

Housing and Community Investment

Welcome Home Guide



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2019 Welcome Home Guide

The Federal Home Loan Bank of Cincinnati (FHLB Cincinnati) has established a set-aside of Affordable Housing Program (AHP) funds to help create homeownership through a program called the Welcome Home Program. Welcome Home funds are available to Members as grants to assist homebuyers. Homebuyers are limited to \$5,000; however, honorably discharged veterans and active duty military homebuyers may receive Welcome Home grants up to \$7,500. The total household income must be at or below 80 percent of Mortgage Revenue Bond (MRB) income limits, and funds are offered on a “first-come, first-served” basis. Other program requirements are identified below.

Schedule for 2019 Welcome Home

Welcome Home funds will be available for reservation beginning at 8:00 AM ET on March 4, 2019, and will remain available until all funds have been reserved. Reservations may not be submitted in advance.

Funds Available for 2019

For 2019, approximately thirty-five percent (35%) of the FHLB’s accrual for the Affordable Housing Program will be set aside for the Welcome Home Program.

Funds will be reserved for Members and homebuyers on a “first-come, first-served” basis, but only to the extent that funds are available. At least one-third of the funds are reserved for first-time homebuyers. The FHLB will track the use of Welcome Home funds for first-time homebuyers and will impose no special requirements as long as the targeting is met.

Member Eligibility

Within the availability of funds, all Members are eligible to receive up to \$200,000 of Welcome Home funds per year. There is no particular amount of funds reserved for a Member; all funds are reserved for particular homebuyers but the aggregate amount received by a Member cannot exceed the limit identified above. The Member is not guaranteed \$200,000. They may reserve a maximum of \$200,000 or whatever is in their pipeline when the program closes.

Homebuyer Eligibility

In order to receive Welcome Home funding, homebuyers must meet all of the following eligibility requirements:

- **Total household income must be at or below 80 percent of MRB income limits**, as adopted by the appropriate state housing finance agency, for the county where the property is located, and adjusted for family size. MRB limits for KY, OH, and TN are available at www.fhlbcin.com. The income calculation will be based on the limits in place at the time the program opens.
- **Homebuyers must contribute at least \$500 of their own funds toward down payment and closing costs** (60 percent of these funds may be received as a gift).



- o 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.
- o 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 with other documentation.
- **Applicants do not have to be first-time homebuyers (See Definitions). However, all first-time homebuyers must complete a homebuyer counseling program.** The first paragraph of the reservation approval letter indicates FHLB’s first-time homebuyer determination. The counseling program must be provided by, or be based on one provided by, an organization recognized as experienced in homeownership counseling. The counseling does not have to be provided by a HUD approved agency but must cover, at minimum, mortgage financing, credit-worthiness, household budgeting, and home maintenance. The counseling must be completed within 12 months of the loan closing. The FHLB does not approve or endorse any particular counseling agency or course. A copy of the counseling certificate must be submitted with the online Request for Payment of Reserved Funding.

Property Eligibility

- **Any one to four-unit property to be used as the homebuyer’s residence is eligible** for Welcome Home assistance. However, for any property with two or more units, 85 percent of the projected rent of the other units must be included in the homebuyer’s income. **An appraisal or current lease must be submitted at time of funds reservation to document this income.**
- **Some manufactured housing is eligible** for Welcome Home assistance. **An appraisal is required at time of funds reservation to verify eligibility.** “Manufactured housing” refers to a single-family residential dwelling built in compliance with the Federal Manufactured Housing and Construction Standards, as amended, also known as the HUD Code, after June 15, 1976. Manufactured homes may be built in multi-sectional or single section units and installed on an FHA Title II permanent foundation system. In addition, the home and lot must be taxable together as real property. For Welcome Home eligibility purposes, a single section manufactured home must be Energy Star rated. Welcome Home funds may not be used for any other type of manufactured or mobile homes. Documentation verifying the above conditions have been met must be provided and may include an FHA appraisal or an independent appraisal.

“Modular Home” refers to a home built to the State or Local Code where the home will be located. Sectional units are built in a production facility, transported to the site and assembled onsite. Modular homes are eligible collateral for the Welcome Home Program.

“Mobile Home” refers to a residential structure manufactured prior to the enactment of the Federal Manufactured Housing and Construction Standards, also known as the HUD Code, on June 15, 1976. Mobile homes are not eligible collateral for the Welcome Home Program.

