



A Presentation from the FHLBNY

First Home Clubsm For Households

Overview of FHLBNY First Home Club

- » The First Home Clubsm (“FHC”) is a special set-aside of the Federal Home Loan Bank of New York (“FHLBNY”) Affordable Housing Program (“AHP”) to assist income eligible first-time home buyers in the purchase of a home.
- » Assistance is provided in the form of matching funds based on the home buyer’s systematic savings within a dedicated savings account, up to \$7,500 based on a 4:1 match of household’s savings.
- » The FHLBNY matching funds may be used toward the down payment and/or closing costs for the purchase of a home.



Eligibility Requirements for First Home Club Households

1 Meet the definition of a First-Time Homebuyer.

2 Meet the income guidelines (at or below 80% area median income).

3 Open a dedicated savings account and agree to save systematically on a monthly basis for at least 10-months to achieve an Equity Goal, determined by you and your Lender. Funds saved must remain in the dedicated savings account until time of closing.

4 Agree to complete an homebuyer counseling program through an approved agency [minimum 6 hour course] during enrollment.

5 Agree to sign, at the time of closing, a 5-year second mortgage with your Lender in the amount of the FHC grant.

Enrollment Terms and Conditions

Agreement signed by you, your Lender (approved First Home Club Member), and approved Counseling Agency at the time of First Home Club enrollment. Details requirements of First Home Club program.



1. Am I a First Time Homebuyer?

DEFINITION: The term "first-time homebuyer" means an individual, and his or her spouse, who have not owned a home in past 3-years.

EXCEPTIONS:

- » Displaced homemaker and owned a home with his or her spouse or resided in a home owned by the spouse;
- » single parent and while married owned a home with his or her spouse or resided in a home owned by the spouse; and
- » an individual who owns or owned, as a principal residence during such 3-year period, a dwelling unit whose structure is—
 - (i) not permanently affixed to a permanent foundation in accordance with local or other applicable regulations, or
 - (ii) not in compliance with State, local, or model building codes, or other applicable codes, and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.



2. Am I Income Eligible?



Federal Home Loan Bank of New York

5/12/2009

ID: AHP-011(NY)

MORTGAGE REVENUE BOND MEDIAN INCOME GUIDELINES: 2009

New York State

<u>County</u>	<u>1 & 2 Person Households</u>		<u>3+ Person Households</u>	
	<u>Median</u>	<u>80%</u>	<u>Median</u>	<u>80%</u>
Bronx	\$92,160	\$73,728	\$107,520	\$86,016
Kings	\$92,160	\$73,728	\$107,520	\$86,016
New York	\$92,160	\$73,728	\$107,520	\$86,016
Queens	\$92,160	\$73,728	\$107,520	\$86,016
Richmond	\$92,160	\$73,728	\$107,520	\$86,016
Westchester	\$126,360	\$101,088	\$147,420	\$117,936

Complete Income Guidelines may be found on our website.



What part of my income is considered?

- » Anticipated **total income** from all sources received by the household (even if a member is temporarily absent) and by each additional member of the household 18 years or older;
- » The reported net income derived from operation of a business or profession averaged over a three (3) year period;
- » Interest, dividends, and other net income of any kind from real or personal property;
- » Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay;
- » Alimony & Child Support;
- » Social Security;
- » Government/Welfare Assistance;
- » All regular pay, special pay and allowances of a member of the Armed Forces.



3. Savings

The First Home Club program requires a minimum 10 months of savings. To qualify for the maximum grant of \$7,500 you must reach the equity goal of \$1,875.

