

2018 Welcome Home Program



Logistics

- ◆ Presenter – Jill Cravens, Voluntary Programs Manager.
- ◆ Phones are muted.
- ◆ Participants can ask questions via text.
- ◆ Webinar is being recorded and will be posted at www.fhlbcin.com within two business days.



This presentation may contain forward-looking statements that are subject to risks and uncertainties including, but not limited to, the effects of economic market conditions on demand for the FHLB's products, legislative or regulatory developments concerning the FHLB System, competitive forces and other risks detailed from time to time in the FHLB's filings with the Securities and Exchange Commission. The forward-looking statements speak as of the date made and are not guarantees of future performance. Actual results or developments may differ materially from the expectations expressed or implied in the forward-looking statements, and the FHLB undertakes no obligation to update any such statements.



Welcome Home Webinar Agenda

- ◆ Background
- ◆ Overview of Program Guidelines
- ◆ Changes for 2018
- ◆ Requirements for Members and Homebuyers
- ◆ Property Eligibility
- ◆ The Process
- ◆ Welcome Home Documents
- ◆ Closing of the Welcome Home Program
- ◆ Repayment of Welcome Home Funds
- ◆ Reminders: Do and Do Not
- ◆ Contact Information
- ◆ 2018 Welcome Home webinars



Background



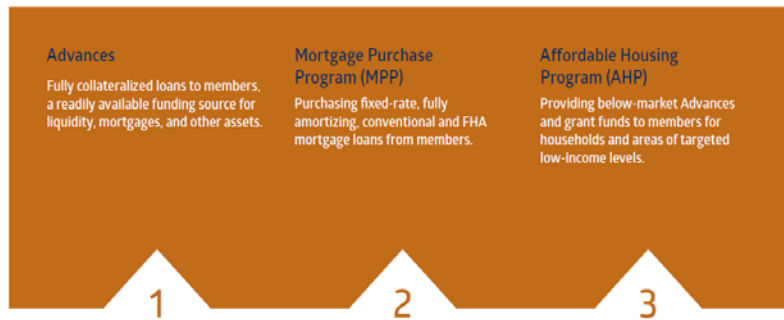
General FHLB Profile

- ◆ Congressionally chartered in 1932, privately owned wholesale bank.
- ◆ Government Sponsored Enterprise (GSE).
- ◆ Not a government agency; no Federal appropriations.
- ◆ Owned by “Member Financial Institutions”.
- ◆ Cooperative Structure; Members are both owners and customers.



FHLB Mission

Provide financial intermediation between our Member stockholders and the capital markets in order to facilitate and expand the availability of financing and flow of credit for housing and community lending throughout the Fifth District.



FHLB Cincinnati is the Fifth District

- ◆ Ohio, Kentucky, and Tennessee
- ◆ Approximately 660 Members



Housing & Community Investment

- ◆ The Housing & Community Investment (HCI) department administers the FHLB's housing and economic development programs.



HCI Mission

- ◆ The primary mission of the Housing and Community Investment Department is to support our Members' community investment efforts through the responsible investment of available funds in sustainable affordable housing and economic development activities benefiting low- and moderate-income households across the Fifth District.

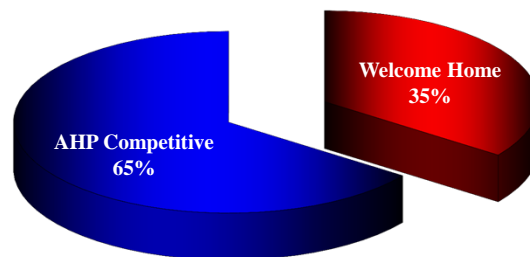


Source of Welcome Home Grant Funds

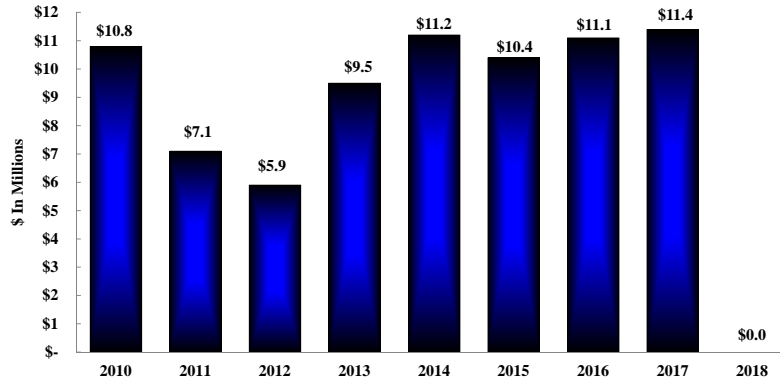
- ◆ 10 percent of the FHLB's annual net earnings are allocated to the Affordable Housing Program.



Allocation of AHP Subsidy



Available Funds by Year 2010 - 2018



Overview of Program Guidelines



Program Description

COMMUNITY INVESTMENT

Housing and Community Investment

The Federal Reserve Bank of Cincinnati (FHLB) plays an important role in supporting the affordable housing and economic development initiatives throughout the FHLB District states of Kentucky, Ohio and Tennessee.

