

2025 Final Steps: Requesting Disbursement

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

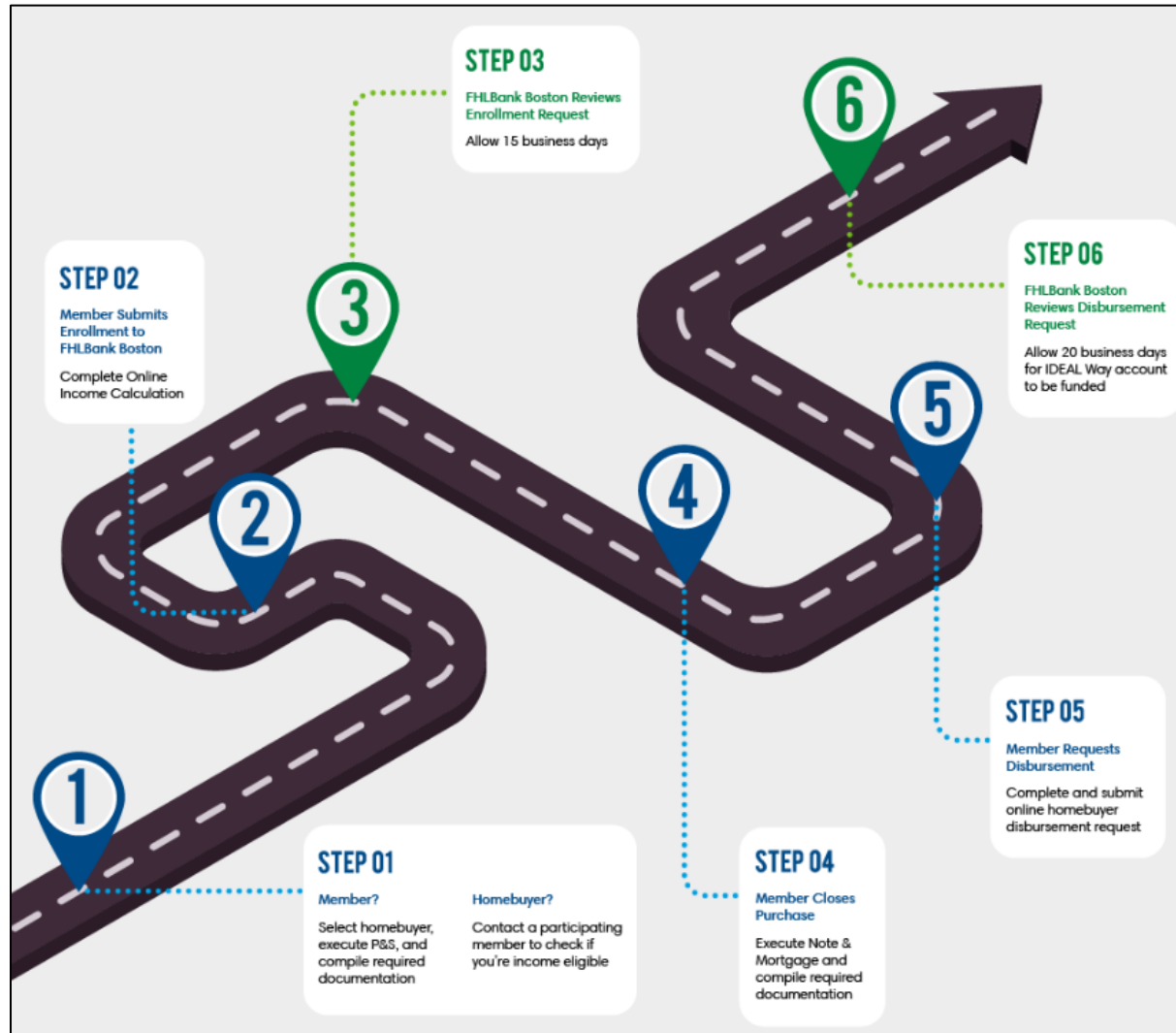




This Training Will Cover

- Grant Submission Process
- Disbursement Requirements & Documents
- First-time Homebuyer Education/Counseling
- Member Action Required (MAR)
- Monitoring and Retention
- Contacts & Resources

Grant Step-by-Step Process



Member Disbursement Requirements



- Member table funds the grant and reimbursed via IDEAL Way
 - Submit all disbursements through [online system](#)
- Closing Disclosure (CD) to reflect grant and not a loan
- FHLBank Boston mortgages and notes must be executed
 - Use current versions
 - Templates are program specific
- Evidence of first-time homebuyer certificate
- Member concession- EBP and LUH only!
- Rehab documentation- EBP Only!





