

Overview of ANDP Homebuyer and DPA Programs

February 14, 2023



HOUSEKEEPING & OTHER NOTES

- Slides are available now at www.ANDPHomes.org/dpa
- Several changes in 2023 – take notes!
- Hold questions until the end of the presentation.
- Session is being recorded and we will post recording.

TODAY'S TOPICS

ANDP develops, finances and advocates for affordable housing at scale that promotes racial equity and healthy communities where families thrive.



Overview of ANDP & Our Programs

- *Homebuyer Assistance*
- *Down Payment Assistance*

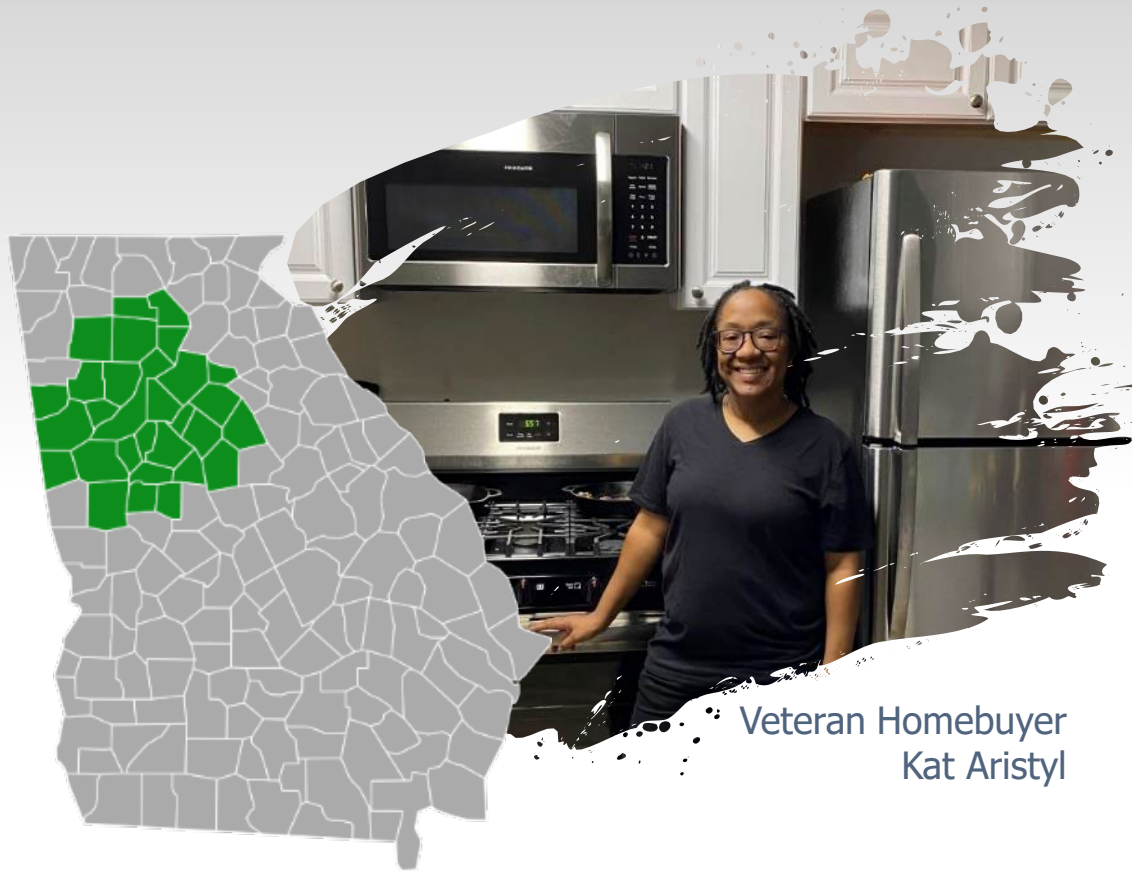
FHLBank Atlanta Affiliated DPA

- *Roles & Responsibilities*
- *Eligibility Guidelines*
- *Workflow*

Q&A

ANDP MISSION

ANDP develops, finances and advocates for affordable housing at scale that promotes racial equity and healthy communities where families thrive.