The FHLB offers a range of flexible programs to help our member financial institutions and housing partners build strong communities, whether it involves single-family housing for special needs households, community infrastructure or job creation.

Program Documents and Forms

- Affordable Housing Program
- Welcome Home Program**
- Disaster Reconstruction Program

Programs

Welcome Home Program

This is a special section of the Welcome Home Program. Complete email, book, agreements, definitions and guidelines are contained in Attachment B of the FHLB AHP Instructions, Part A of the 2018 Welcome Home Guide.

Welcome Home Program Welcome

The FHLB is pleased to announce Welcome Home Program Welcome. These Welcome will open your Welcome! On 12/20/2018. Click on the program information on the right.

Program Documents and Forms

What is the Welcome Home Program?

The Welcome Home Program (WHP) offers grants to fund immediate short-term rental and housing with financial institutions into the acquisition or construction of new completed housing by low- and moderate-income households. The grants are limited to \$250,000 per household and maximum of \$1,000,000 per offering. All funds are awarded for specific construction purchasing specific loans and placed in escrow to allow institutions an option to purchase. Welcome Home funds will be available for reservation in the state. The amount being requested is \$90 million in 2018, and will increase available until funds have been awarded.

Who Can Use the WHP?

The FHLB has established a set of Affordable Housing Program (AHP) Goals to help meet community needs. These goals are available in the form of a grant or loan that encourage the application to help home buying systems. These are loan-related programs, already listed in the state of community members and their customers.

What are the Program Requirements?

There is an attachment to the program eligibility requirements.

- The first round for all requests must be at or below 60 percent of the Strategic Business Area (SBA) limit for the most of each state for program funding. The FHLB also has an affordable housing fund to assist in determining loanable income eligibility.
- Responsible bank members in each SBA office must have completed their payment and/or closing work.
- WHP applications do not have to be the first time institutions. However, all first-time institutions are required to complete a homebuyer counseling program.
- WHP grant funds are available only to institutions that qualify for the program based on their own work. An offer must be made to purchase the property within 90 days of the date of the program reservation and first closing.
- WHP grant funds may be used in conjunction with other HUD, state and federal housing assistance and with the FHLB District's Community Investment Loan Guarantee Program.

Program Guide

COMMUNITY INVESTMENT

Housing and Community Investment

The Federal Reserve Bank of Cincinnati (FHLB) plays an important role in supporting the affordable housing and economic development initiatives throughout the FHLB District states of Kentucky, Ohio and Tennessee.

The FHLB offers a range of flexible programs to help our member financial institutions and housing partners build strong communities, whether it involves single-family housing for special needs households, community infrastructure or job creation.

Program Documents and Forms

- Affordable Housing Program
- Welcome Home Program**
- Disaster Reconstruction Program

Programs

Welcome Home Program

Welcome Home Program Guide [PDF]

- Welcome Home Retention Language** [PDF]
- Certification of Zero Income** [PDF]
- Closing Instructions for Members**
- Counseling Agencies**
- Declaration of Restrictive Covenants** [PDF]
- Definitions**
- Income and Affordability Workbook** [EXCEL]
- Income Eligibility Guide** [PDF]
- Instructions for Accessing Members Only**
- Instructions for Closing Agents** [PDF]
- Income Limits**
- Income Limits outside Kentucky, Ohio and Tennessee**
- Sample Release and Satisfaction** [PDF]
- Subsidy Payoff Request Form** [PDF]
- Subsidy Recapture Procedures**
- Warranty Deed Example with Retention Language** [PDF]
- Welcome Home Retention Language Acknowledgement for FHA Loans** [PDF]
- What to Submit with the Reservation Request**
- What to Submit with the Request for Payment of Reserved Funding**
- Information for Homebuyers** [PDF]

Basic Guidelines

- ◆ Maximum grants of \$5,000 per household.
- ◆ Members limited to \$200,000 annually.
- ◆ No cash back of any amount under any circumstances!
- ◆ No return of earnest money!
- ◆ An appraisal is required at time of funds reservation for all manufactured homes.
- ◆ Mortgage approval cannot be based on non-occupant co-borrowers or co-signers.



Basic Guidelines

- ◆ Any Reservation Requests submitted without a signed loan application will be denied when reviewed. This applies to loan applications taken by phone and internet also.
- ◆ No funds will be disbursed if the Member closes the loan prior to reservation approval.
- ◆ The retention language must be included in the deed or shown as a referenced attachment.
- ◆ The 2018 Welcome Home Retention Language Acknowledgement for FHA Loans is required for FHA loans only and should be signed and dated on or before the loan closing.



Eligible Mortgage Products

Welcome Home funds may be used with:

- ◆ A fixed-rate mortgage loan with a term and amortization period of at least 10 years;
- ◆ An adjustable rate mortgage, underwritten at its fully-indexed rate, with a term of at least 10 years and an amortization period of at least 20 years; or,
- ◆ A balloon mortgage with a term and amortization period of at least 10 years.