EXAMPLE

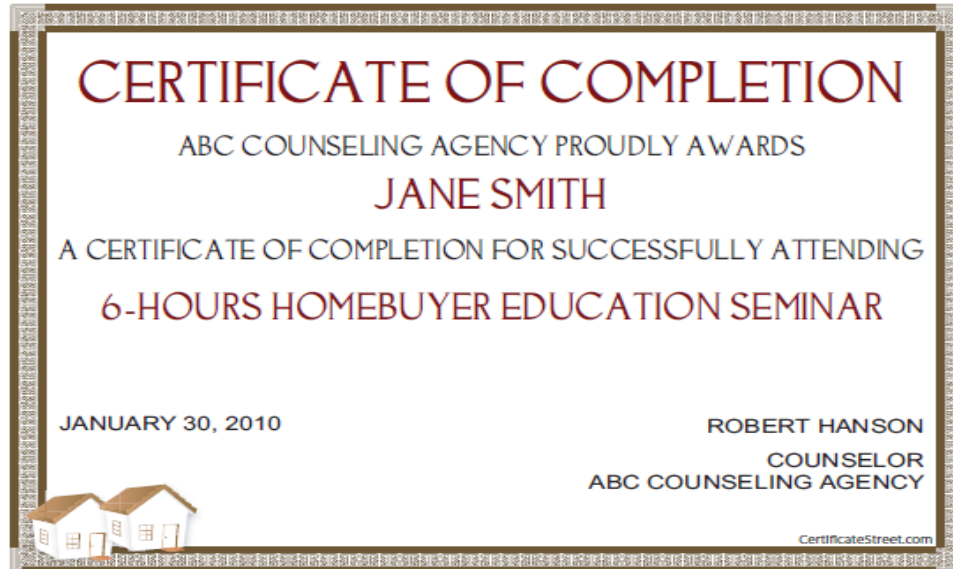
- » Open savings account today
- » Monthly deposits for the next 10 consecutive months, beginning today if agreed upon Savings Plan totals \$187.50/month.

» \$187.50 month x 10 months = \$1,875.00 saved:

\$1,875	personal savings
+ <u>\$7,500</u>	First Home Club Grant (matched savings \$4:\$1)
= <u>\$9,375</u>	used for downpayment/closing costs



4. Homeownership Counseling Certificate



Some of the tips gained after attending a homebuyer education seminar:

- » how to plan to purchase a home;
- » how to develop a personal monthly budget;
- » foreclosure prevention tips;
- » homebuyer responsibilities;
- » and even future tax benefits of home improvements.



Homeownership Counseling Certificate *(continued)*

The First Home Club provides up to **\$500** towards **non-profit housing agency counseling costs**. This amount may be added to your First Home Club grant, resulting in the potential maximum assistance of \$8,000.

\$7,500 downpayment/closings costs
+ \$ 500 directly to counseling agency
\$8,000 First Home Club grant



5. Sign with your Lender

<Member Bank>
FIRST HOME CLUB

PROMISSORY NOTE

DATE: June 30, 2010

BORROWER'S PROMISE TO PAY

For value received, **Jane Smith** (hereinafter referred to as the "Borrower"), residing at **2711 41st Avenue, Woodside, NY** promises to pay to the order of <Member Bank> (hereinafter referred to as the "Lender"), a Savings Bank organized and existing under the laws of 75 West 125th Street, New York, NY 10027, the Principal sum of **Seven Thousand Five Hundred Dollars (\$7,500.00)** in lawful money of the United States of America.

PAYMENTS

Borrower shall make all payments hereunder at such address as the Lender may provide Borrower.

EVENTS OF DEFAULT

1. In the event the property which secures this note is sold to an ineligible homebuyer whose income exceeds 80% of the area median income as determined by Lender, adjusted for family size, the Lender is entitled to recapture a pro rata portion of the Principal. Recapture of the Principal will occur if the house is sold to an ineligible homebuyer within the five (5) year term of this Note. Twenty percent (20%) of the Principal will be forgiven for each year of the term that has passed.
2. It shall be an event of default in the case of a refinancing, including home equity loans, prior to the end of the retention period, in which event, an amount equal to the pro rata share of the direct subsidy that financed the purchase of the property, reduced for every year the occupying household has owned the unit, *unless* the property continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism pursuant to the Affordable Housing Program regulations.

