

Nebraska Housing Developers Association

FirstDown

Program Guidelines & Definitions

\$4,000 in down payment assistance is available to First time homebuyers. Requests can be made by Nebraska Housing Developers Association Non-profit members and First National Bank of Omaha.

Up to \$500 may be **reimbursed** for homebuyer education: Up to \$500 to the REACH Affiliate Organization/NHDA Approved Provider that provided the homebuyer education to the borrower. In addition a \$500 Sponsorship fee will be provided to the Nebraska Housing Developers Association.

Eligible Property Locations: All counties in Nebraska; Larimer, Weld, Boulder, Adams, Broomfield and Jefferson counties in Colorado; Mills and Pottawattamie counties in Iowa; DeKalb, Kane, Kendall, McHenry and Boone counties in Illinois.

Type of assistance available:

- 5-year forgivable loan (no payment, no interest)
- Forgiven at 1/60 per month over 5 years

Mandatory Regulations: All loan requests must meet these regulations.

- ◆ Maximum Mortgage term is 40 years.
- ◆ Minimum Mortgage Term is 5 years.
- ◆ First Mortgage: A maximum of 200 basis points over the conventional mortgage interest rate published in the Wall Street Journal on the first week of each calendar quarter.
- ◆ Second Mortgage: A maximum of 400 basis points over the conventional mortgage interest rate published in the Wall Street Journal on the first week of each calendar quarter.
- ◆ The fee for homebuyer education shall not exceed \$500 per unit.
- ◆ Lender fees paid by buyer including origination fee shall not exceed 4.0% of loan amount.
- ◆ Loan discount fees paid by buyer shall not exceed 2.5% of the loan amount. (Note: Lender fees and loan discount fees are separate requirements and cannot be combined into a single 6.5% limit on fees.)
- ◆ Loans Not Secured by a Mortgage – Maximum interest rate is 15.0%; Lender fees shall not exceed 5% or the loan amount or \$100 whichever is greater; Discount fees shall not exceed 2% of the loan amount.
- ◆ A front ratio (defined as principal, interest, property taxes, property insurance, other housing-related fees [e.g., homeowners' association fees, flood insurance], and private mortgage insurance, etc.) shall not exceed 38 percent of gross monthly income.
- ◆ The fee for nonprofit sponsor shall not exceed \$500 per unit.
- ◆ The homebuyer must contribute a minimum \$500 down payment or other costs paid outside of closing of at least \$500.
- ◆ A household may not receive cash back at closing. Any AHP direct subsidy that exceeds what is needed to address closing costs and the approved mortgage amount shall be applied as a credit to reduce the principal of the mortgage loan or as a credit toward the household's monthly payment on the mortgage loan.
- ◆ Non-occupying co-borrowers and co-owners are not permitted. At least one occupant of the house or residence must be of legal age to enter into an enforceable contract.

Source: FHLBank Topeka, 2017 Affordable Housing Program Implementation Plan

Mandatory Commitments: All Loan Reservation Requests must meet the following commitments:

◆ **Must be a first-time homebuyer**

Definition of a First-time Homebuyer – An individual who does not own and is not an investor in another residence, and who wishes to purchase a home that will be his/her primary residence who meets any one of the following criteria:

1. An individual who has had no ownership in a residence during the prior three-year period ending on the date of purchase of the property;
2. A divorced or legally separated individual who has only owned a residence with a former spouse;
3. An individual who has only owned a residence not permanently affixed to a permanent foundation in accordance with applicable Regulations; or
4. An individual who has only owned a property that was not in compliance with State, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

Source: FHLBank Topeka, 2016 Affordable Housing Program Implementation Plan

Documentation of first-time homebuyer: Uniform Residential Loan Application (needs to indicate they are renters and have not owned a home in the last 3 years)

◆ **Completion of homebuyer education delivered by a REACH Affiliate Organization/NHDA Approved Provider**

Must provide copy of signed Homebuyer Education Completion Certificate
All loan must close within 1 year of completing Homebuyer Education

◆ **Assistance to Find or Sustain Employment and/or Job Training (Promotion of Empowerment)**

Must offer this to all applicants. Must provide affidavit of offer. If accepted a memo or certificate is required. May be provided by someone other than REACH affiliate.

◆ **Offer Financial Education and/or Credit Counseling (Promotion of Empowerment)**

Must offer this to all applicants. Must provide affidavit of offer. If accepted a memo or certificate is required. May be provided by someone other than REACH affiliate.

◆ **Income Targeting Commitment**

Must be at or below 50% of AMI (64 units)

Must be at or below 60% of AMI (48 units)

Must be at or below 80% of AMI (48 units)

Income Verification Documentation: Signed tax return form (self-employed); pay stub; third party income verification; and income calculation worksheet.

