Homebuyer Dream Program® (HDP®) Recapture Process

July 2026

Introduction

This tutorial provides an overview of events of non-compliance and outlines the process for completing the Affordable Housing Program (AHP) Recapture Request Form (AHP-153) that is used for the HDP Recapture Process.

Tutorial Topics

- Events of Non-Compliance Overview
- Recapture Exceptions
- Processing of a Recapture
- AHP Recapture Request Form (AHP-153) Overview
  - Completing the “Qualifying Event” section
  - Completing the “Proxy” section
  - ‘Pro Rata’ vs. ‘Net Proceeds Minus Household Investment’ Calculations
  - Supporting Documentation for the ‘Net Proceeds Minus Household Investment’ Calculation
- Important Reminders for our Members

Events of Non-Compliance Overview

Overview

- FHLBNY may receive notification from a member that a grant is not being used in compliance with HDP requirements or AHP Regulation
- Such an event, if found to be non-compliance, may require a recapture of funds
- The FHLBNY AHP Implementation Plan, HDP Guidelines, instructions, and the Federal Housing Finance Agency's (FHFA) AHP Regulations (12 CFR Part 1291) govern events of non-compliance

Examples

- Evidence of fraud or willful non-compliance by a household, member, or counseling agency
- Sale, transfer, or refinancing prior to conclusion of the retention period

Result

- If an HDP-assisted household sells, transfers, assigns title or deed, or refinances during the retention period, a portion of the AHP subsidy may need to be repaid

Recapture Exceptions

A portion of the subsidy may not be required to be repaid if:

- The property was assisted with a permanent mortgage loan funded by an AHP subsidized advance
- The subsequent purchaser, transferee, or assignee is a low- or moderate-income household
  Note: If income of the subsequent purchaser cannot be obtained, FHLBNY will use a proxy to determine income of subsequent household.
- The portion of subsidy required to be repaid is $2,500 or less
- Following refinancing, the property remains subject to a deed restriction or other retention mechanism compliant with the AHP regulation
- There is an instance of foreclosure or transfer by deed-in-lieu of foreclosure
- An assignment of Federal Housing Administration (FHA) first mortgage to the U.S. Department of Housing and Urban Development (HUD) occurs
- The AHP-assisted homeowner dies
- The AHP-assisted purchase property is acquired through inheritance

Processing of a Recapture

If a member believes an event of non-compliance has occurred, the member must complete and submit the AHP Recapture Request Form (AHP-153), available on the FHLBNY website

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The form will collect pertinent data related to the date of non-compliance, nature of the event, and what, if any, net proceeds were realized by the AHP-assisted household

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Upon entering this information, the form will provide an initial indication of the amount of subsidy required to be repaid

AHP Recapture Request Form (AHP-153): Overview

Instructions Tab: Completion of the Recapture Request Form begins with a review of the Instructions tab. The introduction section will guide you through the following tabs, some of which may not be applicable depending on the nature of the non-compliance event.

1. **Qualifying Event:** In this section, the member must provide basic information about the event of non-compliance. There is a drop-down menu with several scenarios that may apply to the transaction. Certain events, by regulation, exempt the household from the recapture process. If the event qualifies as an exception, the member must still submit the form to the FHLBNY and retain all applicable supporting documentation for verification.
2. **Proxy:** This section captures the data used to determine if the subsequent purchaser can, by a reliable indicator, be considered to be a low- or moderate-income household. The form makes calculations from data entered regarding the applicable HUD HOME Investment Partnerships Program (HOME) and Housing Trust Fund (HTF) homeownership value limit.
3. **Repayment:** This section allows for the calculation of both the “pro rata” and “net proceeds minus household investment” recapture amounts. If the lesser of these two calculations is $2,500 or less, no recapture is necessary.
4. **Documentation Submission:** This section provides details on the submission of the AHP Recapture Request Form along with supporting documentation.