- **The housing 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 FHLB be given notice of any refinancing, sale, 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 prior to the end of a five-year retention period. Homebuyers may be required to pay back a *pro rata* amount of the Welcome Home grant if the home is sold or refinanced during the five-year retention period. The specific retention language required is available at www.fhlbcin.com. Only the 2019 retention language will be accepted.



- **Welcome Home may be used only in transactions which convey full title** to the homebuyer. Welcome Home may not be used with lease-purchase or land contracts.
- **Welcome Home may be used for new home construction.** The Welcome Home reservation is valid until December 2, 2019 but any construction must be complete, the first mortgage permanent loan must be closed (or the construction/permanent loan must be converted to permanent), and funds must be requested no later than December 2, 2019. Welcome Home funds may not be used for the construction loan financing, only the permanent loan.
- **The FHLB reserves the right to determine whether or not a property is considered eligible.**

Requirements for Members

- **The Member who reserves the Welcome Home funds must originate the first mortgage.**
 - The loan may close in another lender's name. However, funds will only be disbursed to the Member. The Member is responsible for funding their investor.
 - After closing, the first mortgage may be sold or assigned.
 - If a Member wholly owns a mortgage company and that company originates first mortgage loans only for the Member, the loans may be originated in that mortgage company's name and closed in the name of the mortgage company, Member or any investor.
 - If a Member wholly owns a mortgage company and that company also originates first mortgage loans for financial institutions other than the Member, then that mortgage company must originate the first mortgages in the name of the Member in order to access Welcome Home funds. However, the mortgage company may close in the name of the mortgage company, Member or any other investor.
- **The rate of interest, points, fees, and any other charges must not exceed a reasonable market rate for a loan of similar maturity, terms, and risk.**
 - The stated interest rate may not exceed 8.50%. For Adjustable Rate Mortgages (ARMs), the fully indexed rate may not exceed 8.50%. The maximum rate is set to reflect an interest rate well below any standards for defining predatory lending or high-cost home loans and reflects an interest rate which should be available to and affordable by homebuyers in the Welcome Home Program.
 - The rate on the second mortgage cannot be more than 3.5% over the stated capped rate for the first mortgage. Based on the aforementioned 8.50% cap on the first mortgage rate, the second mortgage rate cannot exceed 12.00%.
- **Welcome Home first mortgage loans must comply with applicable federal, state, and local anti-predatory lending laws, regulations and orders designed to prevent or regulate abusive and deceptive lending practices and loan terms (collectively, "Anti-Predatory Lending Laws").** For example, Anti-Predatory Lending Laws may prohibit or limit certain practices and characteristics, including, but not limited to the following:
 - Requiring the borrower to obtain prepaid, single-premium credit life, credit disability, credit unemployment, or other similar credit insurance;
 - Requiring mandatory arbitration provisions with respect to dispute resolution in the loan document; or
 - Charging prepayment penalties for the payoff of the loan beyond the early years of such loan.
- **Any project including a loan that does not comply with all applicable Anti-Predatory Lending Laws will be ineligible for Welcome Home assistance.**



- **Welcome Home may not be used with interest-only mortgages.**
- **Welcome Home may be used with Balloon and Fixed-Rate mortgages with a term and amortization of at least 10 years. For example, a five-year balloon would be eligible as long as it is amortized for at least 10 years.**
- **Welcome Home may be used with ARMS with an amortization of at least 20 years and industry standard caps and margins. The mortgages should be underwritten at their fully indexed rates. The fully indexed rate is not the same as the fully indexed rate at maturity. See definitions. ARMs may require additional explanation. For example, a 3/1 ARM would be eligible as long as it is amortized for at least 20 years.**
- **The FHLB will not provide Welcome Home assistance to a homebuyer with a permanent first mortgage that 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) or any loan considered “high priced”.**
- **A transaction utilizing Welcome Home funds 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.**
- **Funds must be requested by December 2, 2019.** That is, the Request for Payment of Reserved Funding must be submitted to the FHLB by December 2, 2019, or the reservation will be cancelled.
- **If Welcome Home funds have been disbursed to the Member and the funds are misused, or if the housing is sold or refinanced during the five-year retention period, the FHLB may recapture all or a portion of the funds pursuant to the retention language in the warranty deed.**

