

## **Lift Up Homeownership Program Disclosure**

### ***Homebuyer Information and Authorization to Release/Certification***

The Federal Home Loan Bank of Boston's (FHLBank Boston) Lift Up Homeownership (LUH) program is a homeownership program for first-time, income-eligible homebuyers earning no more than 120% of the area median income. LUH grants are made to eligible homebuyers who either meet FHLBank Boston's definition of first-generation homebuyer or person of color as defined in FHLBank Boston's Special Purpose Credit Program (SPCP) Written Plan. The LUH program assists homebuyers who are purchasing owner-occupied primary residences in New England.

#### **Borrower's Responsibility:**

The LUH disclosure informs you of the requirements to participate in the program and you must review, complete, and execute the disclosure. The disclosure allows your lender to request LUH grant funds on your behalf and provide income information to FHLBank Boston. All pages of the disclosure must be completed by the homebuyer(s) and signed by all adult household members (18 years of age or older) who will live in the property.

To be approved for the LUH grant funds, the following information must be provided to your lender:

- 1.) **A fully executed purchase and sale agreement.**
    - a.) Related parties must be disclosed and explained. Further documentation may be requested.
    - b.) The closing date must allow 15 business days upon enrollment submission. Enrollments submitted less than 15 business days prior to closing must obtain an extension before the grant reservation is submitted.
    - c.) Evidence of the homebuyer(s)' required minimum contribution of \$1,000 in down-payment funds toward the purchase of the home is required. If funds have not been provided prior to closing, the homebuyer(s) must bring the required minimum contribution in down-payment funds to the closing, and they must be documented on the closing disclosure.
  - 2.) **Disclosure of all intended household members of the subject property.**

Household members are defined as any person expected to live in the property at the time of closing. This includes all adults, children, grandparents, roommates, relatives, etc.
- Note:** The total household size is **not** based on the mortgage application provided to your lender and is **not** limited to borrower(s).
- 3.) **Self-certification that at least one first mortgage borrower is a first-time homebuyer and meets the FHLBanks definitions of either first-generation homebuyer or person of color.**
  - 4.) **All income sources received and anticipated for the next 12 months by ALL adult household members who will occupy the subject property.** (Adults are defined as people 18 years of age or older.)

Income is defined as, but is not limited to:

- a.) Payroll income – full-time, part-time, seasonal, etc.
- b.) Self-employment income – IRS form 1099, Schedule C, S-corporation, partnership
- c.) Unemployment – current or expected
- d.) Child support and/or alimony
- e.) Social Security, pension, retirement, or disability
- f.) Rental income from the subject property
- g.) Government assistance programs
- h.) Income received on behalf of children
- i.) Income or rental income from any assets
- j.) Annual interest income over \$100

If you are not sure about a source of income, please discuss with your lender at the time of application. Income information and documentation is required for **all** members of the household, including children, who receive income.

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A ***Certification of Zero Income*** form is only required when an adult household member, who intends to reside in the property, does not receive or have a source of income.

In accordance with program guidelines, your lender will provide FHLBank Boston with the following documentation:

- Signed and fully completed copies of the LUH disclosure.
- Income information and documentation in accordance with FHLBank Boston's income calculation guidelines for all types of income received by all adults in the household.
- Tax return(s) or IRS tax transcript(s) for most recent two years for self-employment or income that is **NOT** W2 wage earnings. (**NOT** required for W2 wage earners only.)
- An explanation will be required when income levels vary or when there are anticipated changes in income.

Your lender will provide your income information and purchase documentation to FHLBank Boston based on the information you have provided to them. This information will be used to review and approve your eligibility to receive a LUH grant under FHLBank Boston's SPCP Written Plan and LUH Policies and Procedures. FHLBank Boston approves or disapproves a homebuyer(s)' participation in the LUH program. A homebuyer cannot utilize multiple lenders to request a homeownership assistance grant from FHLBank Boston.

#### **Lender's Responsibility:**

The loan originator will review the homeownership income guidelines to identify applicable documentation needed to determine income eligibility. FHLBank Boston requires this document to be fully executed at the time of enrollment.

#### **At the Closing:**

You will be required to execute a LUH mortgage or deed restriction and a LUH note securing the LUH grant funds. The LUH mortgage or deed restriction will be recorded, along with other documents required by your lender, to secure the grant funds for a five-year period.

