



Federal Home Loan Bank  
NEW YORK

# Homebuyer Dream Program®

## 2022 Virtual Training Seminar



# Today's Agenda



- Homebuyer Dream Program® Overview
- HDP® Allotment Methodology
  - ✓ Q&A
- HDP® : Lifecycle
  - ✓ Q&A
- Member Administration of the Program
  - ✓ Q&A
- Analysis of the 2021 Round



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# HOMEBUYER DREAM PROGRAM<sup>®</sup>

## OVERVIEW

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# Homebuyer Dream Program<sup>®</sup> Overview

*FHLBNY contributes 10% of its previous years net earnings to the Affordable Housing Programs*

*First-time homebuyer set-aside program offered by the Federal Home Loan Bank of New York (“FHLBNY”)*

## First-Time Homebuyer Set-Aside: Homebuyer Dream Program<sup>®</sup> (“HDP<sup>®</sup>”)

- Provides down payment and/or closing cost assistance to first-time homebuyers
- Grant up to \$9,500 per household with an additional \$500 towards defrayment of nonprofit counseling agency costs for a maximum amount of \$10,000
- Total household income must be at or below 80% of the Area Median Income for the county in which the household is purchasing
- Program administered through participating members as an annual Round

HDP Round will open March 21st, 2022, offering \$11M in grant funds



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# HOMEBUYER DREAM PROGRAM<sup>®</sup>

## ALLOTMENT METHODOLOGY

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# Individual Member Allotment

## Allotment Process

- Members will be provided an individual allotment to be used for eligible households
- Allotments are:
  - ✓ Based upon 3-year historical commitment activity
  - ✓ Communicated within 30 days of Round opening
- To receive an allotment, members must provide the following by February 15<sup>th</sup>, 2022:
  - ✓ Member Participation Agreement (Form: HDP-001)
  - ✓ HDP Secure File Transfer Enrollment (Form: HDP-002)
- Members have until August 26<sup>th</sup>, 2022, to fully reserve allotments



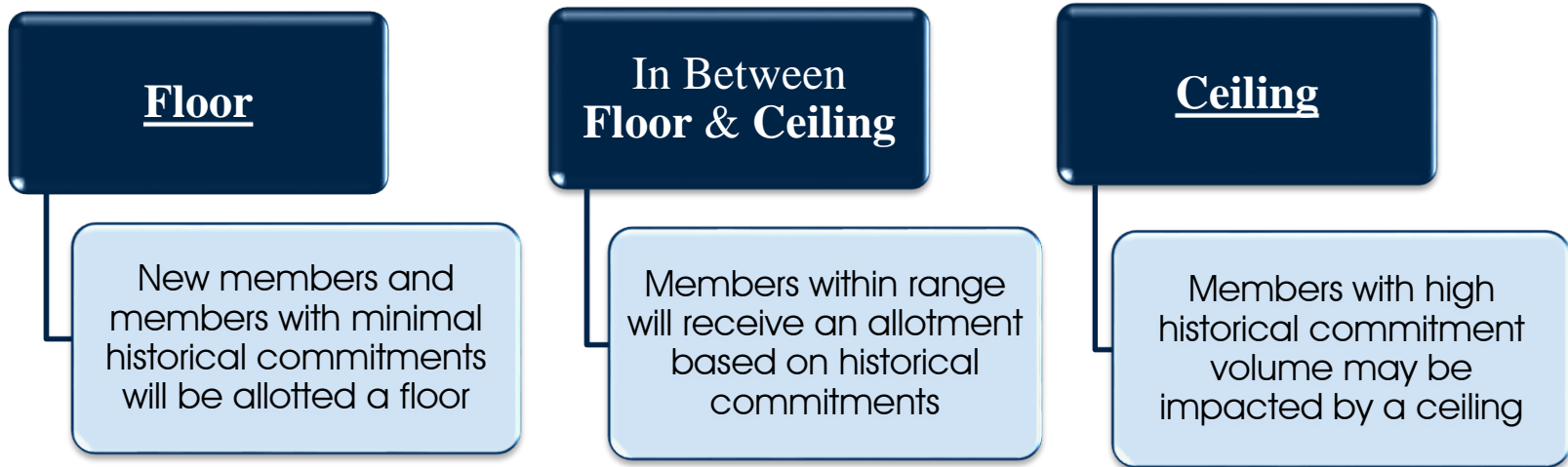
## Reallotment Process → If remaining funds are available