Income Limits

FHLBank of Topeka Affordable Housing Program					Updated 9/8/2016			
AMI Based on MRB Public Income Limits								
	100% AMI	100% AMI	80% AMI	80% AMI	60% AMI	60% AMI	50% AMI	50% AMI
Nebraska	1-2	3+	1-2	3+	1-2	3+	1-2	3+
	Persons	Persons	Persons	Persons	Persons	Persons	Persons	Persons
Lincoln MSA (Lancaster County)	\$71,000	\$81,650	\$56,800	\$65,320	\$42,600	\$48,990	\$35,500	\$40,825
Omaha MSA (Cass, Douglas, Sarpy, Washington)	\$72,800	\$83,720	\$58,240	\$66,976	\$43,680	\$50,232	\$36,400	\$41,860
Adams County	\$67,700	\$77,855	\$54,160	\$62,284	\$40,620	\$46,713	\$33,850	\$38,928
Buffalo County	\$68,800	\$79,120	\$55,040	\$63,296	\$41,280	\$47,472	\$34,400	\$39,560
Butler County	\$67,900	\$78,085	\$54,320	\$62,468	\$40,740	\$46,851	\$33,950	\$39,043
Kearney County	\$67,400	\$77,510	\$53,920	\$62,008	\$40,440	\$46,506	\$33,700	\$38,755
Lincoln County	\$67,200	\$77,280	\$53,760	\$61,824	\$40,320	\$46,368	\$33,600	\$38,640
Otoe County	\$67,400	\$77,510	\$53,920	\$62,008	\$40,440	\$46,506	\$33,700	\$38,755
Saunders County	\$77,100	\$88,665	\$61,680	\$70,932	\$46,260	\$53,199	\$38,550	\$44,333
Seward County	\$78,500	\$90,275	\$62,800	\$72,220	\$47,100	\$54,165	\$39,250	\$45,138
All Other Nebraska Counties	\$66,800	\$76,820	\$53,440	\$61,456	\$40,080	\$46,092	\$33,400	\$38,410

FHLBank of Topeka Affordable Housing Program					Updated 9/8/2016			
AMI Based on MRB Public Income Limits								
	100% AMI	100% AMI	80% AMI	80% AMI	60% AMI	60% AMI	50% AMI	50% AMI
Colorado	1-2	3+	1-2	3+	1-2	3+	1-2	3+
	Persons	Persons	Persons	Persons	Persons	Persons	Persons	Persons
Boulder MSA (Boulder County)	\$94,800	\$109,000	\$75,840	\$87,200	\$56,880	\$65,400	\$47,400	\$54,500
Denver MSA (Adams, Broomfield, Jefferson)	\$80,100	\$92,100	\$64,080	\$73,680	\$48,060	\$55,260	\$40,050	\$46,050
Larimer County	\$78,200	\$89,900	\$62,560	\$71,920	\$46,920	\$53,940	\$39,100	\$44,950
Weld County	\$73,900	\$84,900	\$59,120	\$67,920	\$44,340	\$50,940	\$36,950	\$42,450

FHLBank of Des Moines Affordable Housing Program					Updated 6/3/2016			
AMI Based on MRB Public Income Limits								
	100% AMI	100% AMI	80% AMI	80% AMI	60% AMI	60% AMI	50% AMI	50% AMI
Iowa	1-2	3+	1-2	3+	1-2	3+	1-2	3+
	Persons	Persons	Persons	Persons	Persons	Persons	Persons	Persons
Council Bluffs/Omaha MSA (Mills, Pottawattamie)	\$72,100	\$82,915	\$57,680	\$66,332	\$43,260	\$49,749	\$36,050	\$41,458

FHLBank of Chicago Affordable Housing Program					Updated 08/01/2015			
AMI Based on MRB Public Income Limits								
	100% AMI	100% AMI	80% AMI	80% AMI	60% AMI	60% AMI	50% AMI	50% AMI
Illinois	1-2	3+	1-2	3+	1-2	3+	1-2	3+
	Persons	Persons	Persons	Persons	Persons	Persons	Persons	Persons
Kane County	\$84,751.31	\$97,464	\$67,801.04	\$77,971.20	\$50,850.78	\$58,478.40	\$42,375.65	\$48,732
McHenry County	\$84,751.31	\$97,464	\$67,801.04	\$77,971.20	\$50,850.78	\$58,478.40	\$42,375.65	\$48,732
DeKalb County	\$83,125.18	\$95,593.95	\$66,500.14	\$76,475.16	\$49,875.10	\$57,356.37	\$41,562.59	\$47,796.97
Kendall County	\$94,500	\$108,675	\$75,600	\$86,940	\$56,700	\$65,205	\$47,250	\$54,337
Boone County	\$74,040	\$86,380	\$59,232	\$69,104	\$44,424	\$51,828	\$37,020	\$43,190

Targeting: All Loan Reservation Requests must commit to two (2) or more targets:

- Large Unit (80 units or min 50% of the units)**
Definition: A unit with 3 or more bedrooms.
Documentation required: Documentation from County Assessor or Full Appraisal

- FHLBank Topeka Member Financial Participation (32 units or min 20% of the units)**
Definition: Financial participation by any FHLBank System member (excludes the pass through of AHP direct subsidy) in the project by providing financing including permanent financing.
Documentation required: Closing Disclosure

- In FHLBank Topeka District (80 units or min 50% of the units)**
Definition: Homes being purchased must be located in one of the following states: Nebraska or Colorado.
Documentation required: Closing Disclosure

- Rural (80 units or min 50% of the units)**
Definition of Rural: A location in a Census tract (or ZIP code only if Census tract is unavailable) with a Rural Urban Commuting Code (RUCA) of “micropolitan, small town or rural” (RUCA primary codes 4-10) as identified using the “Am I Rural” tool located at: <http://ims2.missouri.edu/rac/amirural/>.
Documentation required: Am I Rural Report

- Abatement of Hazardous Environmental Conditions (1 unit)**
Definition: The removal of hazardous substances such as lead based paint, asbestos, mold, radon and other waste.
Documentation required: Proof of existence, plan for removal, Cost of removal and Proof of Removal