Note: Changes made to the loan product, loan amount, term, rate, purchase price, etc. do NOT require FHLB approval. All the final terms will be identified when the funding package is reviewed.



Definition of Fully-Indexed Rate

- ◆ The rate is determined by adding the margin to an index level at the time the loan is made.
Index (at the time the loan is made)
+ Margin (established at the time the loan is made)
Fully-indexed rate
- ◆ For example, given a one-year LIBOR rate of 2.00 percent, the fully-indexed interest rate on an adjustable rate mortgage tied to the one-year LIBOR rate (the index) with a margin of 3.75 percent would be 5.75.
- ◆ The fully-indexed rate is not affected by any annual or lifetime caps on adjustments based on the index. Instead, it reflects what the interest rate would have been at the time the mortgage was made based solely on the index at that time and the stated margin.

Note: the "fully-indexed rate" is not the same as the "fully-indexed rate at maturity." The fully-indexed rate at maturity is based on the index at the time the loan is originated but adds the maximum amount the interest rate could increase over the life of the loan. It is a worst-case calculation.



Changes for 2018



Changes for 2018

- ◆ Reservation Requests will be accepted beginning on March 1, 2018 at 8:00AM ET.
- ◆ All commitments expire on December 3, 2018 at 5:00PM ET.
- ◆ The definition of a first-time homebuyer has changed.
- ◆ Members Only has a new look.



Changes for 2018

- ◆ File name of attachment cannot contain special characters, such as &, #, \$, @, *, etc.
- ◆ The maximum first mortgage interest rate is 7.50 percent.
- ◆ The maximum second mortgage interest rate is 11.00 percent.
- ◆ We no longer require the original Direct Subsidy Agreement be mailed to us.



Requirements for Members and Homebuyers



Requirements for Members and Homebuyers

- ◆ The program is available to all Members. Members do not have to sign up or be approved to use the program.
- ◆ Funds are available on a first-come, first served basis until all funds are reserved.
- ◆ The homebuyer must have an executed purchase contract in hand before the Member can submit a Reservation Request. The Member will be asked to enter the date of the fully executed contract on the reservation request.
- ◆ The reservation is valid only for the specific homebuyer and specific property.



Welcome Home is for Members

- ◆ The Member who reserves the Welcome Home funds must originate the first mortgage.
 - ◆ The loan can close in another lender's name.
 - ◆ After closing, the first mortgage may be sold or assigned.
- ◆ Loans may not be originated by mortgage brokers or others who are not Members of the FHLB Cincinnati.
- ◆ Welcome Home funds must be:
 - ◆ Reserved by the Member; and
 - ◆ Requested by the Member.



Requirements for Members

- ◆ The Bank will not provide Welcome Home assistance to any project in which the homebuyer's first mortgage interest rate exceeds 7.50%.
- ◆ The Bank will not provide Welcome Home assistance to any project in which the homebuyer's second mortgage interest rate exceeds 11.00%.
- ◆ The Bank will not provide Welcome Home assistance to any project in which a loan exceeds the annual percentage rate, or points and fees thresholds of the Home Ownership and Equity Protection Act of 1994 and its implementing regulations (Federal Reserve Board Regulation Z).
- ◆ The Welcome Home transaction may not include single-premium credit life insurance. If the Closing Disclosure shows a charge for single-premium credit life insurance, no Welcome Home funds will be disbursed.



Requirements for Members

- ◆ Welcome Home is not intended for any purchases requiring significant repair or rehabilitation.
 - ◆ If any funds are escrowed for repairs, the funds must come either from the seller or from the buyer's own funds, in addition to the \$500 otherwise required. Pre-approval from the FHLB is required prior to closing if the escrow is being held from the buyer.



Requirements for Members

- ◆ If any funds are escrowed for repairs from the buyer, Welcome Home funds will not be disbursed until the Member certifies that:
 - ◆ All repairs were required for mortgage approval as evidenced by the appraisal;
 - ◆ All repairs have been completed; and
 - ◆ All escrowed funds have either been disbursed or released
 - ◆ If any escrowed funds are returned to the homebuyer, the Welcome Home grant may be reduced by a like amount.

Note: We expect the Member or their closing agent to hold the escrowed funds and only disburse them upon presentation of receipts and invoices.



Requirements for Members

- ◆ Welcome Home funds may not be used for any other purposes except those specifically stated. For example, Welcome Home funds may not be used to pay off consumer debt, pay off liens or judgments, buy down the mortgage rate, etc.
- ◆ Welcome Home can be combined with other sources of down payment or closing costs assistance, but not other FHLB grant programs.



Homebuyer Eligibility

- ◆ Total household income must be at or below 80% of Mortgage Revenue Bond (MRB) program income limits, as adopted by the appropriate state housing finance agency, adjusted for family size for the county where the property is located.
- ◆ The most current MRB limits for KY, OH, and TN are available at www.fhlbcin.com. The income limits will not be changed once posted on our website, regardless of any changes by the state housing finance agencies.