Veteran Homebuyer
Kat Aristyl

Advocacy/Community Engagement

- 500+ Neighborhood Leaders Trained
- Participants: Nationally recognized, engaged in policy and community transformation

Lending

- Capital for development of affordable housing and other community development facilities

Down Payment Assistance

- Providing critical resources for low- and moderate-income families to achieve homeownership

Development of Affordable Housing

- Single-Family (Homeownership & Rental)
- Multifamily (Rental)

OUR PLAN: Closing the Gap: 2000 by 2025

Single-Family
Rental

250

Production
126 50%

Single-Family
Homeownership

500

Production
268 54%

Multifamily
Rental

1,250

Production
675 54%

\$440M Investment in Equitable Housing
\$18M in one-time charitable grants

ANDP Program Comparison

IN-HOUSE PROGRAMS

1. Home Sales Program

- *Not paired w/DPA*
- *120% AMI Income cap*
- *New & Reno Homes*
- *Priced Affordably*
- *Warrantied Work*
- *No Investor Sales*

2. Veterans Program

- *First-Look Period*
- *Up to \$7,500 closing cost*

IN PARTNERSHIP w/ OTHERS

3. HOME Program (CHDO)

4. ANDP Homebuyer Assistance Program*

5. FHLBank Atlanta Affiliated DPA

- Traditional DPA programs
- \$7,500 - \$20,000 in DPA
- Funding from external partnerships
- Limited availability (varies by program)

*ANDP decision on funding.

ANDP Program Comparison

Attributes shared by ALL ANDP programs

- ANDP does not set interest rates, credit score requirements, nor financial ratios.
- No sales to investors – homes should be primary residence of homebuyer
- No sales to buyers above 120% AMI.
- Buyer cannot own another home at time of purchase
- Buyers must complete HUD-approved 8-hour Homebuyer Education Course
- Buyers must make minimum contribution toward purchase (varies by program)

Household Size	80% AMI	120% AMI
1	\$54,000	\$81,000
2	\$61,700	\$92,550
3	\$69,400	\$104,100
4	\$77,100	\$115,650
5	\$83,300	\$124,950
6	\$89,450	\$134,175
7	\$95,650	\$143,475
8	\$101,800	\$152,700
HUD 2022		

ANDP In-House Programs: **Home Sales Program**

Maximum Household Income Allowed

Varies: 120% or 80% AMI

Qualifying Homes

All ANDP Homes

DPA Provided?

Varies

Amount of Assistance?

Varies

Assistance Forgiven?

Varies

1st Time Homebuyer?

No

Notes:

100 annually, new construction or new renovation. Competing only w/ other LMI.

ANDP In-House Programs: **Veterans Program**

Maximum Household Income Allowed

120% AMI

Qualifying Homes

All ANDP Homes

DPA Provided?

Seller Concession: Closing Cost

Amount of Assistance?

Up to \$7,500

Assistance Forgiven?

N/A

1st Time Homebuyer?

No

Notes:

Program features a 2-week, first-look period for veterans

In Partnership w/ Others: **HOME (HUD CHDO)**

Maximum Household Income Allowed

80% AMI – no exceptions

Qualifying Homes

Select ANDP Homes. < 12 annually.

DPA Provided?

Yes

Amount of Assistance?

Gap funding

Assistance Forgiven?

Yes. Prorated over 5-10 years.

1st Time Homebuyer?

Yes

Notes:

*Depends upon contracts with local gov.
Atlanta, DeKalb, Fulton, Gwinnett.*

In Partnership w/ Others: **AHAP**

Maximum Household Income Allowed

80% AMI – no exceptions

Qualifying Homes

Select ANDP Homes.

DPA Provided?

Yes

Amount of Assistance?

Up to \$20,000

Assistance Forgiven?