Federal Home Loan Bank
NEW YORK

Affordable Housing Programs (AHP) : Recapture Request Form (AHP-153)

Instructions for Owner-Occupied Unit Notice & Repayment

1. Completing the "Qualifying Event" tab

1. Fill out all fields in sections #1 - #4
2 “Event Type” (# 5) provides several options in a drop down box. Select one and follow the
(1) Sale of Property

2. Completing the "Proxy" tab

1. Fill out the “Number of Units,” “Sales Price,” and “Anticipated Date of Non-Compliance/ F
2. Next, access the Proxy test data by visiting https://www.hudexchange.info/resource/231
• Download the HOME Homeownership Value Limits spreadsheet for the year in which th
• Open the file and find the county in which the AHP-assisted unit is located

3. Completing the "Repayment" tab

1. Use the Repayment tab to calculate both the pro rata share and Net Proceeds minus Hou
2. Complete the information in sections #1 - #2
3. Section #3 will automatically calculate the pro rata share of subsidy based on data inputte

4. Documentation Submission

In cases where there was a sale to low- or moderate-income household, and the purchaser h
Calculation Worksheet and supporting documentation for the purchaser household. If supp
test is conducted, retain the HUD Existing Homeownership Value Limits and any other applic

Completing the "Qualifying Event" Section

AHP RECAPTURE REQUEST FORM (AHP-153)

In this section, the member must provide basic information about the borrower and select the type of non-compliance.

Members must fill out each field in this section so the need for recapture can be evaluated.

The "Event Type" selected in Section 5 will help determine next steps in filling out the Recapture Form, including whether repayment is necessary.

The form will also direct you to the next applicable section, as not all tabs in the workbook may apply.

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Affordable Housing Programs (AHP) : Recapture Request Form (AHP-153) *Version 4.0.0*

Qualifying Event

1. Project/Household Details	
Program *(select one)*	Homebuyer Dream Program
Household Name	househol
Household ID	12345

2. Preparer Information	
Member Name	Member Insttitution
Prepared By	John Doe
Email Address	John.Doe@sample.co,
Telephone Number	(555) 555-5555

3. Borrower Information	
Property Street Address	Purchase Property
Property City, State, Zip	City, State, Zip

4. Notice Information	
AHP Subsidy Amount Disbursed	$12,500.00
Original Loan Closing Date	6/8/2015
Anticipated Date of Non-Compliance/ Pay off	5/29/2026

5. Event Type	
Event Type *(select one)*	(1) Sale of Property
Event Subtype *(select one, if applicable)*	(a) Sale of property to a household with income at or below 80% A.M.I.
Next Step in Recapture Process	**No repayment required. Submit completed Recapture Form to FHLBNY for verification.**

(1) Sale of Property

- (1) Sale of Property
- (2) Assignment of FHA Mortgage to HUD
- (3) Foreclosure
- (4) Death of Homeowner
- (5) Refinance
- (6) Household Voluntary Repayment
- (7) Deed in Lieu
- (8) Other

Completing the “Proxy” Section

AHP RECAPTURE REQUEST FORM (AHP-153)

The Proxy section captures the data used to determine if the subsequent purchaser can be considered, by reliable indicator, a low- or moderate-income household.

The form makes calculations from data entered regarding the applicable HUD HOME and HTF homeownership value limit.

The Proxy Data needed to perform a Proxy Test is available via a weblink embedded in the form.

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Proxy

1. Proxy Test	
Proxy Data	https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value/
Number of Units *(select one)*	1-unit
Sales Price	$400,000.00
Anticipated Date of Non-Compliance / Pay off	5/29/2026
HUD Data Effective Date	12/1/2025
HUD Value Limit	$389,000.00
Difference Between Sales Price and Value Limit	$11,000.00
Next Step in Recapture Process	**Proceed to Repayment Tab**

Go to Repayment Tab

Repayment Tab: ‘Pro Rata’ vs ‘Net Proceeds Minus Household Investment’ Calculation