- On September 2<sup>nd</sup>, 2022, unreserved allotments will be redistributed in order of exhaustion
- Exhaustion is defined as a remaining initial allotment of \$10,000 or less



# 2022 Homebuyer Dream Program® Round

Allotments will be distributed equitably



Factors that determine individual member allotments:

- Total allocation for the HDP Round
- Maximum grant amount
- Number of members that participate in the 2022 HDP Round
  - ✓ Historical commitments of participating members
- Determination of the Round floor & ceiling



# Homebuyer Dream Program<sup>®</sup>: Key Dates

## 2022 Annual HDP Round Details:

- Member Participation Agreement due: **February 15<sup>th</sup>**
  - ✓ *Members that do not comply with the February 15<sup>th</sup> deadline will not receive an allotment and be ineligible to participate in the 2022 HDP Round*
- Communication of allotment: **Within 30 Days of Round Opening**
  - ✓ *2022 HDP Request Form will also be available on FHLBNY website*
- Round opens with initial allotment: **March 21<sup>st</sup>**
- Initial allotment ends: **August 26<sup>th</sup>**
- Reallotment begins for eligible members: **September 2<sup>nd</sup>**
  - ✓ *Additional funds are not guaranteed - participating members with exhausted allotments may receive additional funds*
- Round closure: **November 30<sup>th</sup>**





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# QUESTIONS & ANSWERS

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# HOMEBUYER DREAM PROGRAM<sup>®</sup>

## LIFECYCLE

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# Homebuyer Dream Program® Life Cycle



## DETERMINING HOUSEHOLD ELIGIBILITY

- Member qualifies household based on program parameters outlined within the HDP Guidelines



## HOUSEHOLD RESERVATION REQUEST

- Member submits a new household reservation request to the FHLBNY via Secure File Transfer Portal



## COMMITMENT OF GRANT

- FHLBNY reviews reservation request for eligibility and upon approval issues a commitment to the member for a period of 120 days



## FUNDING OF GRANT

- Member submits a funding request no later than 15 days prior to the commitment expiration
- Funds are disbursed to the member on a post-closing basis



## RETENTION PERIOD

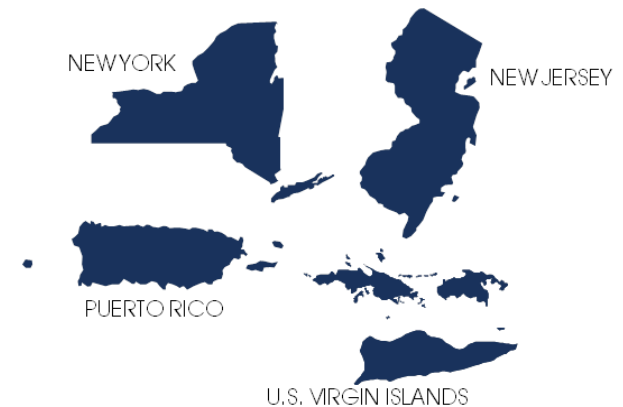
- Household is required to remain in the home during the 5-year retention period



# Household Eligibility

Member determines household eligibility and ensures the following:

- Household is a first-time homebuyer
- Total household income is at or below 80% area median income
- Provide a fully executed Purchase and Sales Contract
- A minimum equity contribution of \$1,000 towards the purchase
- Purchase an eligible property in the FHLB NY District:
  - ✓ New York
  - ✓ New Jersey
  - ✓ Puerto Rico
  - ✓ U.S. Virgin Islands
- Completion of homeownership counseling
- Execution of a 5-year retention document at closing



