green checkmark.

When all are complete, click on **Submit**. A system-generated email go to the contacts associated with this request notifying them that the request has been submitted. The Reservation will be locked and no change can be made, unless the Bank requests clarification.

Review and Clarifications

Upon submission Bank staff will review the reservation and respond to the member contacts with any need for clarification. Contacts will receive a system-generated email requesting clarifications. Reservations will be unlocked to enable member clarification. A **"?"** will appear in the Status of the Section requiring clarification on the Reservation Home screen. The member must Submit again after clarification.

After review, including any clarification, Bank staff will approve or reject the reservation. Reservations that do not comply with program requirements will be rejected. There will be a system-generated email to the contacts.

After submission, change in reservation status can be tracked on **Reservation Home** or on the **Dashboard**.

The screenshot shows the FHLB DES MOINES reservation system interface. At the top, it displays the user's name 'Cheryl McCollum | Logout' and the current date and time 'Current as of January 15, 2016 at 2:48 PM CST'. Below this, there are navigation tabs for 'Reservation', 'Dashboard', and 'Initiate'. The main content area is titled 'Reservation Home' and displays reservation details: 'Grant Requested \$ 5,000.00', 'Reservation Status Reservation Request Pending', 'Withdrawal Requested (Y/N)? N', 'Set Aside Round HomeStart', 'Homeowner 1: Cheryl Tester', and 'Homeowner 2:'. A red box highlights the 'Reservation Status' field, with a green arrow pointing to a second screenshot of the same page where the status has changed to 'Reservation Request Submitted'. A red circle highlights the 'Submit' button at the bottom of the page. Below the reservation details is a table with columns 'Description' and 'Status'. The table lists several sections, all with green checkmarks in the 'Status' column: 'Reservation Initiation Information', 'Additional Member Contacts', 'Site Selection', 'Homeowner Selection', 'Eligibility', 'Request Timeline', and 'Household Income'. At the bottom of the page, there is a certification statement and a 'Submit' button circled in red.

Description	Status
Reservation Initiation Information	✓
Additional Member Contacts	✓
Site Selection	✓
Homeowner Selection	✓
Eligibility	✓
Request Timeline	✓
Household Income	✓

Reservation Process

Members have 120 days from the date the Reservation is approved to submit a request for Disbursement.

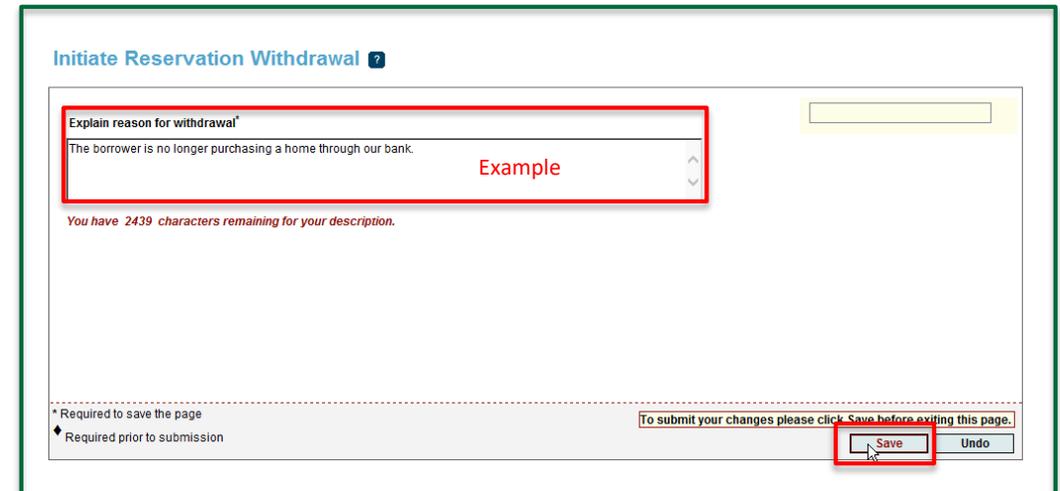
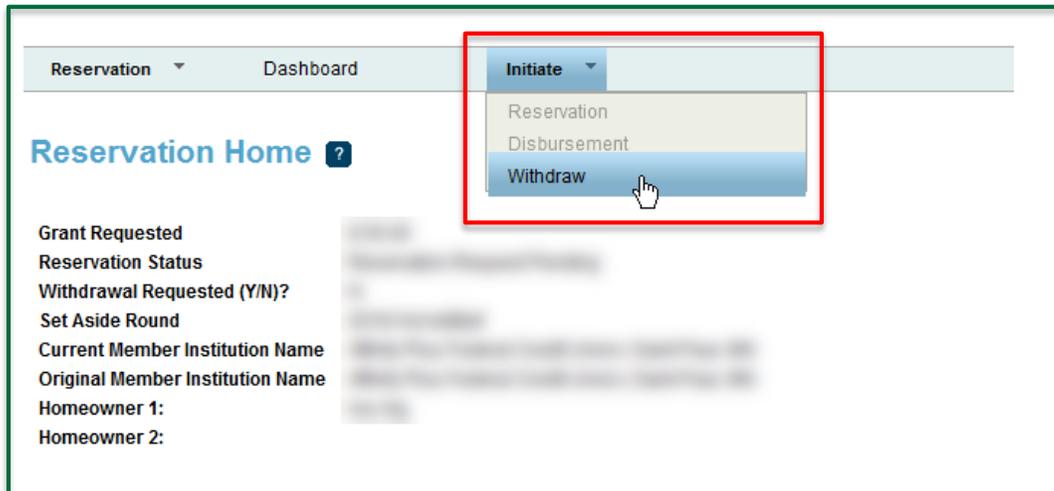
Is it possible to get an extension on my approved reservation?