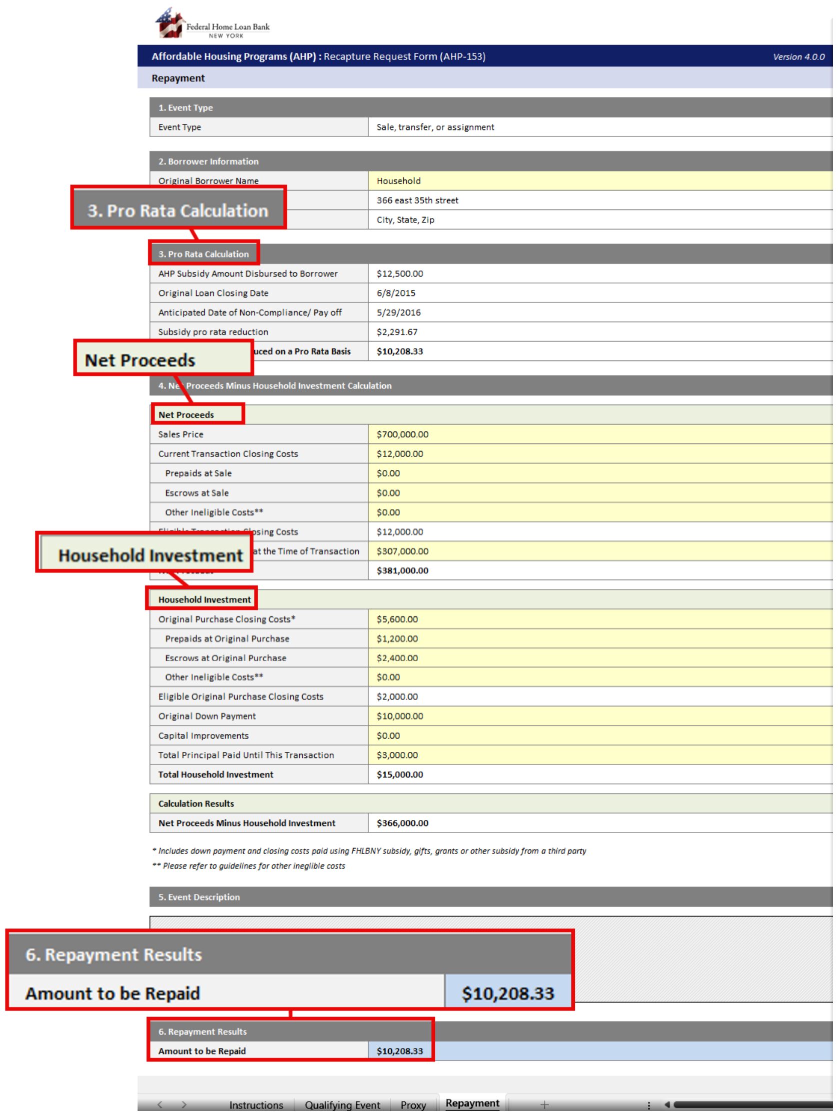
AHP RECAPTURE REQUEST FORM (AHP-153)

The Repayment section is used to determine the amount of subsidy to be repaid. It allows for two calculations to be performed:

- **Pro Rata Calculation**
  This approach reduces the subsidy on a pro rata basis per month until the date of sale, transfer, deed transfer or refinance.
- **Net Proceed Minus Household Investment Calculation**
  This calculation utilizes the following:
  - “Net proceeds” are calculated based on transaction type. For a sale, transfer, or assignment, they equal the sales price minus reasonable and customary costs and any superior debt. For a refinancing, they equal the new mortgage amount minus reasonable and customary costs and the existing loan balance.
  - “Household investment” includes reasonable and customary costs paid by the household in connection with the original purchase, down payment for the original purchase, capital improvements, and repayment of senior mortgage principal.

Repayment results, if applicable, are provided at the bottom of the section.

If the lesser of these two calculations is $2,500 or less, no recapture is necessary.



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Affordable Housing Programs (AHP) : Recapture Request Form (AHP-153) *Version 4.0.0*

Repayment

1. Event Type	
Event Type	Sale, transfer, or assignment

2. Borrower Information	
Original Borrower Name	Household
	366 east 35th street
	City, State, Zip

3. Pro Rata Calculation	
AHP Subsidy Amount Disbursed to Borrower	$12,500.00
Original Loan Closing Date	6/8/2015
Anticipated Date of Non-Compliance/ Pay off	5/29/2016
Subsidy pro rata reduction	$2,291.67
...uced on a Pro Rata Basis	**$10,208.33**