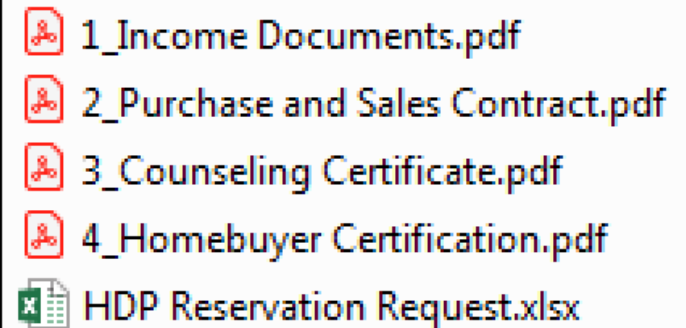
# Submitting a Reservation Request

Request must be submitted as one zip file via the Secure File Transfer Portal and include the following:

- Income documentation
  - ✓ For all sources of income
- Purchase and Sales Contract
- Homeownership Counseling Certificate
- HDP Homebuyer Certification (*HDP-004*)
- Homebuyer Dream Program Request Form (*HDP-005*)
  - ✓ Select “New Household Reservation Request”
  - ✓ 100% Completed
  - ✓ MS Excel format, containing the “.xlsx” file extension

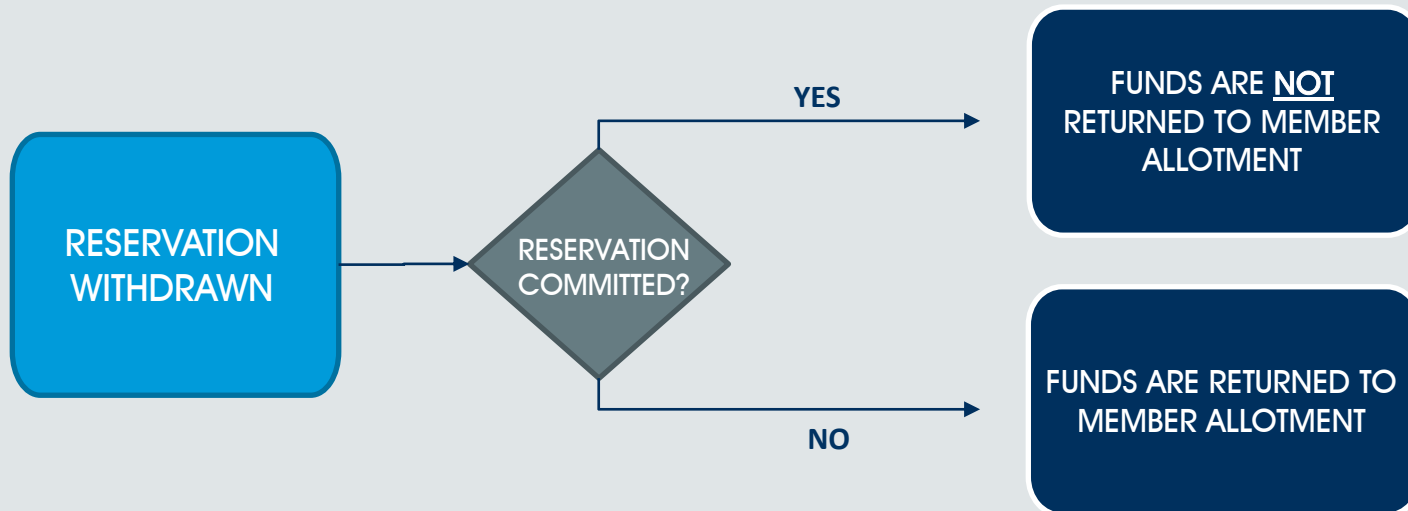
If applicable:

- Zero Income Certification (*AHP/HDP-001*)
- Legal separation agreement and/or divorce decrees



# Submitting a Reservation Request

- When does the reservation impact your member allotment?
  - ✓ At successful upload to the FHLBNY system
- What happens if your household reservation is withdrawn?