- If your transaction is unable to close during that time, the member will need to submit a written request for an extension **prior to the reservation expiring**.
- The request should include:
 - Property address
 - Anticipated date of the closing
 - Reason for why the closing has not taken place
 - Request for an extension
- Once the letter is received, the extension may be approved at the discretion of the Bank. The member will be notified if the extension request has been approved and advised on the new expiration date of the extension.

Reservation Process

If your transaction will not occur, withdraw your reservation to release funds for other reservations

- From the DP Online Dashboard, select the Reservation number or homebuyer last name to enter the Reservation Home Screen.
- Hover over Initiate and click Withdraw.
- Complete the Initiate Reservation Withdrawal screen by providing a short narrative on the reason for the withdrawal.
- Click Save.
- No further action is needed.
- Users associated with the reservation will receive email notification once the withdrawal request has been approved by the Bank.



Reservation Process

If you cannot complete a reservation or a disbursement start to finish, you can log out and return to complete your work at a later time. Ensure your work is saved before logging out.

To resume work, log back in to DP Online and locate your reservation or disbursement on the Dashboard. Each reservation and disbursement are assigned a unique number. In this example, highlight is on the disbursement record. You can also search by homeowner name.

The screenshot shows the FHLB Des Moines DP Online dashboard. At the top, it displays the user name 'Cheryl McCollum | Logout' and the current date and time 'Current as of January 15, 2016 at 10:31 AM CST'. Below this, there are navigation links for 'Home | Messages (0) | User Guide'. The main content area is titled 'Dashboard' and includes a 'Select Round to Display' dropdown menu set to 'HomeStart'. To the right of the dropdown is an 'Export' button. Below the dropdown, there are two columns of statistics. The left column shows 'Member Allocation Limit Total' at \$100,000.00, 'Round Allocation Total Remaining' at \$9,960,399.00, and 'Member Allocation Limit Remaining' at \$95,000.00. The right column shows 'Total Amount of Funds Reserved' at \$5,000.00, 'Total Amount of Expired Reservations' at \$0.00, 'Disbursement Requests Pending Submission' at 0, 'Disbursement Request Submitted Under Review' at 1, 'Total Disbursements Submitted' at 1, 'Total Disbursements Approved' at 0, 'Disbursement Requests Rejected' at 0, 'Total Amount of Funds Disbursed' at \$0.00, and 'Homebuyers that Received Disbursements' at 0. Below the statistics is a table with columns for Reservation Number, Disbursement Number, Homeowner Last Name, Homeowner First, Middle Name, Member Contact, Date Reservation Submitted, Current Status, Subsidy Reserved, Grant Expiration, Withdrawal Requested, Subsidy Disbursed, and Proposed Settlement Date. The table contains one record where the Disbursement Number '184' is circled in red. The record details are: Reservation Number 20, Disbursement Number 184, Homeowner Last Name Kirk, Homeowner First, Middle Name James, T, Member Contact Cheryl McCollum, Date Reservation Submitted Jan 06, 2016 12:36:18, Current Status Disbursement Request Submitted, Subsidy Reserved \$ 5,000.00, Grant Expiration Jan 19, 2016 12:00:00, Withdrawal Requested N, Subsidy Disbursed \$ 0.00, and Proposed Settlement Date Mar 4, 2016.

Reservation Number	Disbursement Number	Homeowner Last Name	Homeowner First, Middle Name	Member Contact	Date Reservation Submitted	Current Status	Subsidy Reserved	Grant Expiration	Withdrawal Requested	Subsidy Disbursed	Proposed Settlement Date
20	184	Kirk	James, T	Cheryl McCollum	Jan 06, 2016 12:36:18	Disbursement Request Submitted	\$ 5,000.00	Jan 19, 2016 12:00:00	N	\$ 0.00	Mar 4, 2016



Technical Assistance: Down Payment Products

DISBURSEMENT PROCESS

Disbursement Process

How do I initiate a disbursement?

- Once a reservation has been approved the Reservation status will update to "Reservation Request Eligible". Disbursement must be submitted within 120 days of Reservation approval.
- You will initiate a disbursement by going into the Reservation and hovering over "Initiate".
- You then will click "Disbursement".

Initiating a disbursement does not stop the clock on reservation expiration! That does not occur until the disbursement is complete and you Submit. Do not let your reservation expire before submitting your disbursement. You must request an extension of your reservation or submit the disbursement before your reservation expires.

The screenshot shows the FHLB Des Moines reservation management interface. At the top, there is a navigation bar with 'Reservation', 'Dashboard', and 'Initiate' (highlighted with a red box). A dropdown menu is open under 'Initiate', showing 'Reservation', 'Disbursement' (highlighted with a red box and a mouse cursor), and 'Withdraw'. Below the navigation bar, the 'Reservation Home' section displays the following information:

- Grant Requested: \$ 5,000.00
- Reservation Status: Reservation Request Eligible (highlighted with a red box)
- Withdrawal Requested (Y/N)? N
- Set Aside Round: 2018 HomeStart
- Current Member Institution Name: [Redacted]
- Original Member Institution Name: [Redacted]
- Homeowner 1: [Redacted]
- Homeowner 2: [Redacted]

Below the information, there is a table with the following columns: Description and Status.

