



Federal Home Loan Bank
NEW YORK

Homebuyer Dream Program[®] Plus Guidelines – 2024 –

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Introduction

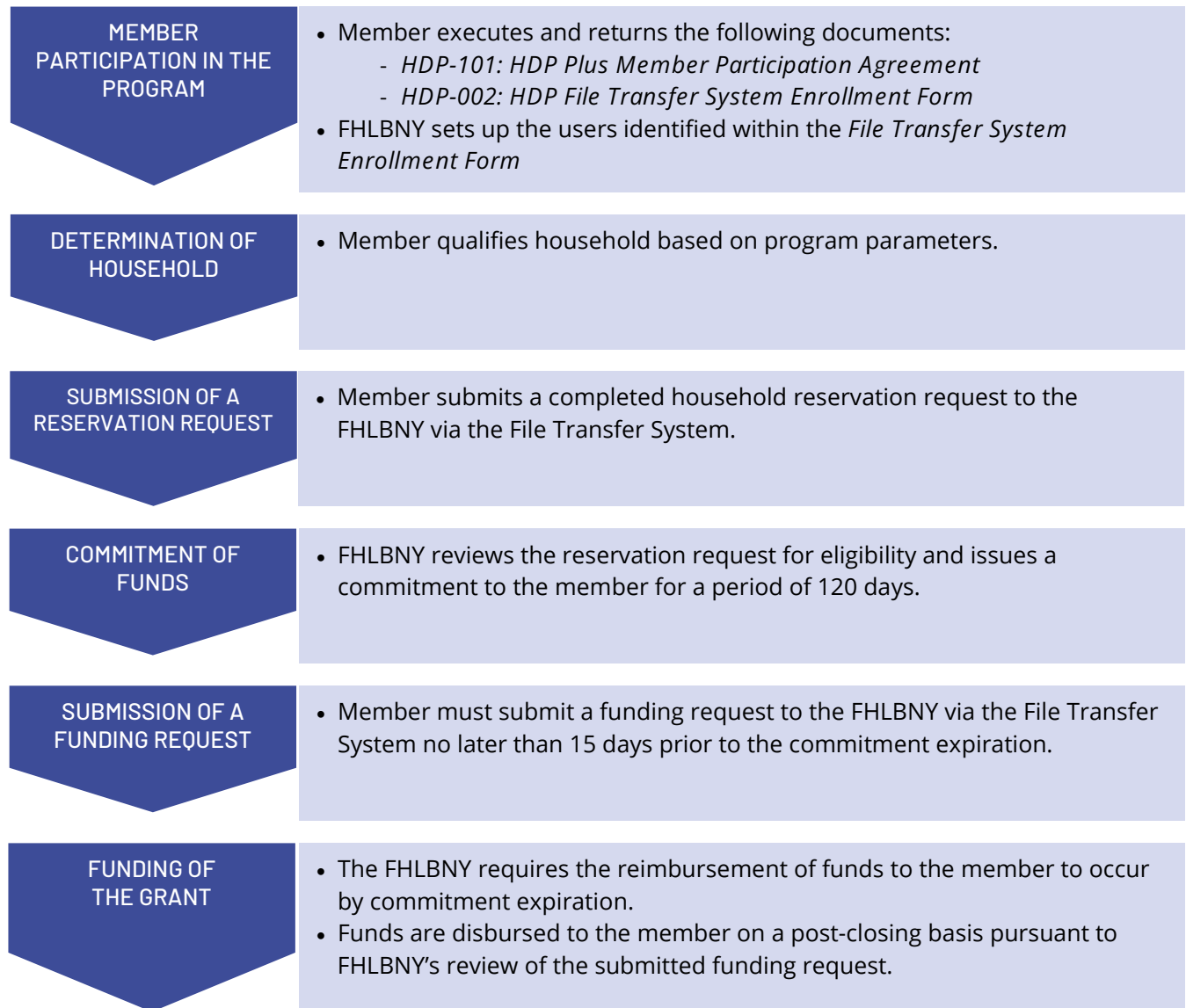
The mission of the Federal Home Loan Bank of New York (“FHLBNY”) is to provide members with reliable liquidity in support of housing and local community development. The FHLBNY meets our mission by providing our members with access to economical wholesale credit and assistance through our credit products, mortgage finance program, housing and community lending programs, and correspondent services.

The Homebuyer Dream Program® Plus (“HDP® Plus”) is a first-time homebuyer program that provides grant funds to be used towards down payment and closing cost assistance to eligible first-time homebuyers earning above 80% the Area Median Income (“AMI”) and purchasing homes in New York, New Jersey, Puerto Rico or the U.S. Virgin Islands.

