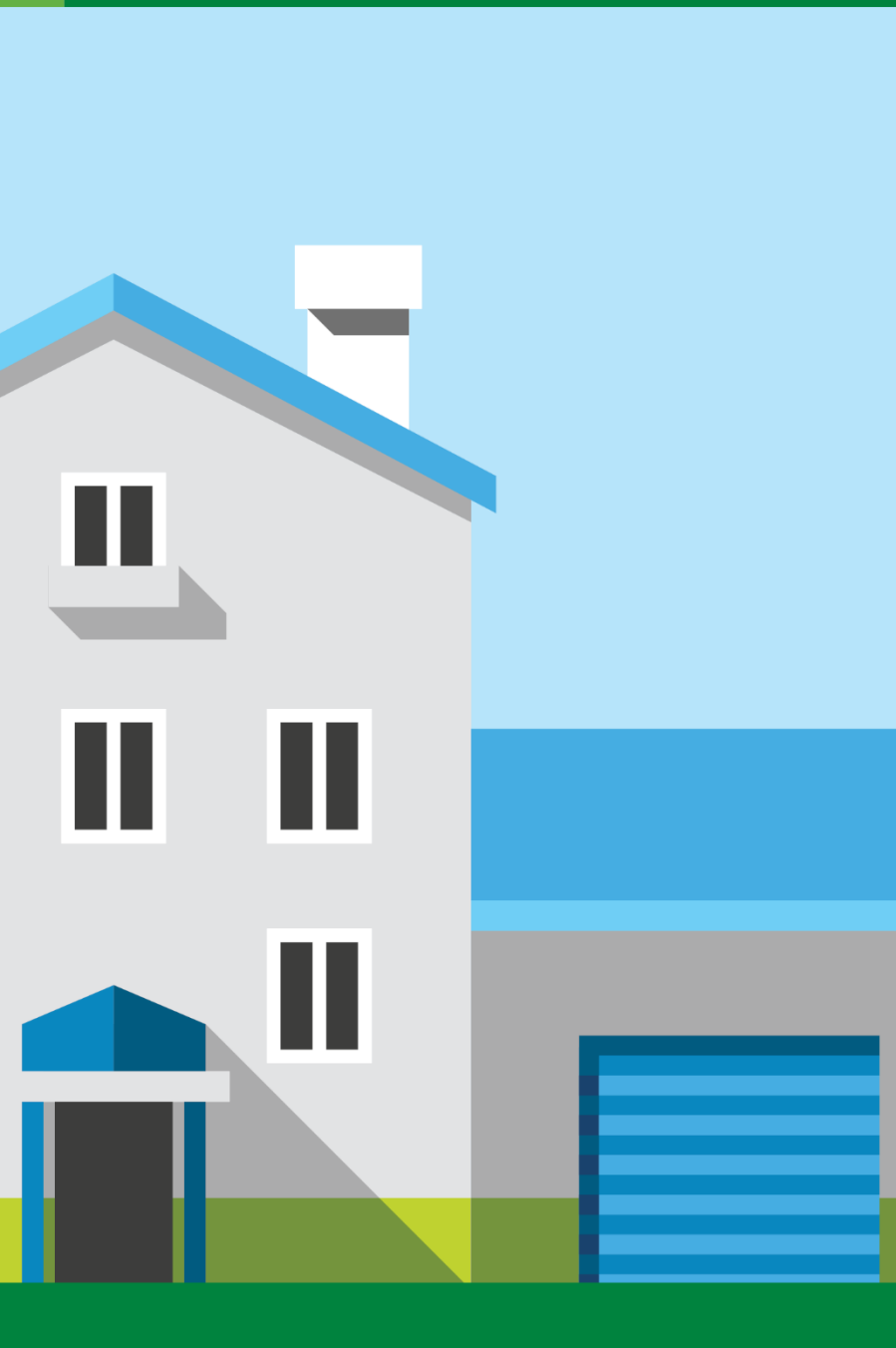


2025 Next Steps: Enrolling Homebuyers

Equity Builder Program, Housing Our Workforce, and Lift Up Homeownership





This Training Will Cover

- Program Overviews
- Program Comparisons and Steps
- Allocation - Dates and Methodology
- Income Practices & Calculations
- Member & Household Eligibility Requirements
- Reminders, Tips and Tricks
- Contacts and Resources

Suite of Homeownership Programs



Equity Builder Program (EBP)

Provides down-payment and closing-cost assistance for households with incomes at or below 80% of area median income



Housing Our Workforce (HOW)