Homebuyer Eligibility and Income Limits

- ◆ Income limits can be found at www.fhlbcin.com. Click on Community Investment/Program Documents and Forms.

Income limits for Welcome Home and DRP for 2018

Income limits are obtained from the state Housing Finance Agency for each state.
Use the 80% limits for the Welcome Home Program.
Use the 100% limits for the Down Payment Program.

County	MRB limits		
	1-2 Persons	3-4 Persons	5+ Persons
Adams	\$2,000	\$2,000	\$2,000
Anderson	\$4,000	\$4,000	\$4,000
Boone	\$4,000	\$4,000	\$4,000
Buchanan	\$4,000	\$4,000	\$4,000
Clark	\$4,000	\$4,000	\$4,000
Clinton	\$4,000	\$4,000	\$4,000
Davidson	\$4,000	\$4,000	\$4,000
DeWitt	\$4,000	\$4,000	\$4,000
Franklin	\$4,000	\$4,000	\$4,000
Gallatin	\$4,000	\$4,000	\$4,000
Hancock	\$4,000	\$4,000	\$4,000
Harlan	\$4,000	\$4,000	\$4,000
Henderson	\$4,000	\$4,000	\$4,000
Hickman	\$4,000	\$4,000	\$4,000
Johnson	\$4,000	\$4,000	\$4,000
Lincoln	\$4,000	\$4,000	\$4,000
Logan	\$4,000	\$4,000	\$4,000
Madison	\$4,000	\$4,000	\$4,000
Marion	\$4,000	\$4,000	\$4,000
Martin	\$4,000	\$4,000	\$4,000
Meigs	\$4,000	\$4,000	\$4,000
Mercer	\$4,000	\$4,000	\$4,000
Morgan	\$4,000	\$4,000	\$4,000
Moultrie	\$4,000	\$4,000	\$4,000
Murray	\$4,000	\$4,000	\$4,000
Newton	\$4,000	\$4,000	\$4,000
Noble	\$4,000	\$4,000	\$4,000
Polk	\$4,000	\$4,000	\$4,000
Randolph	\$4,000	\$4,000	\$4,000
Rowan	\$4,000	\$4,000	\$4,000
Rutherford	\$4,000	\$4,000	\$4,000
Shelby	\$4,000	\$4,000	\$4,000
Spencer	\$4,000	\$4,000	\$4,000
Warren	\$4,000	\$4,000	\$4,000
Wayne	\$4,000	\$4,000	\$4,000
York	\$4,000	\$4,000	\$4,000



Homebuyer Eligibility

- ◆ Homebuyers must contribute at least \$500 of their own funds toward down payment and closing costs (60% of these funds may be received as a gift).
 - ◆ Funds received from sellers, non-profit or other organizations, including state and local government agencies, for down payment assistance grants are not considered “gifts” and cannot be used to reduce the homebuyers required contribution.
 - ◆ Funds paid for items outside of closing, such as hazard insurance, taxes, application fees, and other items related to the purchase are considered as part of the homebuyer’s required contribution. Such items should be shown on the Closing Disclosure or other documentation provided.



Homebuyer Eligibility

- ◆ First-time homebuyer means an individual or household who has not owned a home during the three-year period prior to the purchase of a home, except that:
 - ◆ Any individual who is a displaced homemaker may not be excluded from consideration as a first-time homebuyer on the basis that the individual, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse;
 - ◆ Any individual who is a single parent may not be excluded from consideration as a first-time homebuyer on the basis that the individual, while married, owned a home with his or her spouse or resided in a home owned by the spouse; or,



Homebuyer Eligibility

- ◆ Any individual or family who owns a home that:
 - ◆ Is not intended as a dwelling;
 - ◆ Was lost through natural disaster;
 - ◆ Is manufactured housing that was not originally assembled to meet nationally recognized standards or is not permanently affixed to a foundation that meets nationally recognized building code standards; or,
 - ◆ Is not in compliance with state, local, or model building codes and cannot be brought into compliance for less than the cost of constructing a permanent structure.



Property Eligibility



Property Eligibility

- ◆ Any one to four unit property to be used as the homebuyer's residence is eligible for Welcome Home assistance.
 - ◆ For any property with two or more units, 85% of the projected rent of the other units must be included in the homebuyer's income.
- ◆ Manufactured housing is eligible for Welcome Home assistance but the home must be permanently attached to a fixed foundation (meeting FHA guidelines) and must be taxable as real property.
 - ◆ A single section manufactured home is eligible if it is Energy Star rated.
 - ◆ An appraisal is required at time of funds reservation to document eligibility.
 - ◆ See the specific definition in the Welcome Home Guide.



Property Eligibility

- ◆ The property can be located in any state in which the Member does business.
- ◆ The housing unit assisted with Welcome Home funds must be subject to a legally enforceable restriction in the warranty deed or restrictive covenant to the warranty deed requiring that the Federal Home Loan Bank of Cincinnati be given notice of any sale, refinancing, foreclosure, conveyance by deed-in-lieu of foreclosure, assignment of the first mortgage to the Secretary of HUD, or change in ownership of the unit occurring prior to the end of the Retention Period.