Description	Status
Reservation Initiation Information	✓
Additional Member Contacts	✓
Site Selection	✓
Homeowner Selection	✓
Eligibility	✓
Request Timeline	✓
Household Income	✓

Initiate Disbursement

Like the reservation, begin with **Initiate Disbursement**.



Cheryl McCollum | Logout Current as of January 15, 2016 at 4:20 PM CST Home | Messages (0) | User Guide

Dashboard Initiate

Initiate Disbursement

1 Disbursement Information 2 Additional Member Contacts

If you would like others at your institution to be made aware of status changes for the disbursement please select

Contacts for Altura State Bank Altura, MN	
Name	Select
Cheryl McCollum	<input checked="" type="checkbox"/>

All contacts selected will receive emails regarding the status of reservations and/or disbursements.
Please contact your institution's eAdvantage Administrator to add additional contacts if needed.

Back Save and Continue Save and Exit Cancel



The user must complete 11 Sections within **Disbursement Home**. Six Sections will be complete after initiating the disbursement. Completed Sections include 1 and 2 from initiation. Other completed Sections are carried forward from reservation. When all 11 Sections are complete with a green check mark, click **Submit** to request disbursement.



Disbursement Dashboard Initiate

Disbursement Home

Reservation Approved Amount \$ 5,000.00
Disbursement Request Amount \$ 5,000.00
Disbursement Status **Disbursement Request Pending**
Withdrawal Requested? N
Set Aside Round HomeStart
Homeowner 1: Cheryl Tester
Homeowner 2:

Description	Status
Disbursement Initiation	✓
Additional Contacts	✓
Site Selection	✓
Homeowner Selection	✓
Household Income	✓
Disbursement Information Page 1	✓
Disbursement Information Page 2	✓
Certificate of Borrower Eligibility	✓
FHA Documentation	✓
Disbursement Information Page 3	✓
Timeline	✓

I hereby certify that I am an authorized employee of the participating member, that this distribution request is being submitted on behalf of the participating member, and that all of the information included in this request is true and correct to the best of my knowledge.

The member agrees to:

- (1) maintain all Down Payment Assistance documents used to determine eligibility (e.g., recorded mortgages and related notes, HUD-1, and income, first-time homebuyer, and counseling documentation) and provide any and all requested documentation to the Bank;
- (2) notify the Bank of any sale, refinance or foreclosure of the property prior to the expiration of the five-year retention period and reimburse the Bank for any and all amounts that are recaptured in connection therewith;
- (3) verify that each of the homebuyers identified (a) is a first-time homebuyer, (b) is a member of a low-to-moderate-income household with maximum household income at or below 80 percent of the area median income, (c) has completed a homebuyer counseling program, (d) has met the funds matching requirements, and (e) meets all eligibility criteria in accordance with the Down Payment Assistance Program Manual and section 1291.6(c) of the AHP regulation;
- (4) provide financial or other incentives in connection with the first mortgage financing to the homebuyer;
- (5) limit the rate of interest, points, fees and any other charges to a reasonable market rate of interest, points, fees, and other charges for a loan of similar maturity, terms and risk;
- (6) verify that the first mortgage and Down Payment Assistance mortgage have been executed and recorded;
- (7) reimburse the Bank for any and all funds in the event that any past, present or future misrepresentation causes the homebuyer or the member to be in violation of program requirements as stated by the Bank or the Federal Housing Finance Agency; and

Consent to the program guidelines as set forth in the Down Payment Assistance Program Manual.

Submit

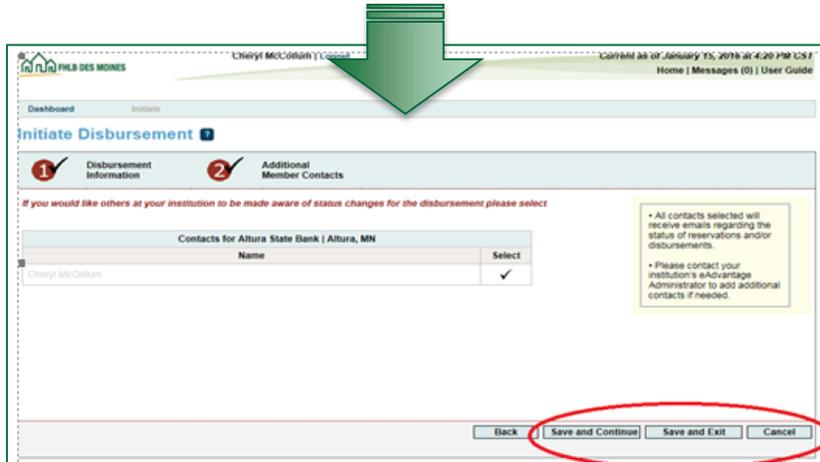
Not Visited

Please complete individual screens.
All checkmarks must be green before you can submit the disbursement.

Initiate Disbursement: Section One and Two

In **Initiate Disbursement**, complete the requested information in each section, and proceed by clicking the **Save and Continue** OR **Save and Exit** buttons on the bottom of the screen.

- **Save and Exit:** This will initiate the disbursement request but not complete the request.
- **Save and Continue:** To continue to next sections to complete a disbursement request.
- **Cancel:** If the disbursement initiation needs to be cancelled. Remember: You have 120 days to complete and submit the disbursement request from the time the reservation is approved.



How do I update my Grant amount if it changes after Reservation?