4. Net Proceeds Minus Household Investment Calculation

Net Proceeds	
Sales Price	$700,000.00
Current Transaction Closing Costs	$12,000.00
Prepaids at Sale	$0.00
Escrows at Sale	$0.00
Other Ineligible Costs**	$0.00
...osing Costs	$12,000.00
...at the Time of Transaction	$307,000.00
	$381,000.00

Household Investment	
Original Purchase Closing Costs*	$5,600.00
Prepaids at Original Purchase	$1,200.00
Escrows at Original Purchase	$2,400.00
Other Ineligible Costs**	$0.00
Eligible Original Purchase Closing Costs	$2,000.00
Original Down Payment	$10,000.00
Capital Improvements	$0.00
Total Principal Paid Until This Transaction	$3,000.00
Total Household Investment	**$15,000.00**

Calculation Results	
Net Proceeds Minus Household Investment	**$366,000.00**

** Includes down payment and closing costs paid using FHLBNY subsidy, gifts, grants or other subsidy from a third party*
*** Please refer to guidelines for other ineglible costs*

5. Event Description

6. Repayment Results	
Amount to be Repaid	$10,208.33

Supporting Documentation for the Net Proceeds Minus Household Investment Calculation

AHP RECAPTURE REQUEST FORM (AHP-153)

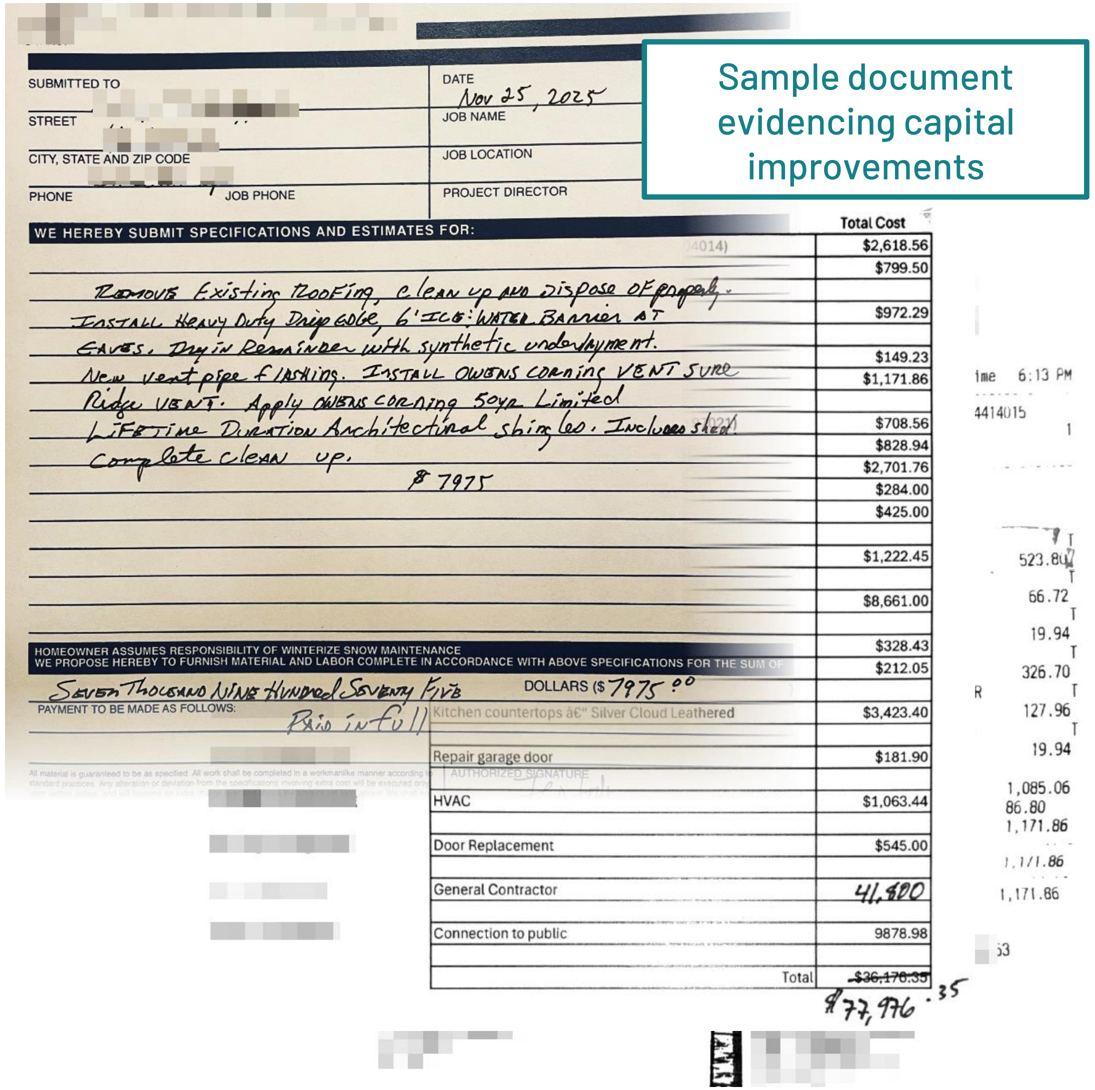
The “Net Proceeds Minus Household Investment” calculation must be supported by documentation validating the amounts used in the assessment.