Property Eligibility

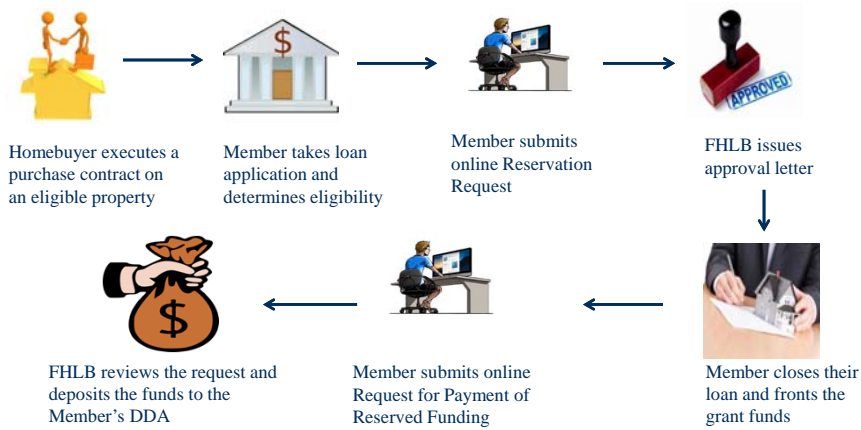
- ◆ Welcome Home may be used only in transactions which convey full title to the homebuyer.
 - ◆ Welcome Home may not be used to initiate a lease-purchase or land contract.
- ◆ Welcome Home may be used for new home construction. Construction must be complete, the permanent financing closed, and the Request for Payment of Reserved Funding received by 5PM ET on December 3, 2018. The grant funds can only be applied to the closing of the permanent financing.



The Process



Welcome Home Process Flow



Welcome Home Documents

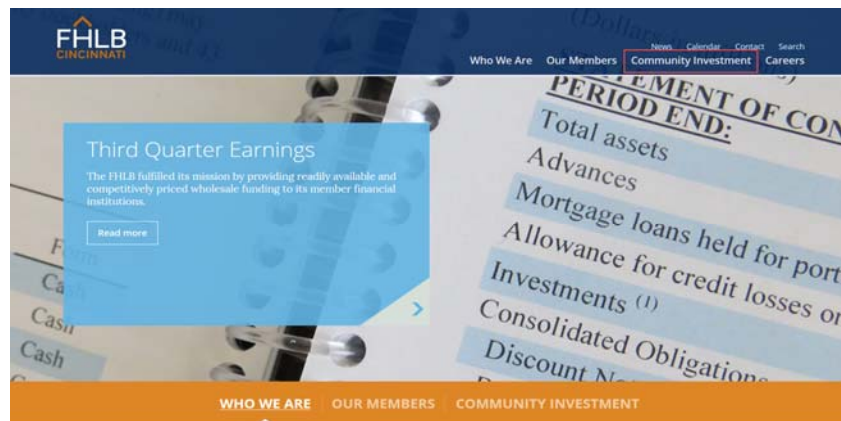


Online Forms in Members Only

- ◆ The Reservation Request and Request for Payment of Reserved Funding forms are available on the FHLB's website via the Members Only portal at www.fhlbcin.com.
- ◆ The FHLB will conduct a separate webinar on February 21, 2018 to explain all program forms.



www.fhlbcin.com



The screenshot shows the FHLB Cincinnati website. At the top left is the logo 'FHLB CINCINNATI'. To the right is a navigation menu with links: 'Who We Are', 'Our Members', 'Community Investment', and 'Careers'. There are also links for 'News', 'Calendar', 'Contact', and 'Search'. The main content area features a large image of a family standing in front of a house. Overlaid on this image is a green box with the text 'Partnership Housing' and a sub-headline: 'In Boonesville, Ky., Partnership Housing and Farmers State Bank used AHP to build a new home for the Radliff family.' Below this is a 'Read more' button. Below the image is a section titled 'COMMUNITY INVESTMENT' with a right-pointing arrow. Underneath this is a list of links: 'Program Documents and Forms', 'Affordable Housing Program', 'Welcome Home Program', 'Disaster Reconstruction Program', and 'Programs'. To the right of this list is a section titled 'Housing and Community Investment' with two paragraphs of text describing the bank's role in supporting affordable housing and economic development.

The screenshot shows the 'Welcome Home Program' section of the FHLB Cincinnati website. At the top left is the logo 'FHLB CINCINNATI'. The main content area is titled 'Welcome Home Program' and contains a list of links:

- [Welcome Home Program Guide \[PDF\]](#)
- [Welcome Home Retention Language \[PDF\]](#)
- [Certification of Zero Income \[PDF\]](#)
- [Closing Instructions for Members](#)
- [Counseling Agencies](#)
- [Declaration of Restrictive Covenants \[PDF\]](#)
- [Definitions](#)
- [Income and Affordability Workbook \[EXCEL\]](#)
- [Income Eligibility Guide \[PDF\]](#)
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- [Subsidy Payoff Request Form \[PDF\]](#)
- [Subsidy Recapture Procedures](#)
- [Warranty Deed Example with Retention Language \[PDF\]](#)
- [Welcome Home Retention Language Acknowledgement for FHA Loans \[PDF\]](#)
- [What to Submit with the Reservation Request](#)
- [What to Submit with the Request for Payment of Reserved Funding](#)
- [Information for Homebuyers \[PDF\]](#)

At the bottom left is the logo 'FHLB CINCINNATI'.