FORGIVENESS

The Borrower hereby acknowledges and understands that the Principal amount represents a reduction in the Borrower's downpayment and/or closing costs for the acquisition of a property within the Lender's lending area. Provided the proceeds for the Principal are used for the purposes set forth herein, and no event of default has occurred, the proceeds will be forgiven by **June 29, 2015** (the "Expiration Date") and no payment will be due on the Principal or interest.

1

<Member Bank>
FIRST HOME CLUBSM

SUBORDINATE MORTGAGE

THIS MORTGAGE for First Home ClubSM Funds (the "Program") is made on **June 30, 2010** by **Jane Smith** (the "Borrower") residing at **2711 41st Avenue, Woodside, NY** to <Member Bank> (the "Lender"), maintaining offices at <Member Bank Address, city, state, zip>.

WHEREAS, the Federal Home Loan Bank of New York ("Bank") enrolled the Borrower into the First Home ClubSM on **November 16, 2009** ("Date of Enrollment") through the Lender; and the Bank set-aside matching funds for downpayment and closing cost assistance for the purchase of a home by the potential first-time homebuyer, the Borrower; and

WHEREAS, the Lender has determined that the Borrower meets the definition of a first-time homebuyer as defined by the Bank; and

WHEREAS, the Lender has determined that at the time of enrollment with the Lender, the Borrower had a total family income of 80% or less of the area median income for their current place of residence, adjusted for family size, as defined by the Bank and agreed upon by the Lender in the Enrollment Report on the Date of Enrollment; and

WHEREAS, the Borrower has established a First Home Club savings account with the Lender and the Borrower has demonstrated a pattern of systematic savings in the dedicated account which is consistent with the agreed upon schedule and the Borrower has also completed homeownership counseling sessions, as approved by the Bank; and

WHEREAS, the Lender has received from the Borrower an executed Enrollment Terms and Conditions Statement and the Lender has submitted to the Bank the First Home Club Member Certification Statement; and

WHEREAS, the Bank, on **June 30, 2010**, has issued a grant of matching funds to the Borrower and Lender.

NOW THEREFORE, the Borrower is indebted to the Lender in the principal amount of **\$7,500.00** ("Subsidy Amount"), which indebtedness is evidenced by Borrower's Note dated **June 30, 2010** (herein "Note"), due and payable on **June 29, 2015**;

TO SECURE TO LENDER (a) the repayment of the indebtedness evidenced by the Note and all renewals, extensions and modifications thereof; (b) the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Instrument; and (c) the performance of the covenants and agreements of Borrower herein contained, Borrower does hereby mortgage, grant, convey, and assign to Lender the property described below.