Reconfirm the grant amount in Disbursement Information. If the Grant amount changes after Reservation approval, you can change it when initiating your Disbursement. The Grant amount requested at Reservation may be decreased, but not increased.

Enter the grant amount provided at disbursement in "Disbursement Request Amount". You must disburse this amount at loan closing. This must be shown as a credit to the homeowners in the Closing Disclosure, and conform to the amount of the grant shown in the Deed Restriction the homeowners enter into at closing.

Classification | [Public](#)

Dashboard Initiate ▾

Initiate Disbursement ?

1 Disbursement Information

Disbursement Member Institution Name

Member Contact Name

Member Contact Email

Approved Reservation Amount \$ 5,000.00

Disbursement Request Amount* \$

Uses of Funds (Select at Least One)*

Assistance with Acquisition Costs

Set-Aside Program Homeowner Name(s)

Homeowner 1

Last Name*

First Name*

Middle Name

Homeowner 2
(Required if two Applicants)

Last Name

First Name

Middle Name

2 Additional Member Contacts

If you would like others at your institution to be made aware of status changes for the disbursement please select

Contacts for Altura State Bank Altura, MN	
Name	Select
Cheryl McCollum	<input checked="" type="checkbox"/>

* All contacts selected will receive emails regarding the status of reservations and/or disbursements.

* Please contact your institution's eAdvantage Administrator to add additional contacts if needed.

* Asterisk indicates required field.

Section Six: Disbursement Information Page 1

All homeowners (i.e homebuyers listed on title) that are First-Time Home Buyers must complete a Financial Literacy Course (a homebuyer education class) prior to closing.

Contact your Analyst to determine if non-first time buyers are eligible for the program.

See the applicable program **Guidelines, Definitions and Acronyms** on our website for more information, including:

- Requirement for homebuyer education
- Definition of First-Time Homebuyer
- Definition of Financial Literacy Program

Class certificates must be uploaded to DP Online.

[First Time Homebuyer Education Course](#) resources can be found on our website.

Other information needed includes:

- The actual property contract sales price
- The 1st mortgage originator -select from drop down
- Property in an urban or rural location

The screenshot shows a web form titled "Disbursement Information Page 1". At the top right, there is a "Cancel" button and a note: "To submit your changes please click Apply Changes before exiting this page." The form contains several fields and radio buttons:

- "What is the anticipated closing (Settlement) Date for this unit?*" with the value "01/10/2019".
- "Is borrower First Time Homebuyer?*" with radio buttons for "Yes" (selected) and "No". A callout box points to this field with the text: "Beginning in 2019, all households served in the Home\$art program must include a homeowner that is a first-time homebuyer. It is recommended that all titleholders complete a Financial Literacy Class, unless it can be documented a titleholder is not a first-time homebuyer."
- "Is Homeownership Counseling Completed?*" with radio buttons for "Yes" (selected) and "No".
- "Homeownership counseling was provided by*" with a text input field.
- "Did the counseling conform to the National Industry Standards for Homeownership Education and Counseling or was it offered by a HUD-approved provider?*" with radio buttons for "Yes" (selected) and "No".
- "Enter the Actual Property Contract Sales Price*" with a text input field containing "155000".
- "Select 1st Mortgage originated by*" with a dropdown menu showing "Member/Affiliate".
- "Signed Certificate(s) of Homebuyer Education and completed class certificate(s)*" with a red circle around the text. A callout box points to this field with the text: "Beginning in 2019, the Bank will not require the form: Certificate of Homebuyer Education. We will require only a Homebuyer Education Class Certificate".
- "Uploaded Files into" with a file upload area.
- "Please classify the site location as*" with radio buttons for "Urban" (selected) and "Rural".

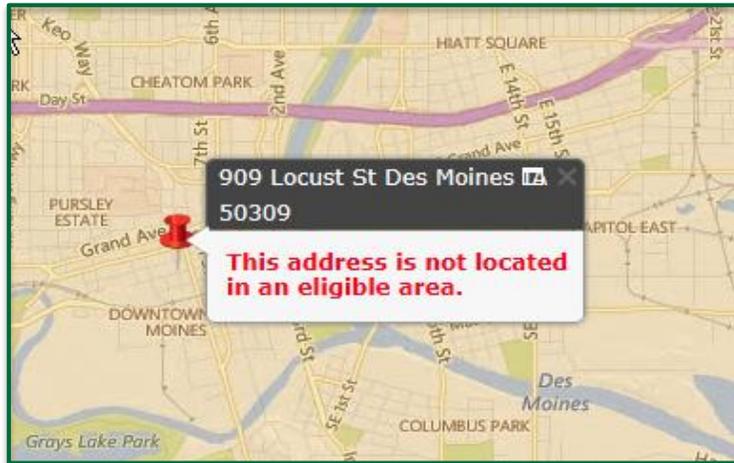
Section Six: Disbursement Information Page 1

How do I determine Urban vs Rural site location?