Retention Language

- ◆ The retention language must be included in the body of the deed or as a referenced attachment/exhibit.
- ◆ Only the 2018 version will be accepted.
- ◆ An example deed is posted on our website.



2018 Welcome Home Retention Language



The language below should be inserted into the Warranty Deed as a Restrictive Covenant in the Warranty Deed. If it is attached to the Warranty Deed as an addendum or attachment, the Warranty Deed must reference the addendum or exhibit. If recorded as a Restrictive Covenant, the document must reference the Warranty Deed.

Certain(s), for and in consideration of receiving direct subsidy funds from the Federal Home Loan Bank of Cincinnati's (FHLB Cincinnati) Affordable Housing Program, must maintain ownership in this property for a period of five (5) years (Retention Period) from the date of the recording of this deed.

- (i) The FHLB Cincinnati, whose mailing address is P.O. Box 598, Cincinnati, OH 45201-0598, is to be given notice of any sale, refinancing, foreclosure, conveyance by deed in lieu of foreclosure, assignment of the first mortgage to the Secretary of HUD, or change in ownership of the unit occurring prior to the end of the Retention Period.
- (ii) In the case of a sale or refinancing of the unit prior to the end of the Retention Period, an amount equal to a pro rata share of the AHP Subsidy that financed the purchase, construction, or rehabilitation of the unit, reduced for every year the seller owned the unit, shall be repaid to the FHLB Cincinnati from any net gain realized upon the sale or refinancing of the unit, unless:
 - (A) The unit was assisted with a permanent mortgage loan funded by an AHP advance;
 - (B) The purchaser is a very low- or low- or moderate-income household as defined in the applicable Federal Housing Finance Agency regulations for the AHP (in which case the retention period ends with the conveyance to such purchaser); or
 - (C) Following a refinancing, the unit continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism, incorporating the requirements of clauses (i), (ii), and (iii) contained herein.
- (iii) The obligation to repay Subsidy to the FHLB Cincinnati shall terminate after any foreclosure or conveyance by deed in lieu of foreclosure or any assignment of the first mortgage to the Secretary of HUD.

Example Deed Showing Reference

GENERAL WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, that John Smith and Jane Smith, Husband and Wife, ("Grantor"), of Hamilton County, Ohio for valuable consideration and grants, with general warranty covenants, to David H. Sawyer, ("Grantee"), whose mailing address is 123 Main Street, Cincinnati, OH 45202, the following real property:

Situated in the State of Ohio, County of Hamilton and City of Cincinnati and being more particularly described as follows:
 Being Lot 10 in the recorded plat of Anywhere Estates, Section Five, Hamilton County, Ohio.
 Assessor's Parcel Number: 00-00-000-000
 Property Address: 1234 Anywhere Lane, Cincinnati, OH 45222
 Prior Instrument Reference: Book 1111, Page 123 of the Deed Records of Hamilton County, Ohio.
See attached Exhibit "A" which is considered part of this deed of conveyance.

IN WITNESS WHEREOF, the said grantors have caused this instrument to be executed this 17th day of January, 2016.

 John Smith

 Jane Smith

Notary statement and signature below



Exhibit "A"

Certain(s), for and in consideration of receiving direct subsidy funds from the Federal Home Loan Bank of Cincinnati's (FHLB Cincinnati) Affordable Housing Program, must maintain ownership in this property for a period of five (5) years (Retention Period) from the date of the recording of this deed.

- (i) The FHLB Cincinnati, whose mailing address is P.O. Box 598, Cincinnati, OH 45201-0598, is to be given notice of any sale, refinancing, foreclosure, conveyance by deed in lieu of foreclosure, assignments of the first mortgage to the Secretary of HUD, or change in ownership of the unit occurring prior to the end of the Retention Period.
- (ii) In the case of a sale or refinancing of the unit prior to the end of the Retention Period, an amount equal to a pro rata share of the AHP Subsidy that financed the purchase, construction, or rehabilitation of the unit, reduced for every year the seller owned the unit, shall be repaid to the FHLB Cincinnati from any net gain realized upon the sale or refinancing of the unit, unless:
 - (A) The unit was assisted with a permanent mortgage loan funded by an AHP advance;
 - (B) The purchaser is a very low- or low- or moderate-income household as defined in the applicable Federal Housing Finance Agency regulations for the AHP (in which case the retention period ends with the conveyance to such purchaser); or
 - (C) Following a refinancing, the unit continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism, incorporating the requirements of clauses (i), (ii), and (iii) contained herein.
- (iii) The obligation to repay Subsidy to the FHLB Cincinnati shall terminate after any foreclosure or conveyance by deed in lieu of foreclosure or any assignment of the first mortgage to the Secretary of HUD.