#### **After the Closing:**

Your involvement in the program will continue for a five-year period from the date of closing. Your lender at the time of purchase will remain your point of contact for all questions. The affordability retention provisions in your LUH mortgage or deed restriction and LUH note do not prohibit your ability to sell or refinance the property. Instead, the LUH mortgage or deed restriction and note enforce the required repayment of the LUH grant funds in the event the property is sold and, in some cases, refinanced during the first five years from the date of closing. There is no monthly payment required for the LUH grant. If the LUH repayment obligation is not triggered during the first five years of your ownership of the property, the LUH repayment obligation ends after five years. The original lender at the time of purchase is responsible for discharging the LUH mortgage. It is advised that you maintain a record of receipts and invoices of any capital improvements made to the home during the five-year period as they will be factored into the repayment calculation.

#### **Repayment During the First Five Years Following Your Purchase:**

If during the first five years the property is refinanced, sold, assigned, or otherwise transferred, all parties (including FHLBank Boston and your original lender) must be notified at the time of the new transaction and made aware of the existing LUH mortgage/deed restriction and note.

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## Homebuyer Information and Authorization to Release/Certification

### Definitions:

*Net Proceeds* is defined as the sales price **minus** reasonable and customary closing costs paid by the homeowner **minus** homeowner's outstanding superior debt.

*Household investment* is defined as reasonable and customary transaction costs paid in connection with the purchase, down payment, cost of capital improvements made, and any mortgage principal repaid since the purchase of the property until the time of sale.

### Selling Your Home

*If the homeowner is selling the home or transferring title:*

1. The homeowner will notify the original lender who completed the first mortgage financing.
2. The original lender will contact FHLBank Boston to initiate the repayment calculation.
3. The Seller's Closing Disclosure is required to complete the repayment calculation process and should have a firm closing date, as any difference will affect the repayment calculation.
4. Repayment calculation will be completed by FHLBank Boston to determine whether further review is required. (See **Step 1 below**).
5. Repayment will be due from any net proceeds realized on the transaction unless the amount of LUH funds to be repaid in accordance with the repayment calculation is \$2,500 or less (see **Step 2 below**).

### The Repayment Calculation - All calculations are done by FHLBank Boston:

#### **Step 1:**

- Repayment is calculated by reducing the LUH grant on a pro rata basis per month or days (in favor of homeowner) for the period the home is owned, based on the original closing date and the current date of the transaction. Credit is given for the period that the homeowner owned their home. Repayment is due only for the remainder of the five-year retention period and only if the repayment due is over \$2,500.

$$\left(1 - \frac{\# \text{ of months homeowner occupied home}}{\text{Retention Period (60 months)}}\right) \times \text{Original Grant Amount} \\ = \text{Pro Rata Grant Amount}$$

*If the amount is **over** \$2,500, then Step 2 will apply.*

#### **Step 2:**

- The Closing Disclosure from the original purchase will be reviewed and compared to the Seller's Closing Disclosure for the current transaction to determine if any net proceeds from the sale are realized, including consideration of the household investment.
- The calculation will include the *household investment* while owning the home.

### Refinancing Your Home

*If the transaction is for the purpose of refinancing:*

The LUH mortgage or deed restriction may remain in place for the remainder of the five-year retention period and can be subordinated to the new mortgage loan. The original lender will contact FHLBank Boston for processing. Repayment calculations will not apply.

- If the LUH mortgage or deed restriction will not remain in place or be subordinated, your original lender must contact FHLBank Boston to initiate the repayment calculation.
  - If net proceeds are realized at the time of the refinance transaction, the repayment due will be reduced on a pro-rata basis per month for the period the property is owned.
  - Your lender will contact FHLBank Boston for all repayment calculations for the LUH grant.

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- In both cases, the option to subordinate the existing LUH mortgage or deed restriction should be discussed with your original lender who provided you with the LUH grant.

#### In the Event of Foreclosure

The obligation to repay the LUH funds terminates after any foreclosure, transfer by deed-in-lieu of foreclosure, assignment of a FHA first mortgage to HUD, or death of the homeowner within the five-year retention period. Following foreclosure, transfer by deed-in-lieu of foreclosure, or assignment of a FHA first mortgage to HUD of a home purchased with LUH assistance during the five-year retention period, the LUH retention agreement terminates and there is no obligation to repay FHLBank Boston.

#### **After the Five-Year Retention Period**

##### Grant Discharge

The original lender will be responsible for discharging the LUH mortgage or deed restriction once the five-year retention period concludes, including the costs associated with its recording. Please reach out to your original lender's loan servicing department five years from the date of the closing to ensure the proper discharge has been completed.