No. Recoverable at re-sale or 40 years.

1st Time Homebuyer?

Yes

Notes:

Source of funding is NMTC. Limited to select homes developed with this funding.

In Partnership w/ Others: **FHLBank Affiliated DPA**

Maximum Household Income Allowed

80% AMI – no exceptions

Qualifying Homes

ANDP and non-ANDP homes.

DPA Provided?

Yes

Amount of Assistance?

\$12,500 or \$15,000

Assistance Forgiven?

Yes. Prorated over 5 years

1st Time Homebuyer?

Yes

Notes:

Limited availability. FHLBA-managed app & approval process



Matrix of all
ANDP programs
available at
website.

SUMMARY OF PROGRAMS	ANDP Home Sales: HOME PROGRAM	ANDP Home Sales: PARTNER PROGRAM	Special Initiative: VETERANS PROGRAM	ANDP Home- buyer Assis- tance Program (AHAP)	Assistance: ANDP-FHLBank Atlanta DPA
Maximum Household Income Limit	≤80% AMI	≤120%AMI	≤120%AMI	≤80%AMI	≤80%AMI
Qualifying Homes	ANDP CHDO Homes	All ANDP Homes	All ANDP Homes	Select ANDP Homes	ALL Homes
Down Payment Assistance Provided?	Yes	No	Closing Costs	Yes	Yes
Amount of Assistance	Variable	N/A	Up to \$7.5k	Up to \$20k	\$12.5-\$15k
Assistance Forgiven	Yes	N/A	N/A	No. Must be repaid at resale or 40 years, whichever comes first	Yes
Buyer must use ANDP-approved lender	Yes	Yes	Yes	Yes	Yes
Required to be a first-time homebuyer	Yes	No	No	Yes	Yes
8-hour homebuyer education course required?	Yes	Yes	Yes	Yes	Encouraged
Additional education requirement?	No	No	No	No	Yes
Buyer contribution to transaction	Varies \$1k or 1-1.5%	\$1,000	\$1,000	\$1,000	\$1,000
Occupancy Type	Primary Residence	Primary Residence	Primary Residence	Primary Residence	Primary Residence
Credit Score Requirement	Set by lender	Set by lender	Set by lender	Set by Lender	Set by lender
Financial Ratios	Set by lender	Set by lender	Set by lender	Set by Lender	Set by lender

ANDP/FHLBank Atlanta DPA

Program Overview

- FHLBank Atlanta's Affordable Housing Program (AHP) Homeownership Set-aside Program provides funds for the purchase or disaster recovery rehabilitation of a home



- Homeownership products “get the phones ringing”

SOURCE: FEDERAL HOME LOAN BANK OF ATLANTA

ANDP/FHLBank Atlanta DPA Program Overview



First-time Homebuyer Product
\$12,500



Community Partners Product
\$15,000

Availability first-come, first-served basis



Each shareholder is limited to **\$500,000 in funds** during an annual offering period



\$12,500 - \$15,000 available to eligible low to moderate-income homebuyers(s)

SOURCE: FEDERAL HOME LOAN BANK OF ATLANTA

ANDP/FHLBank Atlanta DPA

Program Overview



First-Time Homebuyer Maximum Amount:

\$12,500

Assistance for borrowers that meet the definition of first-time homebuyer as defined by [HUD HOC Reference Guide Chapter 3](#), which includes recovering victims of catastrophic loss or natural disasters

Community Partners Maximum Amount:

\$15,000

Assistance for currently employed or retired law enforcement officers, educators, health care workers, firefighters, other first responders; veterans and active-duty military, or their surviving spouse; and COVID-related essential workers

****NOTE: See a more detailed definition of qualifying applicants in FHLBank Atlanta's "Pre and Post Funding Documentation Requirements" attachment***

ELIGIBILITY GUIDELINES



80%

Area Median Income

Household income must be at or below 80 percent of the county area median income, or the state median family income, adjusted for family size as published by HUD (whichever is higher)