# Commitment of Grant

- Upon review and approval of reservation request, FHLBNY notifies member via email

## Commitment:


- Valid for 120 days
- Not transferrable to another:
  - ✓ Purchase property
  - ✓ Member
  - ✓ Homebuyer(s)
- May not increase after issuance

- Commitments are emailed to the member
- The household closing and reimbursement of funds to the member must occur by expiration of the 120-day commitment



# Submitting a Funding Request

Request must be submitted as one zip file via the Secure File Transfer Portal at least 15 days prior to the commitment expiration

- Retention Documents 
- Closing Disclosure
  - ✓ Itemize total grant amount as "HDP Grant"
  - ✓ \$1,000 minimum equity contribution
  - ✓ Disclose nonprofit counseling agency fee, if applicable
- Certification of Intent to Record
- Homebuyer Dream Program Request Form (HDP-005)
  - ✓ Select "Funding Request"
  - ✓ 100% Completed
  - ✓ MS Excel format, containing the ".xlsx" file extension

## Conventional Loan

- Retention (HDP-006)

## Federal Housing Administration ("FHA")





- FHA Retention (HDP-006 FHA)

## Co-Op Financing

- Retention (HDP-006 COOP)

## Puerto Rico

- Retention (HDP-006 PR)
- FHA Retention (HDP-006 FHA PR)

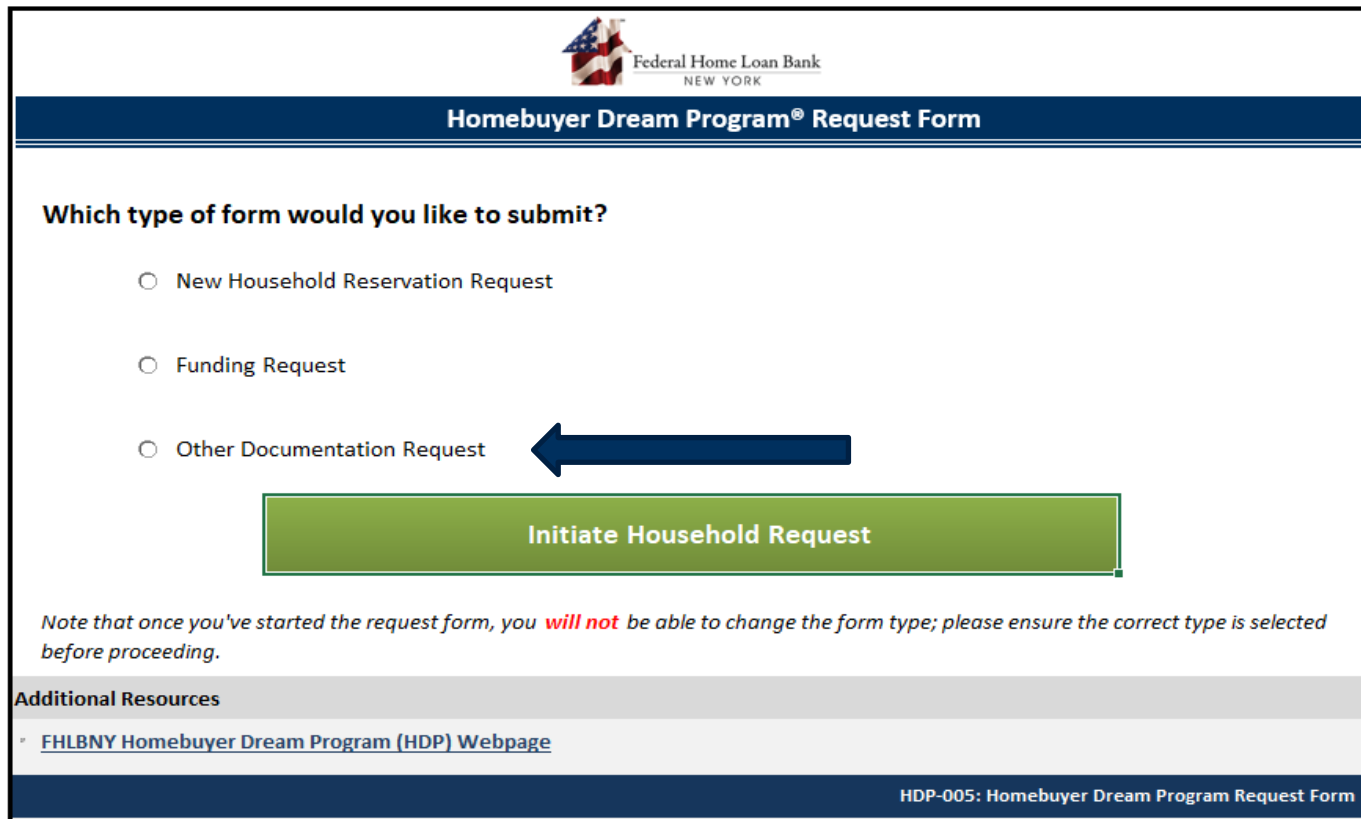
-  1\_Retention Documents.pdf
-  2\_Closing Disclosure.pdf
-  3\_Certificate of Intent to Record.pdf
-  HDP Funding Request.xlsx