# Lift Up Homeownership Program Disclosure

## Homebuyer Information and Authorization to Release/Certification

### Household Members & Income Worksheet

Household Name: \_\_\_\_\_ Total Number of Occupants: \_\_\_\_\_

#### **HOMEBUYER/HOMEOWNER INSTRUCTIONS:**

- 1.) For **each** household member, **all income** categories must be completed with a checkmark and initial.
- 2.) Please complete information for **each** household member, including children, in the home. (List children as Child 1, Child 2, etc.) Use an additional page if needed.
- 3.) Include **all current** and **anticipated sources** of income for **each** household member.
- 4.) If not employed and there is no source of income, adults must complete the ***Certification of Zero Income***.
- 5.) Refer to the **LUH Disclosure** for specific program details related to income on pages 1 and 2.

**PLEASE NOTE:** Failure to disclose intended household members of the subject property, failure to disclose income sources, or failure to provide accurate income data and documents may result in cancellation/denial of your LUH grant request and/or repayment of any disbursed funds.

<b><u>HH member #1</u></b> Print Name: _____ Age: _____	Yes	No	HB Initial	<b><u>HH member #2</u></b> Print Name: _____ Age: _____	Yes	No	HB Initial
<b>If over 18, full-time student?</b>	<input type="checkbox"/>	<input type="checkbox"/>		<b>If over 18, full-time student?</b>	<input type="checkbox"/>	<input type="checkbox"/>	
A.) Regular Wages: <b>Name of Employer:</b>	<input type="checkbox"/>	<input type="checkbox"/>		A.) Regular Wages: <b>Name of Employer:</b>	<input type="checkbox"/>	<input type="checkbox"/>	
B.) Self Employed:	<input type="checkbox"/>	<input type="checkbox"/>		B.) Self Employed:	<input type="checkbox"/>	<input type="checkbox"/>	
C.) Second/Seasonal job: <b>Name of Employer:</b>	<input type="checkbox"/>	<input type="checkbox"/>		C.) Second/Seasonal job: <b>Name of Employer:</b>	<input type="checkbox"/>	<input type="checkbox"/>	
D.) Unemployment Assistance:	<input type="checkbox"/>	<input type="checkbox"/>		D.) Unemployment Assistance:	<input type="checkbox"/>	<input type="checkbox"/>	
E.) Child/Alimony Support:	<input type="checkbox"/>	<input type="checkbox"/>		E.) Child/Alimony Support:	<input type="checkbox"/>	<input type="checkbox"/>	
F.) Pension/Social Security/Disability (include for dependent children):	<input type="checkbox"/>	<input type="checkbox"/>		F.) Pension/Social Disability (include for dependent children):	<input type="checkbox"/>	<input type="checkbox"/>	
G.) Rental Income:	<input type="checkbox"/>	<input type="checkbox"/>		G.) Rental Income:	<input type="checkbox"/>	<input type="checkbox"/>	
H.) Interest Income: (\$100 or greater only)	<input type="checkbox"/>	<input type="checkbox"/>		H.) Interest Income: (\$100 or greater only)	<input type="checkbox"/>	<input type="checkbox"/>	
I.) Other:(specify)	<input type="checkbox"/>	<input type="checkbox"/>		I.) Other:(specify)	<input type="checkbox"/>	<input type="checkbox"/>	