Retention Requirements

- All properties purchased using Welcome Home grants shall be subject to retention agreements providing that the FHLB will be given notice of any sale, change of ownership, foreclosure, conveyance by deed-in-lieu of foreclosure, assignment of the first mortgage to the Secretary of HUD, or refinancing within the “retention period” and providing that Welcome Home subsidy may be subject to repayment.
- The “retention period” for a Welcome Home unit is five (5) years from the date of the recording of the deed.
- The retention language must be inserted into the Warranty Deed or recorded as a Restrictive Covenant to the Warranty Deed. If it is attached to the Warranty Deed as an addendum or attachment, the Warranty Deed must make reference to the specific addendum or attachment including the retention language (for example, “see Attachment A for FHLB retention language”). If the FHLB staff cannot determine the retention language was recorded with the deed, a recorded copy will be required. Only the 2019 retention language will be accepted.
- The 2019 retention language is posted at www.fhlbcin.com.
- 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.



Eligible Uses of Funds

- **Welcome Home funds may be used to fund reasonable down payment and closing costs** incurred in conjunction with the acquisition of an eligible property by eligible homebuyers.
- **Welcome Home grants may not exceed \$7,500 for honorably discharged veterans and active duty military homebuyers or \$5,000 for all other homebuyers**, as determined by the FHLB.
- **Welcome Home funds may be used in conjunction with other local, state, and federal funding sources** and with the FHLB's Community Investment Cash Advance programs. However, Welcome Home funds *may not* be used with an existing or future award through the FHLB's competitive Affordable Housing Program or through any of the FHLB's voluntary housing programs.
- **A portion of the funds awarded may be used to pay for the reasonable costs of counseling** (not to exceed \$300) for homebuyers purchasing Welcome Home assisted housing if the cost is not covered by another funding source.
- **Welcome Home is not intended for any purchases requiring any significant repair or rehabilitation.**
 - If more than \$500 is to be escrowed for repairs from the buyer, the property is not eligible for Welcome Home funds without the advance written approval of the FHLB prior to closing. The Member should email the appraisal and repair estimate to welcomhome@fhlbcin.com after the Reservation Request has been approved but before the loan is closed requesting approval for the escrow hold. **If the Closing Disclosure reflects an escrow for repairs and the Member did not seek approval prior to closing the loan, funds may not be disbursed.**
 - 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 required \$500 homebuyer cash contribution.
 - If any funds are escrowed for repairs from the buyer, Welcome Home funds will not be disbursed until the Member certifies that:
 - 1) All repairs were required for mortgage approval as evidenced by the appraisal;
 - 2) All repairs have been completed; and
 - 3) All escrowed funds have either been disbursed or released.
 - All payments from escrow funds for repairs should be made only by the Member or closing agent and such payments should be made directly to the materials and/or service providers. Under no condition should escrowed funds be given to the homebuyer.
 - If any unused escrowed funds are released to the homebuyer, the Welcome Home grant will be reduced by a like amount. In lieu of releasing unused funds to the homebuyer, the unused funds may be applied as a prepayment of the first mortgage principal.

Ineligible Uses of Funds

- **Welcome Home funds may not be used for any other purposes except those specifically stated above.** Welcome Home funds may not be used to pay for significant repairs (i.e. repairs in excess of \$500), pay off consumer debt, pay off judgments, buy down the mortgage rate, etc. If the FHLB determines that funds were used for an ineligible expense, the grant will be reduced by the amount of the ineligible expense unless the homebuyer brings adequate funds to the closing to meet the required \$500 homebuyer cash contribution and cover the amount of the ineligible expense.



- **Welcome Home funds may not be used for any loan with co-borrowers or co-signors unless they will occupy the home as their primary residence and their incomes are included in determining eligibility.** Welcome Home funds are intended only for homebuyers who qualify for the first mortgage based on their own merit, not relying on others as co-signors, co-borrowers, or guarantors, and not relying on any expected but uncertain change in job status or income or other circumstances.
- **Welcome Home funds may not be used for any loan with collateral other than the subject property.** Blanket loans (loans with cars, boats, CD's, or other property secured as additional collateral) are not eligible.
- **Welcome Home funds may not be used in transactions involving a second mortgage provided by an individual seller.** Second mortgages provided by formal organizations, including financial institutions, Community Development Financial Institutions, housing finance agencies, non-profit organizations, etc. are acceptable.