\$1,000

Minimum Homebuyer Contribution

Borrower must contribute a minimum of \$1,000 toward eligible product transaction (not applicable to Community Rebuild and Restore product)



\$250

Maximum Cash Back

Borrower can receive no more than \$250 cash back at closing

This is a regulatory requirement

SOURCE: FEDERAL HOME LOAN BANK OF ATLANTA

ROLES & RESPONSIBILITIES

ANDP

- Member Institution
- Program Oversight
- Send the wires
- Partner with NeighborWorks Columbus (NWC)
- Compliance

Please send email to
dpa@andpi.org

NWC

- Receive Applications
- Verify Qualification
- Package & Send App to FHLBank Atlanta
- Execute through stages
- Work w/ lenders for successful application

Lender

- Lender applies on behalf of buyer
- Read guidelines
- Submit complete package timely
- Lead communication with buyer

NEW IN 2023

- Increased DPA amounts
 - \$7,500 to **\$12,500** for First-Time Homebuyers
 - \$10,000 to **\$15,000** for Community Partners
- Refined income calculation guidelines
 - Last paystubs of the previous year: **No longer required**
- Increased homebuyer counseling fee (\$200 to \$275)
 - Proof of payment required at post-closing
- Revised Intake & Zero Income Certification forms
 - Essential Workers Verification
- ANDP requirements:
 - Additional materials required at intake & post-closing
 - **“Two-strike rule”**: Additional training will be required after initial discrepancies are found, subject to removal after a second strike

ELIGIBILITY GUIDELINES

Borrower Counseling

Borrowers must complete homebuyer counseling program provided by an FHLBank Atlanta designated counseling provider

Five-year Retention Period

Purchase Products Only – Borrowers must sign AHP Homeownership Set-aside note and security instrument

Failure to own and occupy the property for five years could result in the recapture of funds on a pro rata basis.



FIRST MORTGAGE ELIGIBILITY GUIDELINES

The following eligibility guidelines apply to all loans that are part of the AHP Homeownership Set-aside Program transaction:

Application Charges/Fees

Interest rates, fees, points, and any other charges for all loans may not exceed a reasonable market rate of interest, fees, points, and any other charges for loans of similar maturity, terms, and risk

Term

Minimum five-year term

Amortization

Fully amortizing

Mortgage Type

- Fixed-rate mortgages are eligible
- Adjustable-rate mortgages are eligible with certain parameters
- Balloon mortgages that have minimum 10-year balloon end date

SOURCE: FEDERAL HOME LOAN BANK OF ATLANTA

STEP ONE: DETERMINE INCOME ELIGIBILITY

AHP Income Calculator: <https://cis.fhlbatl.com/regsponsor/incomecalculation>

Enter Calculation Criteria ?

HUD Year ? *

2022

State *

GA

County *

Clayton County

MSA *

Atlanta-Sandy Springs-Roswell

Household Size *

2

Household Income *

\$50,000.00

Maximum 80% Income

\$61,760.00

Household AMI %

64.77 %

Household Income <= 80% AMI

CALCULATE AMI %

AHP Income Limits ?

AHP Income Limits ?	1 Person Household	2 Person Household	3 Person Household	4 Person Household	5 Person Household	6 Person Household	7 Person Household	8+ Person Household
80%	\$54,000.00	\$61,760.00	\$69,440.00	\$77,120.00	\$83,360.00	\$89,520.00	\$95,680.00	\$101,840.00

INCOME VERIFICATION GUIDELINES

Who is considered a household member?

- Any person(s) moving in at purchase

What income should be included?