# How to Use the Request Form

- New Household Reservation Request
- Funding Request
- Other Documentation Request



The screenshot shows the top portion of a web form. At the top center is the logo for the Federal Home Loan Bank of New York, featuring a stylized American flag. Below the logo is the text "Federal Home Loan Bank NEW YORK". A dark blue horizontal bar contains the title "Homebuyer Dream Program® Request Form" in white. Below this bar, the question "Which type of form would you like to submit?" is displayed. Three radio button options are listed: "New Household Reservation Request", "Funding Request", and "Other Documentation Request". A large, dark blue arrow points from the right towards the "Other Documentation Request" option. Below the radio buttons is a green rectangular button with the text "Initiate Household Request". A note in italics states: "Note that once you've started the request form, you **will not** be able to change the form type; please ensure the correct type is selected before proceeding." Below the note is a section titled "Additional Resources" with a link: "FHLBNY Homebuyer Dream Program (HDP) Webpage". At the bottom right of the form area, the text "HDP-005: Homebuyer Dream Program Request Form" is displayed.

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**Homebuyer Dream Program® Request Form**

**Which type of form would you like to submit?**

New Household Reservation Request

Funding Request

Other Documentation Request

**Initiate Household Request**

*Note that once you've started the request form, you **will not** be able to change the form type; please ensure the correct type is selected before proceeding.*

**Additional Resources**

[FHLBNY Homebuyer Dream Program \(HDP\) Webpage](#)

HDP-005: Homebuyer Dream Program Request Form

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# QUESTIONS & ANSWERS

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# MEMBER ADMINISTRATION OF THE PROGRAM

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# Member Administration of the Program



## Forms & Documents

- Familiarize yourself with our AHP Implementation Plan, HDP Guidelines, & HDP tutorials
- Files submitted via the Secure File Transfer Portal must be done as one Zip file
- HDP Request Form (.xlsx file extension) is required for all submissions (Reservations, Fundings, Other Documentation)

## Member Communication & Contacts

- The creation of a group email ensures your internal partners keep abreast during the household's lifecycle
- Ensure primary contacts have an alternate resource
- Everyone affiliated with HDP within the organization must be familiar with key dates to the program



# Member Administration of the Program



## Reservation/Funding Requests

- FHLBNY forms should not be saved on desktop
- Provide legible documents
- Review all packages prior to upload
- Reservation Requests with outstanding conditions are denied after 2 business days from receipt of email

## Counseling

- \$500 in defrayment subsidy is paid directly to the nonprofit counseling agency at closing
- Counseling agency and cost must be itemized on the Closing Disclosure
- Counseling program must be provided by an agency that is accredited by HUD, a State Government or State Housing Finance Agency (HFA), or the National Industry Standards for Homeownership Education and Counseling