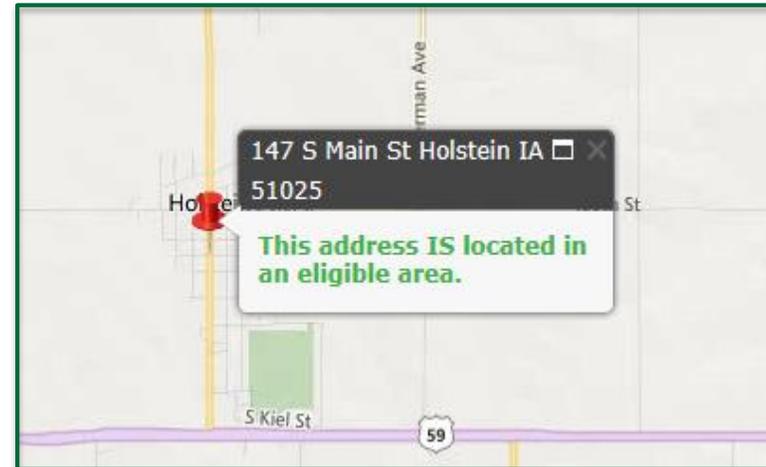
- Typically an Urban area is a community of more than 25,000 people or one that is part of a larger MSA.
- If in doubt, you can determine Urban vs Rural by entering the property address into the USDA Eligibility website.
- This website can be found here: <https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>
- Once the address is input, the address will populate Red or Green.
 - *Note: Red/Not Eligible = Urban. Green/Eligible = Rural

What will this look like?

Urban



Rural



Section Seven: Disbursement Information Page 2

Enter Actual 1st Mortgage Amount * \$
Enter Actual 1st Mortgage APR %* %
Enter Actual 1st Mortgage Rate Type*
Enter Actual 1st Mortgage Term (Months)*
Enter Actual 1st Mortgage Amortization Period (Months)*
Select 1st Mortgage Program*
Is 1st Mortgage Program FHA?* Yes No
Select 1st Mortgage Funded by*
Enter 1st Mortgage Origination Charges* \$
Is 1st Mortgage Loan to be sold?* Yes No
Is 1st Mortgage Loan covered by HOEPA?* Yes No
Enter Other Grants/Forgivable loan Source (s)
Enter Total of Other Grants/Forgivable loan(s) \$
Is there a 2nd Mortgage on this Property?* Yes No

1st Mortgage Amount = Loan Amount from Closing Disclosure (CD)

1st Mortgage APR: Found on page 5 of the CD under "Loan Calculations"

1st Mortgage Rate Type: Fixed or Adjustable

1st Mortgage Term: Number of months of the loan term

- A 60 month minimum term is required for loans in our programs.

1st Mortgage Origination Charges: Page 2 Line A of the CD

Is the 1st Mortgage Loan covered by HOEPA: Answer Yes if the loan would be defined as a high-cost loan.

- See Requirements in the program guidelines for more information. Bank staff will confirm if this is a high-cost loan using the Consumer Finance Protection Bureau Rate Spread Calculator. A loan with a rate spread over 6.5 using the calculator would be ineligible.

Other Grants/Forgivable loan: Grants or loans from the CD not requiring payments. Provide source and total dollar amount.

2nd Mortgage on the Property: Answer Yes if there is a second mortgage requiring payments. You will be prompted to answer questions about the second mortgage.

Section Seven: Disbursement Information Page 2

If there is a second mortgage as part of the transaction, answer “Yes”, and provide additional information as prompted.

An applicable second mortgage is one requiring payments, for example, amortizing monthly payments. It would not include a deferred mortgage that does not require payments due beginning immediately.

Provide the APR for the loan, and upload a copy of the Closing Disclosure for the second mortgage to confirm.

If the APR of the second mortgage exceeds the threshold for a high-cost loan, the loan would not be eligible per program requirements. Bank staff will confirm if this is a high-cost loan using the Consumer Finance Protection Bureau Rate Spread Calculator. A loan with a rate spread of 8.5 would be ineligible.

Is there a 2nd Mortgage on this Property?* Yes No

Enter Actual 2nd Mortgage Amount * \$ 8000

Select 2nd Mortgage Program* Conventional

Enter Actual 2nd Mortgage APR %* 0 %

Enter Actual 2nd Mortgage Rate Type* Fixed

Enter Actual 2nd Mortgage Term (Months)* 360

Enter Actual 2nd Mortgage Amortization Period (Months)* 360

Upload 2nd Mortgage Signed Closing Disclosure*

Uploaded Files Info

CD 2nd Mortgage.pdf

Section Eight: Certificate of Borrower Eligibility

What is the Certificate of Borrower Eligibility?

- This document is created after information about homebuyer financing has been input into Disbursement Information Pages 1 and 2.
- Review the document to ensure you input correct information. You will need to click SAVE then PRINT PDF. The member will sign this document to certify information about the mortgage financing and subsidy award, and upload it on Disbursement Information Page 3.
- If there is any change to information after the initial submission, the member will need to re-save the screen and print and upload a new Certificate.

Certificate of Borrower Eligibility

This form must be printed and signed by the member for upload into Disbursement Information Page 3.

Print PDF

FHLB DES MOINES
Certificate of Borrower Eligibility
(To be Sent to FHLBDM Along with other Documents)

Member and Borrower Information

Member Name
Homeowner

Co-Homeowner

Property Address

Census Tract

Homebuyer Counseling

Related Party Transaction

Number of Household Members

Subsidy Information

Amount

Household Income

Income Category

Closing Date

Use

Assistance with Acquisition Costs

Loan Information

1st Mortgage Amount

Annual Percentage Rate

Fixed/Adjustable

Program

Origination Charge

Contract Sales Price

Other Grants/Subsidies Source

Term (Months)

Amortization Period (Months)

HOEPA Covered Loan

Property Lender-owned (REO)

Other Grants/Subsidies

I certify that I am an authorized employee of the Federal Home Loan Bank of Des Moines participating member institution through which the down payment assistance grant was distributed. I further certify that: 1) the above information is true, complete, and accurate and that appropriate steps were taken to ensure its accuracy; 2) this household meets the eligibility requirements of the AHP Regulations (12 C.F.R. Part 1291); 3) if applicable, the homebuyer/owner counseling program was provided by, or based on one provided by, a recognized and experienced counseling organization and counseling included financial literacy and predatory lending education per National Industry Standards for Homeownership Education and Counseling; 4) related counseling costs are not covered by another funding source, including my institution, if paid from this subsidy award; and 5) the associated interest rate, points, fees, and any other charges of the mortgage loan do not exceed reasonable market interest rates, points, fees, and any other charges for similar loans.