- Provide compliance income documentation vs. qualifying income for all household members 18 and over
 - Including but not limited to wages, self-employment, child support, alimony, SSI for minor children, unemployment, and any income being earned by an employed full-time student (unless they are dependents)
 - Provide interest earnings from asset accounts (must be documented with two months of current and consecutive asset statements)
- Provide part-time and seasonal employment
- Provide future income from rental units associated with property being purchased

INCOME VERIFICATION GUIDELINES

Asset Statements

- Provide interest earnings from asset accounts (e.g. stock, bonds, CDs, etc.), but **only if the assets total \$50,000 or greater** (does not include retirement accounts)

Other Income Sources

- All income sources must be documented including self-employment sources and other sources. If the homebuyer is receiving financial support, such as non-court ordered child support or financial support from a family member, a statement over HUD1010 language must be provided

Income Documentation Requirements

- The Bank's income calculation methodology utilizes current circumstances to determine the annual household income. Current circumstances include the composition of the household (i.e. total annual income and total household size) at the time of enrollment into the applicable AHP program.
- Income documentation **must be dated within 30 days of application submission**

SOURCE: FEDERAL HOME LOAN BANK OF ATLANTA

INCOME VERIFICATION GUIDELINES

PLEASE REVIEW THE PROGRAM GUIDELINES FOR A COMPLETE LIST OF REQUIREMENTS, including but not limited to:

- Thirty (30) days of current and consecutive paystubs (as applicable)
- Zero Income Certification (as applicable) – anyone 18 years + with no income
- Verification of Employment Form (preferred)
- SSI, Disability, child support, other income documentation as applicable

PLEASE NOTE:

- Annual income is based on **gross earnings**
- Last paystubs of the previous year: **No longer required**
- Income documentation **must be dated within 30 days at intake**

NEW FOR 2023:

- 2 years tax returns or tax return transcripts & Taxpayer consent form
- 2 years of W-2 statements
- Two months of bank statements for checking and savings accounts
- 401k statements, if being used to help purchase the home
- Letters of explanation for large deposits and recurring cash/gifts, as applicable
- Executed Loan Transmittal (Form 1008)
- Signed Income Affidavit
- Essential Worker Certification

STEP TWO: SUBMIT APPLICATION

1. Lender applies for DPA on behalf of buyer using online link at ANDPHomes.org/dpa

2. ANDP reviews application for eligibility.

3. If eligible, ANDP packages application and sends to FHLBank Atlanta, notifies lender of submission date.

Closings should not be scheduled **sooner than 21-30 days** from ANDP submission date to FFHLBank Atlanta.

4. FHLBank Atlanta reviews application. Note: additional documentation may be required by FHLBank Atlanta.

5. If approved, ANDP will send lender a "Conditional Commitment" (CC) letter with Pre-Funding steps.

TIPS:

- We recommend starting the application process as soon as possible once a contract is secured - at least prior to 21 days before closing, further if possible.
- Non-borrower occupant over the age of 18? A Zero Income Certification will be required.
- Borrower self-employed? We'll need the following: Taxpayer consent, Signed Federal tax returns including all schedules. Uber, Lyft, MaryKay, online sales, e-commerce, etc. are considered self-employment.
- Borrower receives child support? Divorce decree/court order documentation is required.
- Borrower applying for Veteran products? Copy of DD214, Veterans ID card, or VA certificate of eligibility needed.
- Please complete the Demographic Information Addendum in the 1003

APPLICATION SUBMISSION

→ Submit materials online at www.andphomes.org/dpa

→ Email dpa@andpi.org with any questions

NOTE: The application must be completed in one session. No saving work and returning later.

Required documents at intake:

- AHP Homebuyer Intake Certification, signed electronically or printed and signed by the buyer. NO TYPED INITIALS OR SIGNATURES.
- Signed Mortgage Lender Checklist, including items on the checklist
- Copy of Initial 1003
- Income Documentation as applicable
- Signed Financing & Mortgages Form
- Signed Closing Attorney Checklist
- Appraisal
 - If not yet available, please indicate when it will be available

STEP THREE: RECEIVE & COMPLETE CLOSING CONDITIONS

- Receive Conditional Commitment Letter
- Schedule & Complete Homebuyer Counseling
- Submit Preliminary CD
- Complete additional requirements as applicable

***Must be completed & submitted at least seven days prior to closing

Sample Conditional Commitment Letter:

Congratulations!