Provides down-payment and closing-cost assistance to households with incomes above 80% and up to 120% of area median income



Lift Up Homeownership (LUH)

Provides down-payment and closing-cost assistance to people of color **or** first-generation homebuyers with household incomes at or below 120% of area median income

DPA Grant Success



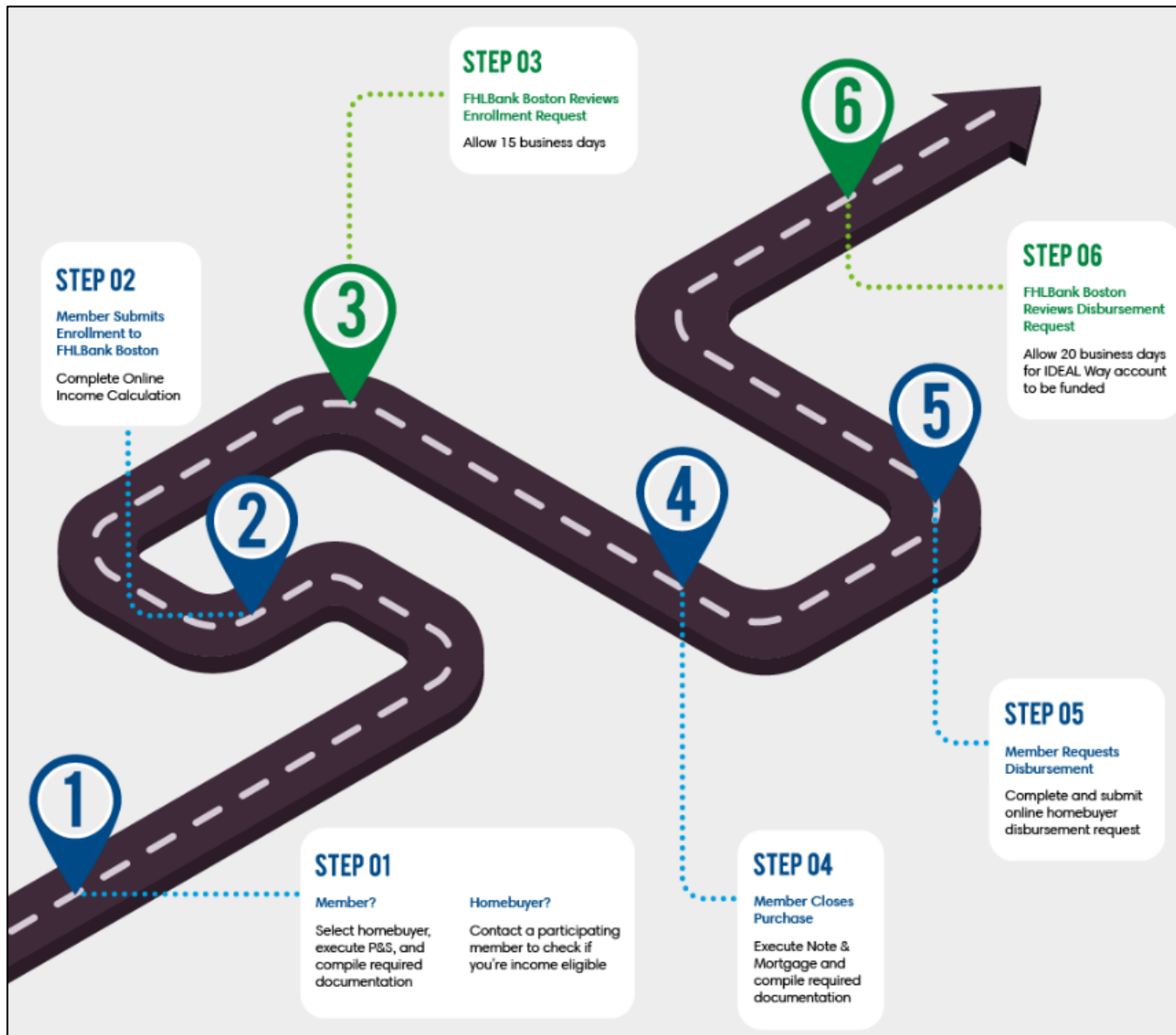
Lift Up Homeownership (LUH) Beneficiaries



Savings=
\$307 a month

Mortgage Details	MHP One Mortgage	MHP One Mortgage + <u>LUH</u>
Purchase Price	\$500,000	\$500,000
Buyers' Down Payment	\$25,000	\$25,000
LUH Grant	-	\$50,000
Other Assistance	\$25,000 Mass Dreams	\$25,000 Mass Dreams
Loan Amount	\$450,000	\$400,000
Interest Rate	6.25%	6.25%
Monthly P&I	\$2,770.00	\$2,462.87
Monthly Taxes	\$435.45	\$435.45
Monthly Insurance	\$119.58	\$119.58
Total Mortgage Expenses	\$3,270.03	\$3,017.90