Documentation from the mortgage lender can be used as evidence of mortgage paid. Alternatively, the principal amount paid may be confirmed based on information contained in the closing statements.

Capital improvements may include reconstruction, rehabilitation, addition or other substantive improvements. For example:

- Adding of baths or bedrooms
- Installation of air conditioning
- New plumbing or electric wiring
- Finishing a basement
- Exterior painting
- Doors
- Driveways/sidewalks
- New roof
- Paving a driveway

General maintenance and repairs are not considered substantive capital improvements.


SUBMITTED TO
STREET
CITY, STATE AND ZIP CODE
PHONE JOB PHONE
DATE Nov 25, 2025
JOB NAME
JOB LOCATION
PROJECT DIRECTOR

WE HEREBY SUBMIT SPECIFICATIONS AND ESTIMATES FOR:

Remove Existing Roofing, clean up and dispose of properly. Install Heavy Duty Drip Edge, 6' Ice & Water Barrier at Eaves. Dry in Remainder with synthetic underlayment. New vent pipe flashing. Install Owens Corning Vent Sure Ridge Vent. Apply Owens Corning 50yr Limited Lifetime Duration Architectural shingles. Includes shed. Complete clean up.
$7975

HOMEOWNER ASSUMES RESPONSIBILITY OF WINTERIZE SNOW MAINTENANCE
WE PROPOSE HEREBY TO FURNISH MATERIAL AND LABOR COMPLETE IN ACCORDANCE WITH ABOVE SPECIFICATIONS FOR THE SUM OF
Seven Thousand Nine Hundred Seventy Five DOLLARS ($7975.00)
PAYMENT TO BE MADE AS FOLLOWS:
Paid in full
AUTHORIZED SIGNATURE

	Total Cost
	$2,618.56
	$799.50
	$972.29
	$149.23
	$1,171.86
	$708.56
	$828.94
	$2,701.76
	$284.00
	$425.00
	$1,222.45
	$8,661.00
	$328.43
	$212.05
Kitchen countertops â€" Silver Cloud Leathered	$3,423.40
Repair garage door	$181.90
HVAC	$1,063.44
Door Replacement	$545.00
General Contractor	41,800
Connection to public	9878.98
Total	~~$36,170.35~~ $77,976.35

Sample document evidencing capital improvements

Important Reminders for Members

- Transactions involving a home equity line of credit (HELOC) or similar scenarios that could result in a recapture will be handled on a case-by-case basis.
- The member is responsible for gathering and reviewing all supporting documents utilized when calculating the recapture amount.
- If the Recapture Request Form returns a result of ‘No repayment required’, the member must still submit the form and supporting documentation to FHLBNY for verification.
- The Recapture Request Form and all supporting documents must be submitted to HDP@fhlbny.com
- The member is accountable for recovering the HDP grant from a household as determined by the FHLBNY.
- Please refer to HDP Guidelines for complete information about the recapture process.

Questions or additional information:

HDP@fhlbny.com