The AHP homeowner assistance funds application (as referenced below) has been **conditionally approved**. The commitment to fund is pending my receipt of the required documents, listed below:

ASAP, But At least 7 Business Days Prior to Closing

- Homeownership Counseling Certificate from Clearpoint
- Complete **Preliminary Closing Disclosure (CD)** with all borrowers on title that include the following:
 - ☐ AHP DPA clearly identified as **FHLBank Atlanta**
 - ☐ Counseling fee of \$275 with **Credit.org** or **Money Management International** reflected as payee
 - ☐ Minimum homebuyer contribution of \$1,000, unless veteran
 - ☐ Homebuyer's maximum cash back at closing not to exceed \$250
 - ☐ Closing date as printed on CD must be in the future
- Please see FHLBank Atlanta Conditional Commitment email for any additional conditions.

Please have the borrower call ***the Bank-prescribed counseling provider*** to schedule an appointment for the homebuyers required counseling session via the contact information below:

Counseling Provider Contact Information:

Phone #: 877-585-8307

Reservation #: xxxxxxxxxx

<https://corp.fhlbatl.com/files/documents/counseling-flier.pdf>

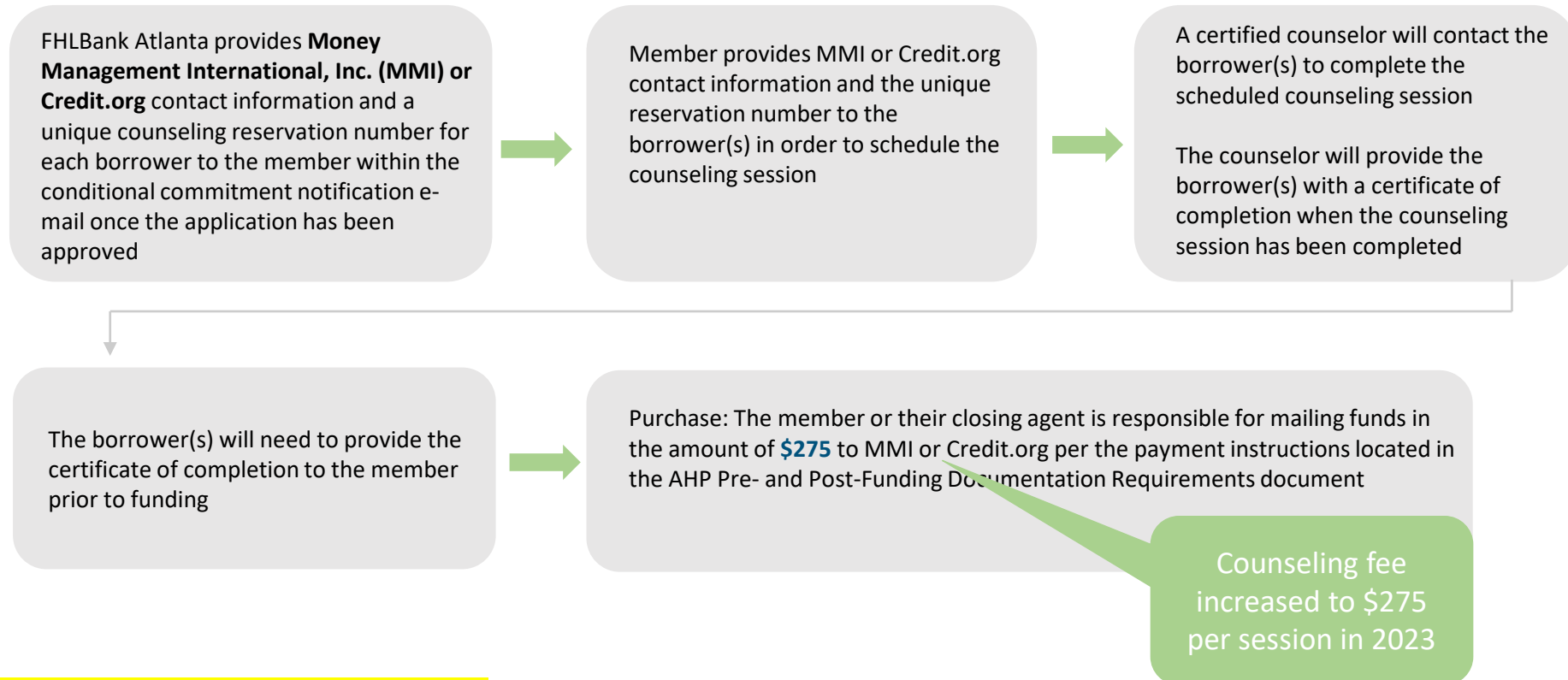
Commitment Details

- DPA Institution - Community Redev Loan and Invt Fund, Inc.
- Homebuyer – Jane Smith
- DPA Product – **First Time Homebuyer Program**
- Approved Amount - **\$12,500**
Approval Date – **04/22/2023**
- Expiration Date – **06/06/2023**

HOMEBUYER COUNSELING

→ Must be scheduled after a commitment letter is issued

→ FHLBank Atlanta requirement cannot be satisfied by a different counseling agency



SOURCE: FEDERAL HOME LOAN BANK OF ATLANTA

STEP FOUR: FUNDING

FUNDING

7. ANDP submits pre-funding required docs to FHLBank Atlanta. If approved, FHLBank Atlanta notifies ANDP of funding.

8. ANDP initiates wire of DPA funds to closing attorney.

Homebuyer must close within 10 business days of the closing date indicated in the preliminary CD.

- Note: Funds will be sent from ANDP's Loan Fund, whose legal name is "Community Redevelopment Loan and Investment Fund, Inc."
- Please alert us in advance of the anticipated closing time.
- Unless otherwise authorized by FHLBank Atlanta, closings must occur within ten business days of the projected closing date as shown in the preliminary CD.

STEP FIVE: POST- FUNDING

The following information should be forwarded to dpa@andpi.org no later than 14 business days after the expected closing date:

- The Final Closing Disclosure (CD) with all borrowers on title that include the following:
 - AHP homeowner assistance funds clearly identified as **FHLBank Atlanta**
 - Counseling fee of \$275 with name of **Credit.org** or **Money Management International** reflected as payee
 - Minimum homebuyer contribution of \$1,000
 - Homebuyer's maximum cash back at closing not to exceed \$250
- Executed Deed To Secure Debt
- **NEW FOR 2023:**
 - Proof of payment of counseling fee
 - Final 1003
- If there are other funding sources/DPAs, attach corresponding CD or approval letter(s)
- If the final CD or Deed includes names that are not listed as household members or non-occupant co-borrower(s) on the original Intake Certification, address this by providing supporting documentation (e.g. attach executed name affidavit, or new executed Intake Certification)

HOW TO BE SUCCESSFUL IN 2023

Review of Asset Statements

- **Are there consistent deposits that are not from employment?** If so, have applicant address in writing, this could possibly be additional household income
- **Is the applicant working a part-time job in addition to their regular employment?** If so, you must provide supporting documentation for this income.
- If the applicant has interest bearing asset accounts, the interest being earned must be included on Step 2 as income, and two months of current and consecutive asset statements provided on Step 6
- If there is an income source like child support and/or self-employment (i.e. Lyft, Uber, Amway, side jobs, etc.), then enter amount on Step 2, attach supporting income documentation per documentation policy, and list on the Intake Certification

Other Income

- If the applicant is receiving child support that is not court ordered or financial assistance from a family member or someone other than the non-occupant co-borrower a Letter of Explanation over HUD1010 language that details the amount and frequency of receipt must be provided
- If bonus is only earned once per year, provide written explanation from employer and attach with income documents on Step 6. Any explanation regarding income must come from the employer

HOW TO BE SUCCESSFUL IN 2023

- Include ALL income & obtain LOEs/borrower statements as applicable.
- Err on the side of caution in establishing realistic closing dates. Update realtors as needed.
- Notify us **ASAP** of any material changes that occur between submission and closing.
- Returned applications are reviewed in the order in which they are received. Budget time appropriately.
- Delaying documentation submission could hold up the entire queue.
- **NO REALTORS OR CUSTOMERS SHOULD CONTACT US**, only participating lenders.