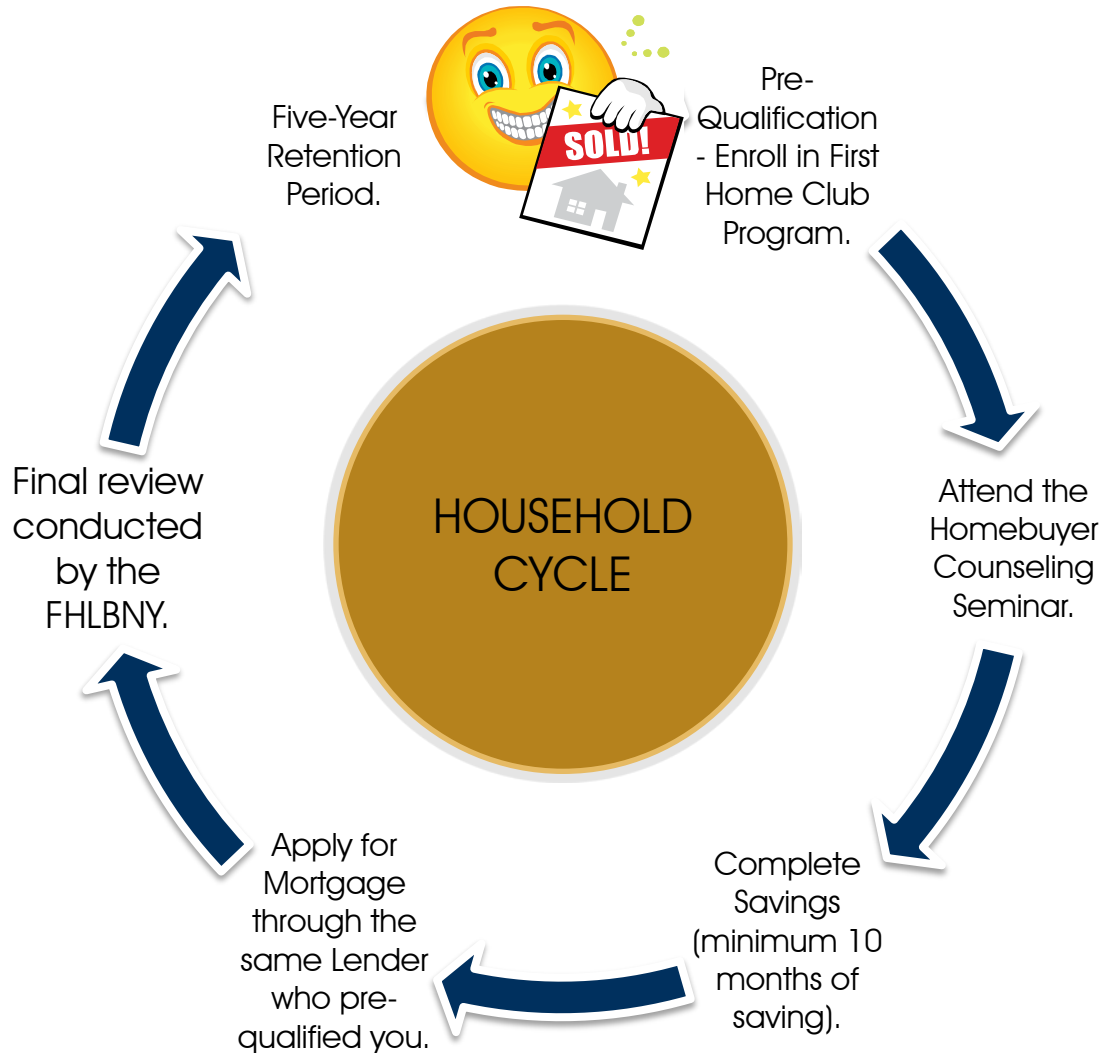
MORTGAGE AS SECURITY

1. This Mortgage is given as security for the payment of amounts due and the performance of all promises contained herewith. The Borrower mortgages the real estate owned and occupied by the Borrower described as follows:

County of **Queens**, and State of **NY**, specifically described as follows:



First Home Club - Cycle



Pop Quiz!

1. To be a first time homebuyer, I can not have owned a home in the previous _____?
[a. 1 Month](#) [b. 1 Year](#)
[c. Lifetime](#) [d. 3 Years](#)
2. How long do I have to be enrolled in the First Home Club program to qualify for the First Home Club Grant?
[a. 1 month](#) [b. 5 months](#)
[c. 10 months](#) [d. Forever](#)
3. I should bring copies of my income documentation when I meet with a First Home club representative?
[True](#) [False](#)
4. To be eligible for the maximum grant of \$7500, I need to save at least \$_____ by the end of my Savings Plan?
[a. \\$1,875](#) [b. \\$1,000](#)
[c. \\$1](#) [d. \\$1,000,000](#)
5. If I have any questions, I should contact _____?
[a. My Lender](#) [b. Counseling Agency](#)
[c. All of the above](#)



Congratulations!

You have completed the First Home Club training and are now ready to begin the process!

Contact one of our First Home Club Members by [Clicking Here.](#)
(this will end the training and bring you to www.fhlny.com)



Correct Answer!

Hooray! Correct Answer.
(Back to Quiz, [Click Here.](#))



Wrong Answer

Sorry! Wrong Answer.

Please try again.

(Back to Quiz, [Click Here.](#))