*Required to save the page
*Required prior to submission

To submit your changes please click Save before exiting this page.

Save Undo

<Previous Next>



FHLB DES MOINES
Certificate of Borrower Eligibility
(To be Sent to FHLBDM Along with other Documents)

Member and Borrower Information

Member Name
Homeowner

Co-Homeowner

Property Address

Census Tract

Homebuyer Counseling

Related Party Transaction

Number of Household Members

Subsidy Information

Amount

Household Income

Income Category

Closing Date

Use

Assistance with Acquisition Costs

Loan Information

1st Mortgage Amount

Annual Percentage Rate

Fixed/Adjustable

Program

Origination Charge

Contract Sales Price

Other Grants/Subsidies Source

Term (Months)

Amortization Period (Months)

HOEPA Covered Loan

Property Lender-owned (REO)

Other Grants/Subsidies

Member's Certification

I certify that I am an authorized employee of the Federal Home Loan Bank of Des Moines participating member institution through which the down payment assistance grant was distributed. I further certify that: 1) the above information is true, complete, and accurate and that appropriate steps were taken to ensure its accuracy; 2) this household meets the eligibility requirements of the AHP Regulations (12 C.F.R. Part 1291); 3) if applicable, the homebuyer/owner counseling program was provided by, or based on one provided by, a recognized and experienced counseling organization and counseling included financial literacy and predatory lending education per National Industry Standards for Homeownership Education and Counseling; 4) related counseling costs are not covered by another funding source, including my institution, if paid from this subsidy award; and 5) the associated interest rate, points, fees, and any other charges of the mortgage loan do not exceed reasonable market interest rates, points, fees, and any other charges for similar loans.

Signature

Title

Date

Print Name

Phone

Member Signature

Section Nine: FHA Documentation

This letter is provided by FHLB Des Moines to help facilitate transactions that are FHA guaranteed. It provides the member a letter from the Bank that can be provided to an FHA underwriter to satisfy secondary financing requirements by government entities.

If needed, print the letter and then Save to proceed. If not needed merely Save and go to the next section.

FHA Documentation

To submit your changes please click Apply

Protected View: This file originated from a potentially unsafe location, and most features have been disabled to avoid potential security risks.

FHLB DES MOINES
Federal Home Loan Bank of Des Moines
909 Locust Street, Suite 200 | Des Moines, IA 50309
800.544.3452 | www.fhlbdm.com

March 21, 2019

Roundbank
Waseca MN

Re: Garrett Johnson
7446 38th St SW,
OWATONNA, STEELE, MN 55060
FHA Case Number

To Whom It May Concern:

This letter is being provided solely for the purpose of satisfying the FHA's requirements applicable to secondary financing transactions by Government Entities as set forth in HUD Mortgagee Letter 2013-14, dated May 9, 2013.

In regard thereto, the Federal Home Loan Bank of Des Moines states that it has incurred, at or before closing, a legally enforceable obligation to provide the funds set forth on the accompanying Certificate of Borrower Eligibility Form towards the

Section Ten: Disbursement Information Page 3

What documents do I need to upload to the Disbursement Information Page 3 Screen?

- Final Closing Disclosure for the 1st mortgage loan signed by the borrowers
- Certificate of Borrower Eligibility signed by the member
- Recorded Deed Restriction and the Warranty Deed
- If the transaction included rehabilitation
 - Rehab/repair worksheet signed by member together with copies of invoices or materials receipts, and proof of payment including cancelled checks or check record
 - Property inspection report or appraisal showing completion of repairs

Internal Disbursement Information Page 3

What is the actual closing (Settlement) Date for this unit?

Is the correct actual closing date displayed at the top of this page?* Yes No

Please attach all required Documentation listed below:

Signed Closing Disclosure:

Signed Certification of Borrower Eligibility*

Executed Deed Restriction & Warranty Deed

Rehab/Repair Worksheet (Required if funds used for Rehab)

Property Inspection Report (Required if funds used for Rehab)

Section Ten: Disbursement Information Page 3

Final Closing Disclosure

- The closing disclosure must demonstrate that grant funds were used for down payment, closing costs, cost of a financial literacy program if applicable, or rehabilitation.
- On the closing disclosure the subsidy award should be included on Page 3, Section L, and labelled as “FHLB DM Grant”, or “Home\$tart Grant” or “NAHI Grant” depending on the program.
- The subsidy award should be credited to the homebuyer at loan closing, either by the member or by the third party to which the member is passing through funds. Grants funds will be reimbursed to the member at disbursement.
- Closing costs must be representative of expenses incurred in the purchase and financing of a residence, and may include costs for a Financial Literacy Program (homebuyer education) subject to limits in the program guidelines. Costs including single premium or monthly life insurance or disability insurance, escrow of principal and interest payments, and payments of personal obligations of the borrower are not representative or eligible closing costs. Payments of personal obligations of a borrower, such as collections or judgments, are regard as “cash back” to the borrower and subject to limitation per Requirements in program guidelines.