Grant Step-by-Step Process



2025 Allocation Schedule

- Each program has its own pool of money
- Operating on a four-month cycle
 - Twice a month

- Funding release schedule*

April	1 st and 15 th
May	1 st and 15 th
June	2 nd and 16 th
July	1 st and 15 th

- Member maximums vary for each program
 - EBP and HOW have graduated caps - NEW 2025!
 - Fall out placed back into the general pool



**Always subject to change at FHLBank Boston's sole discretion.*

2025 Allocation Methodology

State-By-State Allocation

- State-by-state allocation is based on the homebuyer's primary purchase address not the member's headquarters
- \$250,000 per each N.E. state during the first funding release
- Each N.E. state has a defined amount of money for 60 days

General/ At-Large Allocation

- Funds not utilized after June 3 will move into the 'at-large' pool
- At-large pool access begins once a New England state is exhausted
- General allocation operates on first-come, first-served basis

Each homeownership program (EBP, HOW, and LUH) has its own total funding allocation

Eligible Grant Uses

- Down payment
- Closing costs including:
 - Prepaid and escrows
 - Interest rate buydown up to 2 points*
- Home purchase within New England
 - 1- to 4-family homes, townhouses, condominiums, cooperative housing units and manufactured housing



* Up to 2 points cannot pair with Mortgage Partnership Finance® (MPF®) Permanent Rate Buydown product offered by FHLBank Boston. Otherwise, a member who uses one of the programs to assist a buyer with down payment or closing costs can combine the program with the Permanent Rate Buydown product.

Let's Compare the Programs

Parameters	EBP	HOW	LUH
Income Limits	<= 80% AMI	> 80% to <=120%	<= 120% AMI
Homebuyer Self-Certification Requirement	No	No	Yes- See FAQ
Maximum Grant per Household	Up to \$25,000	Up to \$25,000	Up to \$50,000
Maximum Member Limit/Cap	Up to \$250,000*	Up to \$250,000*	Up to \$500,000
Minimum Down Payment (homebuyer's own funds)	\$500	\$2,000	\$1,000
Use of Grant Funds			
Down Payment	Yes	Yes	Yes
Customary Closing Costs (including prepaids and escrows)	Yes	Yes	Yes
Up to 2 points toward interest rate reduction	Yes	Yes	Yes
Rehabilitation Assistance	Yes	No	No
Purchase property must be an owner-occupied primary residence?	Yes	Yes	Yes
First-time homebuyer requirement	Yes	Not Required. Homebuyer must sell currently primary residence.	Yes
First-time homebuyer education and counseling	Required	Required	Required

* First two EBP and HOW funding releases, members are eligible to receive up to \$125,000 through each program. This per member cap will increase to up to \$250,000 for each program during the remaining funding releases.

Homebuyer Requirements



- Execution of disclosure
 - Identify entire household and income streams
- Meet the Area Median Income (AMI) limits for either program
 - Anticipated and prospective
- Fully executed P&S
 - Primary residences only
- Homebuyer contribution of own funds toward purchase
 - Funds must stay into the transaction!
- First-time homebuyers to complete education/counseling
- No more than \$250 cash back at closing

Interviewing Potential Homebuyers



- Review disclosure with borrower(s)
 - Verify total occupants to reside in the property
 - Adults are 18 years or older
- Validate income/household against disclosure
- Zero Certification of Income to be executed if applicable
- Other considerations may include
 - Homebuyer is an employee
 - Non-occupant co-borrowers
 - Full-time students
 - 50/50 custody

LUH Homebuyer Self-Certification

Self-Certification Option 1:

- Only one borrower/person on the first mortgage must identify as a person of color
- Despite self-identification being noted as 'optional,' a homebuyer must self-certify by selecting all options applicable to qualify for funds

Applicant Self-Identification (Optional)

I, _____, certify that I identify as one or more of the following (check all that apply):

- ☐ American Indian or Alaska Native
- ☐ Asian
- ☐ Black or African American
- ☐ Hispanic or Latino
- ☐ Native Hawaiian or Other Pacific Islander
- ☐ I do not wish to provide this information

Borrower/Homebuyer

Date

LUH Homebuyer Self-Certification

Self-Certification Option 2:

- Only one borrower/person on the first mortgage must identify as a “first generation” homebuyer
- A “first generation” homebuyer must self-certify that either:
 - Their parent(s) and/or legal guardian(s) do not currently own and have not previously owned a home in the United States, or
 - They have aged out of foster care

Income Calculation Best Practices

- Calculate income manually against the system
 - Prospective income
 - Annualized over 12 months
 - Varies from secondary market
- Review income guidelines
 - Provide explanations for unusual scenarios
- System generates [HUD income limits](#) based on data input




Income Limits

2024 HUD Limits

HOW LUH 120% Calculation:
 $\$81,600 (50\%) \times 2 \times 1.2 = \$195,840$

LUH does not need to exceed 80% like HOW

FY 2024 Income Limit Area	Median Family Income Click for More Detail	FY 2024 Income Limit Category Click for More Detail	Persons in Family							
			1	2	3	4	5	6	7	8
Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area		Very Low (50%) Income Limits (\$) Click for More Detail	57,100	65,300	73,450	81,600	88,150	94,700	101,200	107,700
		Extremely Low Income Limits (\$)* Click for More Detail	34,300	39,200	44,100	48,950	52,900	56,800	60,700	64,650
		Low (80%) Income Limits (\$) Click for More Detail	91,200	104,200	117,250	130,250	140,700	151,100	161,550	171,950

NOTE: **Boston city** is part of the **Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area**, so all information presented here applies to all of the Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area. HUD generally uses the Office of Management and Budget (OMB) area definitions in the calculation of income limit program parameters. However, to ensure that program parameters do not vary significantly due to area definition changes, HUD has used custom geographic definitions for the Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area.

EBP 80% := \$130,250
 (HOW must exceed \$130,250 by \$1)



Member Requirements

- Submit all documents [online](#)
- Manage grant pipelines
- Cannot switch programs after enrollment is fully submitted
- Compensating factors for housing DTI ratios [over 37%](#)
- Disclose related-party transactions (i.e., renter/landlord)
- Provide P&S with closing date at [15 business days](#) upon submission date



Member Action Required

- Enrollments missing documentation go into MAR
- 10 business days to provide or clarify documentation
- Can be denied after 10 business days
 - Review extension policy

Common MAR Examples

MAR Example

- Closing date is less than 15 business days
- Disclosure has typed in signatures and not e-signed
- Expired income documentation
- Housing ratio exceeds 37%

Outcome

- Obtain extension ASAP or grant to be denied
- Re-execute wet-signature or e-sign through proper software
- Review the income guidelines and upload current documents
- Provide at minimum three accepted compensating factors

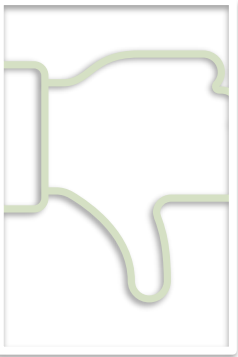
Procedural Reminders



Only submit/reserve a homebuyer under **one** program



Subject property **can** change homebuyer **cannot**



No placeholder documents



Closing date **must** be 15 business days from reservation - **No exceptions!**

Always refer to the website for procedures for each program's differences!

Common Misconceptions

- A buyer cannot refinance
- A buyer cannot ever sell the property
- A buyer needs to purchase an affordable unit/deed restricted property
- Section 8 voucher program cannot work with our grant programs



Tips & Tricks



DO NOT:

- Promise funds to homebuyers prior to receiving enrollment approval
- Submit an income-eligible homebuyer to more than one FHLBank grant program.
- Provide more documentation than requested
- Tell us if income has changed after enrollment approval



DO:

- Promote the programs for your benefit and help homebuyers in need
- Queue up homebuyers before monies are released to determine income eligibility
- Watch our YouTube tutorials **before** submitting/reserving homebuyers for technical assistance

Questions?



Contacts & Resources



Livia Bourque
VP, HCI Operations Manager



Sam Juergens
HCI Analyst



Kaitlyn Mulhern
Homeownership Programs Manager



Jack Newton
HCI Analyst



Kevin Ryan
HCI Analyst Manager



Isabel Tapogna
HCI Analyst

Housing Community Investment (HCI) Department

Review Website for 2025 Materials:

- ✓ Member QC Checklist
- ✓ Disclosures, Notes, and Mortgages
- ✓ Income Guidelines
- ✓ Program Procedures
- ✓ FAQs

Technical Assistance Via YouTube:

- ✓ How to request Community Lending Account
- ✓ How to submit member application
- ✓ How to submit enrollment
- ✓ How to request disbursement