Request for Additional Information

- ◆ If we lack sufficient information to process the Reservation or Request for Payment of Reserved Funding, a “Request for Additional Information” will be emailed to the Member contact.
- ◆ For items pertaining to a Reservation Request, submit the additional information within five business days or the request will be denied. All documents should be sent together via email to the person indicated on the bottom of the notice.
- ◆ Please respond promptly as funds are not reserved until you receive an approval letter from the FHLB.
- ◆ For items pertaining to a Request for Payment of Reserved Funding, all additional documentation must be received by 5PM ET on December 3, 2018. All documents should be sent together via email to the person indicated on the bottom of the notice.



Request for Additional Information

- ◆ This form will be emailed to the Member contact only. It is their responsibility to forward the request to other persons in their organization.
- ◆ Do not fax documents to us.

Welcome Home Program
Request for Additional Information

FHLB
CINCINNATI

Applicant: [Redacted]
Project #: [Redacted]

One or more of the following items is needed to complete the Welcome Home review for the above named applicant. Please email all items or one item to the person indicated below or to welcomehome@fhlbc.com. If the information is for a Reservation Request, the documentation must be received within five business days or the request will be denied. If the information is for a Request for Payment of Reserved Funding, the documentation must be received on or before 5:00PM ET on December 3, 2018 or the request will be denied.

- Submit at least three consecutive pay stubs or a completed VCR for [Redacted]
- Submit a current HUD benefit statement or award letter for [Redacted]
- A Certification of Zero Income is required for [Redacted]
- Verification of child support is required for [Redacted]
- Verification of absence is required for [Redacted]
- Submit last 2 years' complete Federal tax returns to verify self-employment income for [Redacted]
- Submit a copy of the 3rd Party approval for the subject property on a current lease agreement to verify rental income for [Redacted]
- Submit a current process statement for [Redacted]
- Submit a copy of the approval showing the manufactured home is attached to a permanent foundation, is built on wet-crete, and meets FHA guidelines for [Redacted]
- Submit identification of the number of people working in the household and their ages for [Redacted]
- Submit proof the Welcome Home grant is based on the Closing Disclosure for [Redacted]
- Submit a Closing Disclosure signed by the borrower(s) for [Redacted]
- Submit a handwritten completed compliance checklist for [Redacted]
- Submit a copy of the Client Voluntary Agreement for [Redacted]
- Submit the fully executed Electronic Language Acknowledgment for FHA loan for [Redacted]
- Submit a fully executed Closing Disclosure for the actual mortgage for [Redacted]
- Submit proof the household income meets the Welcome Home Program guidelines for [Redacted]
- Submit an recorded deed that contains the 2018 reservation language for [Redacted]
- Submit an recorded deed to ensure the 2018 reservation language is attached for [Redacted]

Completed by: [Redacted] Date: [Redacted]

Email address: [Redacted]



Weekly Status Report

- ◆ All participating Members will receive a weekly report showing the dollar amount and current status of all reservations.
- ◆ Please review it and notify the FHLB if it is not accurate.
- ◆ The two columns on the far right indicate when a reservation has been denied or withdrawn. The funds are then added back to the total funds available.
- ◆ The report will be sent only until the project is complete and closed.



Status Report

2/17/2016 FEDERAL HOME LOAN BANK OF CINCINNATI
Welcome Home Status by Project
As Of 2/17/2016

Project #	Member Name	Date Requested	Homebuyer	Amount Requested	Preliminary Appr Date	Fund Rqst Rec'd Date	Information Requested Date	Disbursement Date	Amount Disbursed	Denial Date	Withdrawal Date
201603-xxxx	ABC Bank										
	Cincinnati, OH										
		3/3/2016	Name	\$5,000.00					\$0.00		4/1/2016
		3/18/2016	Name	\$5,000.00	4/6/2016	6/19/2016		7/23/2016	\$5,000.00		
		3/19/2016	Name	\$5,000.00	4/9/2016	6/19/2016		8/18/2016	\$4,500.00		
		3/19/2016	Name	\$5,000.00					\$0.00		4/9/2016
	Total for Project # 201603-xxxx (4 requests)			<u>\$20,000.00</u>					<u>\$9,500.00</u>		
	Maximum Funds Available			\$200,000.00				Net Funds Requested	\$9,500.00		
	Funds Requested			\$20,000.00				Less Disbursements	(\$9,500.00)		
	Less Requests Denied			(\$5,000.00)				Remaining Funds Available	<u>\$0.00</u>		
	Less Requests Withdrawn			(\$5,000.00)							
	Less De-obligations			(\$500.00)							
	Net Funds Requested			<u>(\$9,500.00)</u>							
	Unrequested Funds			<u>\$190,500.00</u>							