How much cash back is acceptable?

- The borrowers cannot receive more than \$250 cash back at closing, except amounts used to reimburse the borrower for costs paid outside of closing. Costs paid outside of closing should be noted the CD in Closing Cost Detail, or other satisfactory documentation attached to the CD.
- Cash back will include reimbursement of down payment, deposits, or earnest money, and payment of collections, judgments, or other financial obligations of the borrowers.
- If it is necessary to pay collections or judgments to close a transaction, the CD must demonstrate they are paid from borrower cash or deposits.

What do we do with the grant funds not needed for Down Payment or Closing Costs?

Additional grant funds that have been reserved but are not needed for down payment or closing costs can be applied to the loan principal. This adjustment should be shown on Page 3, Section K of the CD.

Recorded Deed Restriction and Warranty Deed

- Homebuyers must enter into a 5-year Deed Restriction in the amount of the subsidy award.
- The Deed Restriction is a forgivable lien. It requires payback of a part of the subsidy award if the borrower sells or refinances their home within five years. Subsidy that is repaid must be returned to FHLB Des Moines. After 5 years, the Deed Restriction is fully forgiven and terminated, as stated in the agreement.
- The member should be named as “Lender” in the Deed Restriction. The member will be responsible for servicing the Deed Restriction.
- Deed Restriction forms are available on our website. Forms are available for fee simple land and Tribal Lands (subject to lease). Contact the Bank if there are issues using the Deed Restriction in your jurisdiction, or for a transaction including a mobile home (personal property).
- Always use the most current version of the Deed Restriction available on our website. The version dated January 1, 2020 will need to be used for all closings on or after 1/1/2020.
- The Deed Restriction must be filed of record in the appropriate jurisdiction. Do not record the Deed Restriction together with either the Warranty Deed or the Mortgage. It should not be made part of those documents.
- To demonstrate that this requirement has been fulfilled, upload a pdf. copy of the recorded Deed Restriction, together with Warranty Deed, on Disbursement Information Page 3.
- Instructions for [Lien Release and Subordination](#), including repayment of a subsidy award, can be found on our website.

Section Ten: Disbursement Information Page 3

If the transaction included rehabilitation/construction

How do you know what rehab is eligible with the FHLB Grant?

Rehabilitation must be associated with the home purchase. Eligible rehabilitation should include correction of deferred maintenance or standard replacement of principal fixtures and components of existing buildings. In addition, rehabilitation agendas inconsistent with affordable housing, or including payment to the household for labor, are ineligible. ***The Bank, in its sole discretion, may deny any subsidy request that is inconsistent with these guidelines.***

When will a member receive their disbursement if there is rehabilitation?

The member should initiate and complete their disbursement request after closing their loan, even when it includes an escrow for rehabilitation. Remember, the clock is ticking on the reservation of funds! An approved reservation expires after 120 days. However, the member will not be reimbursed the subsidy award until the rehabilitation is complete and the escrow fully paid out. Major rehabilitation projects could significantly delay the reimbursement of the subsidy award. The Bank allows one year for the completion of a rehabilitation project. Extensions beyond that are at the Bank's discretion.

What documents are needed for a loan that closed with rehabilitation?

- You will need to complete the Rehab/Repair Worksheet which can be found on our website. In the Worksheet itemize the rehabilitation cost and demonstrate how the rehab escrow was paid out. Sign this document, attach invoices and documentation of the payment of funds per instruction on the form, and upload the document as a .pdf copy on Disbursement Information Page 3.
- A Property Inspection Report or updated appraisal is required to confirm the completion of the rehabilitation.

What should be done with unused rehab escrow?

Funds escrowed for rehabilitation that are not used to pay rehabilitation costs should be applied to the loan principal and documentation provided to the Bank. ***Do not pay out funds to the borrower.*** Excess funds paid to the borrower are regarded as "cash out" and subject to the \$250 limitation at closing.

Is new construction eligible as rehabilitation?

The Bank allows new construction on a case-by-case basis. It must be approved prior to loan closing, thus at reservation. Contact the Bank to obtain approval. Requirements are included in Program Guidelines, and are similar to those for rehabilitation. Refinance of short term construction loans can be included as new construction.

Section Ten: Disbursement Information Page 3

New Question on the Disbursement Information Page 3 Screen

In Q1 2020, we added a question to the screen to comply with the Regulatory guidelines, asking our Members to confirm that the household was notified regarding household investment documentation.

- The new Repayment Calculator calculates the credit for household investments when determining the payoff figure.
- Documentation of the household investments should be submitted with the Repayment Calculator and payoff request.
- Please ensure the household is notified of the need to retain these receipts and invoices at closing, and select the radio button to complete the screen at disbursement to confirm.

Has the downpayment program-assisted household been notified, at the time they purchased their home, that they should maintain documentation of their household investments in case the unit is sold or refinanced during the five-year retention period?*

I acknowledge that the household has been notified.

Disbursement Process

When your **Disbursement Home** dashboard shows all sections completed, **Submit** the disbursement request. Status will be shown as **Disbursement Request Pending**. The disbursement will be locked and no change can be made, unless the Bank requests clarification.