Reserving Welcome Home Funds

Funds will be allocated “first-come, first-served.” Members are not guaranteed any specific amount of Welcome Home funds.

Funds will be reserved only for specific homebuyers purchasing specific homes and reservations cannot be transferred to other homebuyers or to other properties. The Reservation Request and Request for Payment of Reserved Funding can only be submitted through the Members Only portal at www.fhlbcin.com.

- To request that funds be reserved for a homebuyer, the Member must:
 - Access the FHLB's Member's Only portal at www.fhlbcin.com. For assistance in accessing the Member's Only portal, please contact the Member's Only Administrator at your institution or contact the FHLB's Service Desk at 800-781-3090 (8:30 – 5:00PM ET);
 - Click on Welcome Home Program and complete a Reservation Request; and,
 - Upload and attach the following required documents to the Reservation Request form (All documents must be uploaded as one attachment. Note: The attachment file name should not contain special characters, such as @, &, #, *, etc.):
 - 1) A completed, signed and dated loan application (generally a Uniform Residential Loan Application);
 - 2) Third party documentation for all sources of current year income for **all** persons, age 18 or older, who will reside in the home. (Reference the Income Eligibility Guide);
 - 3) A copy of the DD214 or two consecutive pay statements if any occupant is an honorably discharged veteran or active duty military personnel; and,
 - 4) An appraisal is required if the subject property is a manufactured home.
- **A Reservation Request will be denied if a fully executed loan application is not submitted.** Stating it is a phone or internet application is not acceptable. The loan application **MUST** be signed.
- Do not submit documentation that is not required such as purchase contracts, W-2s, bank statements, credit reports, tax returns (unless self-employed), etc. as this slows down the review process.
- Please note that during periods of peak demand it may take four weeks to review and approve a Reservation Request. If the information submitted is incomplete, it might take longer. Funds are not reserved and the loan should not close using Welcome Home funds until the FHLB has given approval.



- A homebuyer is considered “enrolled” in the Welcome Home Program at the time the Reservation Request is received. Income eligibility will be determined based on income documentation required at time of enrollment and will be based on the household’s income at that time.
- The FHLB will perform a preliminary review of the Reservation Request and the supporting documentation submitted to determine the eligibility of the homebuyer, the availability of funds in the program, and the availability of funds for the Member. If any of the information is incomplete, additional documentation or information may be required and additional time will be required to process the request. A Request for Additional Information, describing the documentation needed, will be sent to the designated Member contact. All additional information must be scanned and emailed to the person requesting it within five business days or the Reservation Request will be denied.
- Written notification will be provided to the Member as to the homebuyer’s eligibility and date of reservation expiration. **Submission of the Reservation Request does not constitute a reservation of funds; funds are reserved only upon written notification from the FHLB. The loan should not close prior to receiving a reservation approval or Welcome Home funds may not be disbursed.**
- Changes made to the purchase price, loan amount, loan type, interest rate, or loan term after the reservation has been approved, do not require FHLB approval. All of the final numbers will be identified when the Request for Payment of Reserved Funding is reviewed.
- Changes made to the household composition or household income after the Reservation Request has been approved, should be brought to FHLB’s attention prior to the loan closing.

Withdrawing a request

If a Member has submitted a Reservation Request and then realizes the transaction will not close, they should send an email to welcomhome@fhlbcin.com with the project number, homebuyer’s name and statement that the Reservation Request should be withdrawn. FHLB will withdraw the reservation request and generate a withdrawal letter, which will then be emailed to the Member contact.

Disbursing Welcome Home Funds

Welcome Home funds will be disbursed only after closing. The FHLB has provided some general guidance and some specific instructions which Members should use in closing mortgages using Welcome Home funds. The information is available at www.fhlbcin.com, Community Investment, Program Documents and Forms.

- To request a disbursement of funds for a homebuyer, the Member must:
 - Access the FHLB’s Member’s Only portal at www.fhlbcin.com. For assistance in accessing the Member’s Only portal, please contact the Member’s Only Administrator at your institution or contact the FHLB’s Service Desk at 800-781-3090 (8:30 – 5:00PM ET);
 - Click on Welcome Home Program and complete a Request for Payment of Reserved Funding; and
 - Upload and attach the following required documents to the Request for Payment of Reserved Funding form (All documents must be uploaded as one attachment. Note: The attachment file name should not contain special characters, such as @, &, #, *, etc.):
 - 1) A Closing Disclosure signed by the buyer;
 - 2) The Warranty Deed containing the 2019 Welcome Home five-year retention language;
 - 3) A copy of the counseling certificate (required only for first-time homebuyers); and,



- 4) An executed Welcome Home Retention Language Acknowledgement for FHA Loans form (required only for FHA loans).