# Lift Up Homeownership Program Disclosure

## Homebuyer Information and Authorization to Release/Certification

<b>HH member #3</b> Print Name: _____ Age: _____	Yes	No	HB Initial	<b>HH member #4</b> Print Name: _____ Age: _____	Yes	No	HB Initial
<b>If over 18, full-time student?</b>	<input type="checkbox"/>	<input type="checkbox"/>		<b>If over 18, full-time student?</b>	<input type="checkbox"/>	<input type="checkbox"/>	
A.) Regular Wages: <b>Name of Employer:</b>	<input type="checkbox"/>	<input type="checkbox"/>		A.) Regular Wages: <b>Name of Employer:</b>	<input type="checkbox"/>	<input type="checkbox"/>	
B.) Self Employed:	<input type="checkbox"/>	<input type="checkbox"/>		B.) Self Employed:	<input type="checkbox"/>	<input type="checkbox"/>	
C.) Second/Seasonal job: <b>Name of Employer:</b>	<input type="checkbox"/>	<input type="checkbox"/>		C.) Second/Seasonal job: <b>Name of Employer:</b>	<input type="checkbox"/>	<input type="checkbox"/>	
D.) Unemployment Assistance:	<input type="checkbox"/>	<input type="checkbox"/>		D.) Unemployment Assistance:	<input type="checkbox"/>	<input type="checkbox"/>	
E.) Child/Alimony Support:	<input type="checkbox"/>	<input type="checkbox"/>		E.) Child/Alimony Support:	<input type="checkbox"/>	<input type="checkbox"/>	
F.) Pension/Social Security/Disability (include for dependent children):	<input type="checkbox"/>	<input type="checkbox"/>		F.) Pension/Social Security/Disability (include for dependent children):	<input type="checkbox"/>	<input type="checkbox"/>	
G.) Rental Income:	<input type="checkbox"/>	<input type="checkbox"/>		G.) Rental Income:	<input type="checkbox"/>	<input type="checkbox"/>	
H.) Interest Income: (\$100 or greater only)	<input type="checkbox"/>	<input type="checkbox"/>		H.) Interest Income: (\$100 or greater only)	<input type="checkbox"/>	<input type="checkbox"/>	
I.) Other: (specify)	<input type="checkbox"/>	<input type="checkbox"/>		I.) Other: (specify)	<input type="checkbox"/>	<input type="checkbox"/>	

**All signatures are required:**

Homebuyer(s): \_\_\_\_\_ Date: \_\_\_\_\_  
Signature

\_\_\_\_\_ Date: \_\_\_\_\_  
Signature

Loan Originator: \_\_\_\_\_ Date: \_\_\_\_\_  
Sign and print name

Refer to: <http://www.flhboston.com> for specific program guidelines, income calculations and forms required to complete the enrollment request.

*The words "execution," "signed," "signature," and words of like import in this agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based record keeping system, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, Electronic Signatures in Global and National Commerce Act or any other similar state laws based on the Uniform Electronic Transactions Act, and the parties hereto hereby waive any objection to the contrary.*

# Lift Up Homeownership Program Disclosure

## Homebuyer Information and Authorization to Release/Certification

I/We hereby authorize \_\_\_\_\_ to:

**Full Name of Lending Financial Institution**

Release all information to FHLBank Boston required for the purpose of determining eligibility for the Lift Up Homeownership program (LUH).

This form must be signed by **all** adult household members (18 years and older) who will reside on the property.

I/We certify that all information including, but not limited to, household size and total household income, for the purpose of determining eligibility for the LUH is true to the best of my/our knowledge.

I/We understand that false statements or information will lead to cancellation/denial of the application to the LUH.

I/We acknowledge that the lender has provided, and we have received and reviewed a copy of the **LUH Homebuyer Information**.

By signing below, I/we acknowledge that we intend to proceed.

**Total number of household members including all adults and children:** \_\_\_\_\_

_____ Type/Print Borrower Name	_____ Borrower Signature	_____ Date
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_____ Type/Print Borrower Name or Additional Adult Party	_____ Borrower or Additional Adult Party Signature	_____ Date
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_____ Type/Print Additional Adult Party Name	_____ Additional Adult Party Signature	_____ Date
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_____ Type/Print Additional Adult Party Name	_____ Additional Adult Party Signature	_____ Date
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*The words "execution," "signed," "signature," and words of like import in this Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based record keeping system, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, Electronic Signatures in Global and National Commerce Act or any other similar state laws based on the Uniform Electronic Transactions Act, and the parties hereto hereby waive any objection to the contrary.*

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### *First-time Homebuyer Certification*

**As a first-time homebuyer, please complete the following certification by signing below, I/we acknowledge that we intend to proceed.**

(I/we) will not have held a “present ownership interest” in a principal residence (including a manufactured home permanently affixed to land) at any time during the three-year period immediately preceding the closing of the mortgage loan (excluding a first mortgage loan) in accordance with HUD 42 U.S.C. §12704(14).

_____ Type/Print Borrower Name	_____ Borrower Signature	
_____ Type/Print Borrower Name or Adult Party	_____ Borrower or Adult Party Signature	_____ Date
_____ Type/Print Borrower Name or Adult Party	_____ Borrower or Adult Party Signature	_____ Date
_____ Type/Print Borrower Name or Adult Party	_____ Borrower or Adult Party Signature	_____ Date
_____ Type/Print Borrower Name or Adult Party	_____ Borrower or Adult Party Signature	_____ Date

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