# Member Administration of the Program



## Tracking of Commitments

- It is the members' responsibility to monitor the commitment period
- Reimbursement of funds to occur by the commitment expiration date
- At the time of commitment expiration, the household is withdrawn from the program
- Once a commitment is issued, changes to the grant amount are not permitted

## Pipeline Status Reports

- Provided to assist with the reconciliation of your active pipeline
- The FHLBNY uploads the report regularly via the Secure File Transfer Portal
- Use to monitor all aspects of your pipeline during the current round
- Use the report to effectively manage the 120-day commitment period



# Member Administration of the Program

## Retention Monitoring

- HDP retention is five (5) years from the date of closing
- Members must promptly notify FHLBNY if households sells, transfers, or assigns title or deed to the subject property
- The member is responsible for subordination requests during the Retention Period
- Member is responsible for recording a release of lien at the end of the five-year Retention Period
- On an annual basis, members will be required to certify that households within the five-year retention period have not had an event of non-compliance
- In situations whereby the loan and/or servicing is sold to another investor, the member continues to be responsible for the 5-year retention monitoring period



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# QUESTIONS & ANSWERS

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# ANALYSIS OF THE 2021 ROUND

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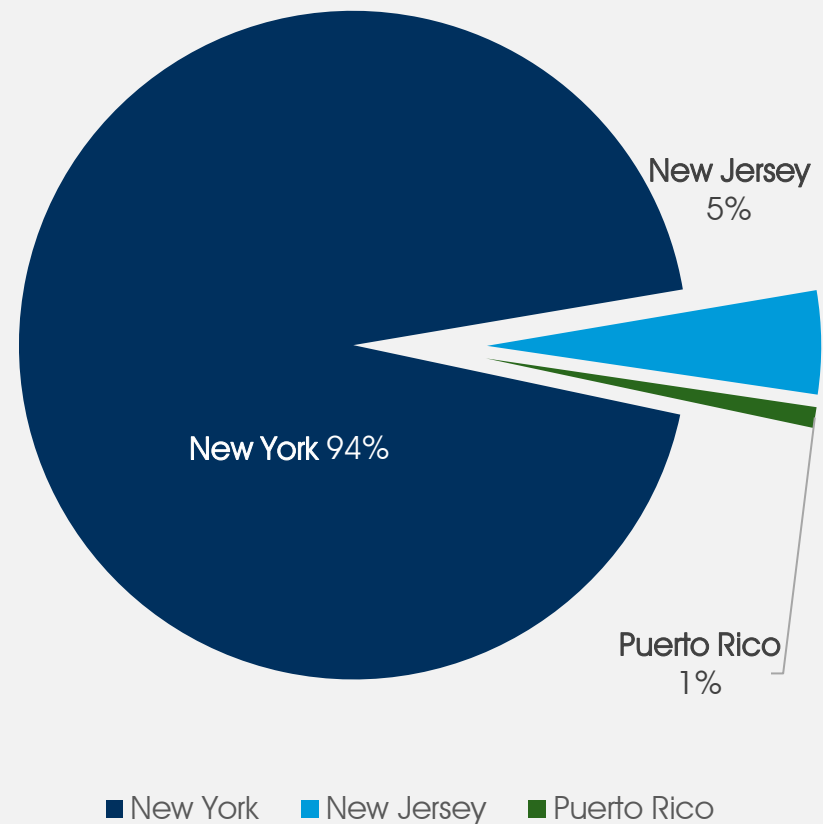
# 2021 Homebuyer Dream Program® Data

- \$13.5M Committed to Low/Moderate Income Households
- 1,424 Commitments were Issued to 74 Members
- 99% Commitment Success Rate

## 2021 HDP Household Demographics

Region	Median Purchase Price	Median Household Income
New York	\$156,600	\$54,800
New Jersey	\$287,500	\$66,000
Puerto Rico	\$81,500	\$19,800

## Geographic Distribution of 2021 HDP Commitments





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## *Advancing Housing and Community Growth*

Questions or additional information:

[HDP@fhlbny.com](mailto:HDP@fhlbny.com)



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