Funds will be disbursed only to the extent they are required to fill the gap for down payment, closing costs, and counseling fees. However, any excess Welcome Home funds may be used for “prepayment” or “principal reduction” of the first mortgage, and the amount must be shown on the Closing Disclosure on page three in Section K. No funds can be disbursed until the FHLB receives the Direct Subsidy Agreement, which is emailed to the Member contact upon receipt of the first Reservation Request.

Please note that during periods of peak demand, it may take four to six weeks to review and approve a Request for Payment of Reserved Funding. If the information submitted is incomplete, it may take longer.

How We Process Welcome Home Requests

Welcome Home Reservation Requests and Requests for Payment of Reserved Funding are processed in the order they are received. **Please do not ask for “special” treatment.**

Processing Reservation Requests

Due to heavy demand for Welcome Home funds, it may take four weeks to process a Reservation Request. Until the Reservation Request has been approved, no funds have been reserved. **Funds must be reserved prior to closing. If the loan closes prior to receiving a reservation approval, no funds will be disbursed.**

When we receive a Reservation Request, we first check to determine whether all documents have been included and whether income documentation has been provided for all occupants of the household. If any information is missing, we will not process the request further until the information is received.

- All adults residing in the home will be required to provide documentation of income or a “Certification of Zero Income”. *Please review the Income Eligibility Guide for guidance on adults who are full-time students.*
- If the Reservation Request does not include a copy of the signed loan application, we will deny the Reservation Request.
- A copy of the DD214 is required if any occupant in the household is an honorably discharged veteran and the grant requested is greater than \$5,000.
- Two consecutive pay statements are required if any occupant in the household is active duty military personnel and the grant requested is greater than \$5,000. Note: Active duty military personnel are defined as being employed full-time by the Army, Navy, Air Force, Marines, or Coast Guard.
- If all documents and information are included with the Reservation Request, we will review the income documentation to determine the household’s eligibility for Welcome Home funds. *Please review the Income Eligibility Guide for guidance on what is included in household income and how it is calculated. Note: Hand written pay stubs are not acceptable.*
- If the household is determined to be at or below 80 percent of MRB income limits, for the appropriate county and adjusted for family size, we send a notice to the Member contact that the household is income eligible for Welcome Home and reserve the amount of funds requested.
 - That notice only provides certainty that the household is income eligible, it does not “approve” any other parts of the transaction, nor does it waive any of the other Welcome Home requirements.
 - The approval is for that household only and for the property indicated on the Reservation Request only. If that purchase is not completed, the reservation cannot be transferred to another property.



A new Reservation Request must be submitted for the new property and the old Reservation Request must be cancelled.

- o The approval is for the amount of funds requested and that amount cannot be increased except by submitting a new Reservation Request.
- o All Welcome Home Requests for Payment of Reserved Funding must be submitted to the FHLB by 5PM ET on December 2, 2019 or the reservation will be cancelled.

Processing Requests for Payment of Reserved Funding

When we receive a Request for Payment of Reserved Funding, we first check to determine whether all documents have been included. The request must include a copy of the Closing Disclosure executed by the buyer, the Warranty Deed including the 2019 Retention Language, a copy of the counseling certificate (required only for first-time homebuyers), and an executed Welcome Home Retention Language Acknowledgement for FHA Loans form (required only for FHA loans). If any documents are missing, we will not process the request further until the information is received.

Requests for Payment of Reserved Funding may take up to six weeks to process. The FHLB will make every effort to process requests as quickly as possible and will notify Members if processing times will likely exceed the estimates above.

The **Closing Disclosure** summarizes the purchase transaction and includes information about all of the amounts charged to the buyer, paid by, or on behalf of the buyer. The Closing Disclosure will document the property address, first mortgage lender, purchase price, first mortgage amount and other mortgage amounts, points and fees charged in connection with the purchase, other closing costs, amounts paid by the buyer, amount of Welcome Home funds applied to the purchase, amounts of any other down payment or purchase assistance, and any amounts paid to the buyer at closing.