Bank staff will review the disbursement and respond to the member contacts with any need for clarification. Contacts will receive a system-generated email requesting clarifications. Disbursements will be unlocked to enable member clarification. A **"?"** will appear in the Status of the Section requiring clarification on the **Disbursement Home** screen. The member must **Submit** again after clarification.

Reservation Approved Amount: \$ 5,000.00
 Disbursement Request Amount: \$ 5,000.00
 Disbursement Status: **Disbursement Request Clarification Pending**
 Withdrawal Requested?: N
 Set Aside Round: HomeStart
 Homeowner 1: Cheryl Tester
 Homeowner 2:

Description	Status
Disbursement Initiation	✓
Additional Contacts	✓
Site Selection	?
Homeowner Selection	✓
Household Income	✓
Disbursement Information Page 1	✓
Disbursement Information Page 2	✓
Certificate of Borrower Eligibility	✓
FHA Documentation	✓
Disbursement Information Page 3	✓
Timeline	✓

After review, including any clarification, Bank staff will approve or reject the disbursement. Disbursements that do not comply with program requirements will be rejected. There will be a system-generated email to the member contacts.

After submission, change in disbursement status can be tracked on **Disbursement Home** or on the **Dashboard**.

Disbursement Dashboard Initiate

Disbursement Home

Reservation Approved Amount: \$ 5,000.00
 Disbursement Request Amount: \$ 5,000.00
 Disbursement Status: **Disbursement Request Pending**
 Withdrawal Requested?: N
 Set Aside Round: HomeStart
 Homeowner 1: Cheryl Tester
 Homeowner 2:

Please complete individual screens.
 All checkmarks must be green before you can submit the disbursement.

Description	Status
Disbursement Initiation	✓
Additional Contacts	✓
Site Selection	✓
Homeowner Selection	✓
Household Income	✓
Disbursement Information Page 1	✓
Disbursement Information Page 2	✓
Certificate of Borrower Eligibility	✓
FHA Documentation	✓
Disbursement Information Page 3	✓
Timeline	✓

I hereby certify that I am an authorized employee of the participating member, that this distribution request is being submitted on behalf of the participating member, and that all of the information included in this request is true and correct to the best of my knowledge.

The member agrees to:

- (1) maintain all Down Payment Assistance documents used to determine eligibility (e.g., recorded mortgages and related notes, HUD-1, and income, first-time homebuyer, and counseling documentation); and provide any and all requested documentation to the Bank;
- (2) notify the Bank of any sale, refinance or foreclosure of the property prior to the expiration of the five-year retention period and reimburse the Bank for any and all amounts that are recaptured in connection therewith;
- (3) verify that each of the homebuyers identified (a) is a first-time homebuyer, (b) is a member of a low-to-moderate-income household with maximum household income at or below 80 percent of the area median income, (c) has completed a homebuyer counseling program, (d) has met the funds matching requirements, and (e) meets all eligibility criteria in accordance with the Down Payment Assistance Program Manual and section 1291.6(c) of the AHP regulation;
- (4) provide financial or other incentives in connection with the first mortgage financing to the homebuyer;
- (5) limit the rate of interest, points, fees and any other charges to a reasonable market rate of interest, points, fees, and other charges for a loan of similar maturity, terms and risk;
- (6) verify that the first mortgage and Down Payment Assistance mortgage have been executed and recorded;
- (7) reimburse the Bank for any and all funds in the event that any past, present or future misrepresentation causes the homebuyer or the member to be in violation of program requirements as stated by the Bank or the Federal Housing Finance Agency; and

Consent to program guidelines as set forth in the Down Payment Assistance Program Manual.

Submit

Not Valid



Technical Assistance: Down Payment Products

APPENDIX: RESERVATION AND DISBURSEMENT STATUS CHANGES

Appendix for Reservation and Disbursement Status Changes

How do I better understand the status of my submission?

Status Descriptions	
Reservation/Disbursement Request Pending	A Reservation or Disbursement has been initiated, but not yet submitted. You may begin and save the progress on the request, then return to complete the work. All screens will need to be completed and then <i>submitted</i> before the expiration date.
Reservation/Disbursement Request Submitted	The Reservation or Disbursement has been submitted and is now available for FHLB Des Moines to review and approve. You are no longer able to edit the this request.
Reservation/Disbursement Clarification Request Pending	The Reservation or Disbursement has a clarification request outstanding. You can edit only the pages where FHLB Des Moines has indicated clarification is needed.
Reservation/Disbursement Clarification Request Submitted	The Clarification has been submitted, returning the reservation request to FHLB Des Moines. You cannot edit the clarification once submitted.
Reservation Request Eligible	The request has been reviewed, and FHLB Des Moines has determined the homebuyer is approved for a reservation. Disbursements may now be initiated and submitted within 120 days.
Disbursement Request Approved	The request has been reviewed by FHLB Des Moines and approved. Funds will be deposited into the member's FHLB Des Moines Demand Deposit Account.
Expired	The length of time for grant Reservation or Disbursement has passed, and the funds have been returned to the general first-come/first-served pool for that funding round.



Technical Assistance: Down Payment Products

WHERE TO FIND US

Contact Information: Down Payment Products

Community Investment:

Toll Free: 800.544.3452, ext. 2400

CommunityInvestment@fhlbdm.com

Seattle Office

Jessica Grant

515.412.2755

jgrant@fhlbdm.com

Des Moines Office

Chris Kuhn-McRoberts

515.412.2262

ckuhn@fhlbdm.com

Thank you

Technical Assistance: Down Payment Products