Email us at dpa@andpi.org at any point in the process should you have questions.

TWO STRIKE RULE:

Beginning in 2023, participating lenders will operate under a “two-strike” rule:

- Regarding application discrepancies: after their 2nd material discrepancy, lenders will be required to complete additional training in order to continue submitting applications.
- Any discrepancies after additional training has occurred will result in the lender becoming ineligible to submit additional applications for the remainder of the funding period.

COMPLIANCE/ATTESTATION

Any person who knowingly makes a false statement or misrepresentation to FHLBank Atlanta is subject to penalties that may include fines, imprisonment, or both, under the provision of Title 18, United States Code, Sec. 1014, including, but not limited to:

- Members
 - Loan Officers
 - Processors (submitters)
 - Underwriters (approvers/program managers)
 - Closers
- Third-party Lenders
- Closing Agents
- Contractors/Inspectors
- Realtors

→ The Intake Certification is considered a legal document containing accurate and factual information as certified by the applicant

SOURCE: FEDERAL HOME LOAN BANK OF ATLANTA

RESOURCES:

www.andphomes.org/dpa

- Webinar recording
- Program Guidelines & Product One-Pager
- CISA's COVID Essential Workers definition
- Application Submission link

Application Resources	
• AHP Income Limits Calculator	https://cis.fhlbatl.com/regsponsor/incomecalculation
• AHP Pre and Post Funding Documentation Requirements	http://corp.fhlbatl.com/files/documents/ahp-pre-post-documentation-requirements.pdf
• AHP Products Income Documentation Requirements	http://corp.fhlbatl.com/files/documents/ahp-income-documentation-requirement.pdf
• Zero Income	http://corp.fhlbatl.com/files/documents/ahp-zero-income-certification.pdf
• Intake Certification	http://corp.fhlbatl.com/files/documents/intake-certification.pdf

FREQUENTLY ASKED QUESTIONS

- **Does FHLBank Atlanta allow layering with other DPA sources?** Yes.
- **Can FHLBank Atlanta funds take third position (i.e. behind other DPAs?)** Yes.
- **Who counts as an essential worker?** Please refer to “FHLBank Atlanta Pre and Post Funding Documentation Requirements” and the definitions published by the Cybersecurity & Infrastructure Security Agency ([CISA](#), linked to our webpage).
- **Are there maximum Debt-to-Income requirements?** No.
- **My client is already taking a homebuyer education course. Do they still need to take the Money Management or Credit.org course?** Yes, after they receive a commitment letter.
- **If a borrower is buying with a non-occupying borrower, can they still qualify for the DPA?** Yes, but that individual must disclose any funds they will be contributing to the monthly home payments on the Non-Occupant Certification in the Homebuyer Intake Certification Form. If they are contributing to the down payment or any other income to the borrower, that needs to be disclosed as well.
- **Is there a maximum sales price?** No. But the household income limit will naturally limit the cost of the home that the buyer can afford. We encourage following the 30% Rule, in that housing costs should be no more than 30% of household income.
- **Is there a max asset test or max homebuyer contribution?** No, FHLBank Atlanta does not have a cap on the amount of assets the potential homeowner has; however, we require that you review 2 months bank statements to determine if there is income earned from assets.
- **Is there a minimum credit score?** Credit scores and ratios are set by the participating lenders.

— Q — QUESTIONS? — A —



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Building the region's future,
neighborhood by neighborhood

www.andpi.org
www.andphomes.org


CHARTERED MEMBER