- The Closing Disclosure should show the buyer as the same person or persons for whom Welcome Home funds were reserved.
- The Closing Disclosure should show the property address as the same property for which Welcome Home funds were reserved.
- The Closing Disclosure should show the settlement date as a date after funds were reserved.
- The Closing Disclosure must show the Welcome Home grant as a credit to the buyer and these funds should be identified as “Welcome Home grant,” “FHLB Grant,” or something similar.
- The Welcome Home amount should not be included in the “Cash to Close To Borrower” on the Closing Disclosure. The Welcome Home funds are not provided to the homebuyer but are reimbursed to the Member. The Closing Disclosure should reflect that the Member has provided the Welcome Home funds at closing.
- The Closing Disclosure should show \$500 from the buyer’s own funds.
 - o The amounts from the buyer may be shown as “earnest money” or “down payment”, or may be shown as “Cash to Close From Borrower”, or may be shown as amounts “Paid Outside of Closing” or POC.
 - o If funds were paid for matters related to the closing (like hazard insurance) but were not shown on the Closing Disclosure, additional documentation such as paid invoices or cancelled checks must be provided to verify that the amounts were paid from the buyer’s own funds.
 - o Part of the \$500 (up to \$300) may be received as a “gift.” However, funds from the seller, government agencies, or non-profit or other organizations as “down payment grants” or other down payment assistance are not considered gifts.



- **If the homebuyer receives any cash back at closing, as indicated on the Closing Disclosure, the Welcome Home grant will be reduced by a like amount.** In lieu of cash back, any otherwise “excess” funds may be used as “principal reduction” or as “principal prepayment”. However, any such use must be shown on page three in Section K on the Closing Disclosure to avoid a reduction in the Welcome Home amount. The principal reduction can only be applied to a first mortgage, not a second mortgage.
- **Any funds indicated on the loan application or Closing Disclosure as earnest money, whether paid by cash, check, or note are considered a partial down payment, and no amount can be refunded to the homebuyer. If the Closing Disclosure indicates the earnest money was refunded or returned, the Welcome Home grant will be reduced by a like amount.**
- **If the Welcome Home funds appear to be used for an ineligible purpose, e.g., paying off consumer debt, the Welcome Home grant will be reduced by a like amount.** Any amount paid for these kinds of items must come from the buyer’s own funds at closing, in addition to the \$500 required.
- **Any amounts shown as “refunded” or “returned” to the buyer or “cash to” the buyer will result in reduction of the Welcome Home amount by a like amount.** *See also the discussion of “earnest money” above.*

The **Warranty Deed** shows the transfer of the property from the seller to the buyer and is must be submitted with all Requests for Payment of Reserved Funding.

- The buyer(s) names should match the names on the Reservation Request. A Name Affidavit is required if the homebuyer’s name differs from the approval letter.
- If the deed shows additional names than appeared on the approval letter, a satisfactory explanation is required.
- The Warranty Deed must also show the retention language in the body of the deed or as a referenced attachment or exhibit. An example can be found on our website.

The **Counseling Certificate** is required only for first-time homebuyers. The first paragraph of the approval letter indicates FHLB’s first-time homebuyer determination.

The **Welcome Home Retention Language Acknowledgement for FHA Loans** form must be included with the Request for Payment of Reserved Funding for all FHA loans closed with the Welcome Home grant. It is not required for any other loan type.

Repayment of Welcome Home Funds

- If the property purchased using Welcome Home funds is sold or refinanced within the retention period, the homebuyer or closing agent is required to give notice to the FHLB of the sale or refinancing.
- Reference the Subsidy Recapture Policy and Procedures available at www.fhlbcin.com for a complete explanation of the subsidy recapture process with examples.



Technical Assistance

For assistance with Members Only, please contact the Service Desk at 800-781-3090.

For information or assistance with the Welcome Home Program, please contact the Housing and Community Investment Department toll free at **888-345-2246**.

Web site: www.fhlbcin.com

Email Address: WelcomeHome@fhlbcin.com.

Mailing Address:

**Federal Home Loan Bank of Cincinnati
Welcome Home Program
P.O. Box 598
Cincinnati, OH 45201-0598**

OR

**Federal Home Loan Bank of Cincinnati
Welcome Home Program
221 East Fourth Street
Suite 600
Cincinnati, OH 45202**