Document Requirements

- Make sure all documents correlate to the homebuyer
 - Name, date, grant amount, address etc.
- CD page 3 to reflect either FHLBank Boston grant
 - Not a separate CD
- No more than **\$250** cash back
 - Reduce loan amount, grant or principal reduction
- Earnest money deposit must stay in the transaction
- Utilize [FHLBank Boston](#) retention docs
 - FHA has Deed Restriction template
- First-time homebuyer certificate

Homebuyer Education/Counseling

- Certification not required at enrollment
 - **Required** documentation at disbursement request
- Completed through our approved list
 - CHAPA, HUD or NISHEC
- Online education component is acceptable **ONLY** through eHome America, Fannie Mae HomeView, Finally Home!, Framework, or Home Trek
- Counseling required
 - Prior to **OR** post-closing



Example Cert.

Grant Used for Rehabilitation - EBP Only

Rehabilitation Requirements:

- 100% of the rehabilitation work must be completed **prior** to disbursement of EBP funds
- Closing Disclosure must evidence escrowed funds

Supporting Documentation:

- Copies of paid invoices, checks, inspections detailing scope of work completion
- Evidence of disbursement(s) from escrow account



Member Concession – EBP& LUH Only

Examples

- ☐ Reduce or waive fees and/or points (page 2 of CD)
 - ☐ Below market interest rate (rate sheet)
 - ☐ Reduce or waive mortgage insurance or LLPA (rate sheet or pricing document)
 - ☐ Relax minimum credit score or DTI (underwriting document)
 - ☐ Lender credit (page 2 of 3 of CD)
- Must be provided at the time of closing
 - Evidenced on CD or documents to support
 - Explain the incentive/concession that you are offering to the homebuyer
 - Specific details and where to verify the information



Member Action Required

- Disbursements missing documentation go into MAR
- 10 business days to provide or clarify documentation
- Contact FHLBank if more time is needed outside of 10 business days
 - Review extension policy

MAR Reasons & Solutions

Common Mistake

- Incorrect or old note/mortgage executed
- Excess \$250 cash back
- Homebuyer received the deposit back at closing
- Forgot to provide EBP or LUH buyer a member concession

Example to Cure

- Scrivener's Affidavit or Confirmatory Mortgage
- Reduce loan amount, grant, or principal reduction **before** closing
- Contact FHLBank **before** closing
- Post-closing CD/reimburse buyer (if closing cost related)

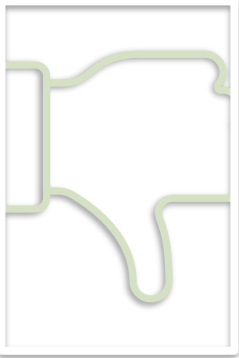
Procedural Reminders



Grant reservation is homebuyer specific, but address can change



CD to reflect buyer's minimum contribution and must stay in transaction



CD to list grant NOT loan



No more than \$250 cash back

**Refer to procedures for extension policy (each program varies)*

Monitoring and Retention

Member Responsibilities:

- Remain the primary contact
- Provide household contact information
- Maintain file on each household for **five years**
 - Grant Notes and Mortgages
 - Disclosure
- Execute all discharges
 - FHLBank Boston is not responsible for recording or associated fees



5-Year Retention Information

During the 5-year retention period:

Refinance	— — — — — ➤	Subordination (not lien sensitive)
Sale	— — — — — ➤	Repayment calculation
Foreclosure	— — — — — ➤	Forgiven*
Death of Owner	— — — — — ➤	Forgiven*

After 5-year retention period:

- Grant is forgiven
- Member must complete discharge

*Subject to documentation to grant forgiveness

Subordination Process

1. Homeowner or attorney contacts the original 1st mortgage lender (member)
2. Member submits the grant subordination template to FHLBank Boston
3. FHLBank Boston reviews and approves subordination
4. FHLBank Boston reviews and approves subordination
5. Member executes subordination and provides electronic copy to FHLBank Boston

Allow 2 business days



Repayment Upon Sale

1. Homeowner or attorney contacts the original 1st mortgage lender (member)
2. Member submits the final seller's CD to FHLBank Boston
3. FHLBank Boston completes the review
4. FHLBank Boston will notify member if money is owed
5. Member provides repayment to FHLBank Boston (if applicable) and executes discharge of grant

Allow 2 business days



Tips & Tricks to Manage Post-Closing



DO NOT:

- Tell the borrower FHLBank Boston is responsible to execute the grant discharge
- Try and calculate a grant repayment (not like a traditional pay off)
- Tell a homeowner FHLBank Boston does not allow subordinations for refinances or HELOCs



DO:

- Reach out to our Homeownership Team for either a subordination or repayment
- Refer the homeowner to pages 3 and 4 of the EBP/HOW or LUH Disclosure for post-closing info
- Keep a list or pipeline of all grant recipients for 5 years
 - Remember to execute discharge

Questions?



Contacts & Resources



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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