Closing of the Welcome Home Program



Anticipated Closing for 2018

- ◆ Funds are expected to be reserved very quickly.
- ◆ Member contacts will receive an email at least one day prior to the program closing.
- ◆ All Reservation Requests received by the closing date will be processed but there may not be sufficient funds available to approve them.
- ◆ **Submission of a Reservation Request is not an approval or guarantee of funds.**



Repayment of Welcome Home Funds



Repayment of Welcome Home Funds

- ◆ If the property purchased using Welcome Home funds is sold or refinanced within the retention period, the homebuyer, new lender, or closing agent is required to give notice to the FHLB of the sale or refinancing.
- ◆ The new lender or closing agent should go to www.fhlbcin.com and complete a Subsidy Payoff Request Form and email it to welcomhome@fhlbcin.com. A payoff letter will be generated explaining if and how much of a recapture is due. If it is a sale transaction, a Low-to-Moderate Income Certification will be included with the payoff letter and must be completed by the new lender, if applicable.



Repayment of Welcome Home Funds

- ◆ The Member has no responsibility to monitor the homebuyer or property during the five year retention period. The original Member should only contact the FHLB about a sale or refinance of a property if they are providing the new financing.
- ◆ Complete Subsidy Recapture Procedures are available at www.fhlbcin.com.



Reminders: Do and Do Not



Do:

YES

- ◆ Read the Welcome Home Guide and become familiar with the program requirements and forms.
- ◆ Submit a complete Reservation Request and Request for Payment of Reserved Funding to improve the processing time for all participants.
- ◆ Make sure all documents are legible, complete, and signed.
- ◆ Include all persons who will reside in the home, regardless of age or income. **Household size and income is based on occupants, not applicants.**
- ◆ Instead of giving cash back to the homebuyer, apply the excess funds as a principal reduction and show it on the Closing Disclosure.
- ◆ Insert the 2018 Retention Language in the deed and be sure it is properly referenced.



Do:

YES

- ◆ Remember: This is not a first-time homebuyer program. Applicants can own other property, either currently or previously. The first paragraph of the approval letter indicates FHLB's first-time homebuyer determination.
- ◆ Promptly withdraw a reservation request as soon as you realize the grant funds will not be needed. If the program is still open, the funds become available for other participants. Simply send an email to welcomhome@fhlbcin.com with the homebuyer's name and request it be withdrawn. A withdrawal letter will then be emailed to the Member contact.
- ◆ Submit the online Request for Payment of Reserved Funding immediately after the loan closes. **Do not wait months to request reimbursement.**
- ◆ If the Closing Disclosure shows your institution's name as the Lender, then answer "Yes" to the Member providing the first mortgage financing question.



Do Not:



- ◆ Submit a Reservation Request without having a fully executed purchase contract in hand.
- ◆ Submit a Reservation Request without having a fully executed loan application. It is not sufficient to say it was an internet or phone application. You must submit a signed loan application or the request will be denied!
- ◆ Close your loan prior to receipt of a reservation approval letter. If the Member closes their loan prior to reservation approval, no funds will be disbursed.
- ◆ Submit documentation that is not required such as the purchase contract, checklists, W-2's, credit report, approval letters, Good Faith Estimate, etc.



Do Not:



- ◆ Call the Service Desk at 800-781-3090 with program questions. They can only assist with technical issues related to Members Only.
- ◆ Submit tax returns, unless documenting income from self-employment, interest/dividends, or rental property.
- ◆ Send additional documentation until FHLB staff request it. The Member should not submit information to the FHLB unless/until it is specifically requested.
- ◆ Do not send secured emails unless personal or confidential information is included.



Contact Information



Welcome Home Program Contacts

Staff Name and Title	Phone Number	Email Address
Dawn E. Grace Assistant Vice President	513-852-7613	gracede@fhlbcin.com
Jill A. Cravens Voluntary Programs Manager	513-852-7550	cravensja@fhlbcin.com
Jodi M. Pendleton Housing Financial Analyst I	513-852-7602	pendletonjm@fhlbcin.com
Jasmine P. Grant Housing Financial Analyst I	513-852-7617	grantjp@fhlbcin.com
Kristina L. Jordan Housing Financial Analyst I	513-852-7609	jordankl@fhlbcin.com

Service Desk (for technical issues only)
800-781-3090



Contact Us

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www.facebook.com/fhlbcincinnati



www.linkedin.com/company/federal-home-loan-bank-of-cincinnati



2018 Welcome Home Webinars

- ◆ Welcome Home Program February 20 at 10:00 AM ET.
- ◆ WHP Forms February 21 at 10:00 AM ET.
- ◆ Determining Income February 22 at 10:00 AM ET.

Do not panic if you miss a webinar. All webinars are recorded and posted to our public website within two business days of the presentation.



- ◆ We encourage all FHLB Members and housing sponsors to notify us of plans to celebrate or recognize any FHLB funded housing or community investment project. The FHLB is often available to participate and to offer public relations assistance for community events such as ribbon cuttings, groundbreakings, and dedications. Please contact Member Services/Public Affairs, toll free at 877-925-FHLB(3453).



Questions?