The maximum grant that a household may receive is up to \$19,500, as determined by the member, and submitted to the FHLBNY. Additionally, HDP Plus also offers up to \$500 towards the defrayment of homeownership counseling costs, which will be provided for the use of the household via the member to the non-profit counseling agency. The amount of the defrayment will be added to the grant resulting in the potential maximum assistance of \$20,000.

The HDP Plus Guidelines (“Program Guidelines”) will assist you as you work along with the homebuyer, and counseling agency to ensure HDP Plus grants are executed and funded in a timely manner and in compliance with these Program Guidelines. These Program Guidelines are intended to be illustrative, not exhaustive, as not all possible scenarios can be addressed herein.

The diagram below outlines the program life cycle beginning with member participation.



Program Overview

Program Offering

Subject to the availability of HDP Plus funds, the FHLBNY shall provide an annual allotment of HDP Plus funds to be administered through its qualified participating members. In this endeavor, the FHLBNY needs to ensure that all interested members can equitably participate in the HDP Plus and ensure commitments remain within the constraints of available annual funding. Members may elect to participate in the 2024 HDP Plus Round (the "Round") by executing an updated *HDP Plus Member Participation Agreement* (HDP-101) submitted via email to HDP@fhlbny.com no later than February 9, 2024. Members that do not comply with this deadline will not be eligible to participate in the Round.

For the inaugural round of HDP Plus, all participating members will receive an equal initial allotment. A notification of initial allotments will be distributed within thirty (30) days of the start date of the Round (scheduled to commence on or around March 18, 2024). It is the member's responsibility to monitor their assigned allotment.

Qualified participating members will have until August 30, 2024, to fully reserve their initial allotment. All unreserved allotments across the participating members remaining as of 5:00 p.m. ET on August 30, 2024, will be removed from each member and combined for the purpose of redistribution during the reallocation. The collective funds will be distributed in rank order to members who exhausted their initial allotments, with exhaustion of funds being defined as \$20,000 or less from the initial allotment remaining unreserved. Multiple reallocations can occur dependent upon funds available. The first reallocation will occur on September 6, 2024. There is no guarantee that additional funds will become available nor that participating members with exhausted allotments will receive additional funds.

Once the Round opens, participating members may begin submitting reservation requests for eligible households. The maximum grant amount that a household may receive is up to \$19,500, as determined by the participating member and submitted to the FHLBNY. Funds may be used toward the down-payment and/or closing cost for the purchase of a home by a qualified household. Additional grant funds up to \$500 may be added to the total grant amount awarded to assist in defraying the cost of the non-profit counseling agency. The Round will end on November 30, 2024, as of 5:00 p.m. ET or whenever funds are exhausted, whichever comes first.

Member Participation

Members who are in good standing with the FHLBNY may apply to participate in the HDP Plus round by completing the *HDP Plus Member Participation Agreement (HDP-101)*. By executing this agreement, the member agrees that it has received notification of and will comply with the requirements established by the FHLBNY's HDP Plus Guidelines, whether now existing or hereafter amended or implemented. The member also agrees that it will pass on the full amount of the HDP Plus grant to the household and the grant will be used in accordance with the terms of the *HDP Plus Member Participation Agreement (HDP-101)*.

Participation in HDP Plus may be restricted at any time at the sole discretion of the FHLBNY.

FHLBNY File Transfer System

Pursuant to applicable Federal and State laws, to protect household information that may be utilized to develop a credit profile if intercepted by an unauthorized third party, the FHLBNY requires that all HDP Plus documentation be submitted through FHLBNY's File Transfer System ("FTS").

The FHLBNY must receive a fully executed *HDP File Transfer System Enrollment Form* identifying member representatives authorized to submit program documentation to the FHLBNY (HDP-002). Member representatives listed in the *HDP File Transfer System Enrollment Form* must have both a User ID and password established for the FTS. It is the member's responsibility to advise FHLBNY of any changes in member representatives.

All files submitted through the FTS must be done as one Zip file per household and must contain a completed and accurate *HDP Plus Request Form* (HDP-105 in MS Excel format, containing the .xlsx file extension) and all supporting documentation (in PDF format). Submissions received by FHLBNY via e-mail or methods other than the FTS will not be accepted. A successful upload through the FTS does not constitute a reservation or commitment of funds.

Submission of a New Household Reservation Request

To submit a new household reservation request, the member must complete the *HDP Plus Request Form (HDP-105)* selecting the New Household Reservation Request option.

Homebuyer Dream Program® (HDP®) Plus Request Form - 2024 Round

Which type of HDP Plus request would you like to submit?

HDP Plus New Household Reservation Request

HDP Plus Funding Request

HDP Plus Other Documentation Request

Initiate HDP Plus New Household Reservation Request

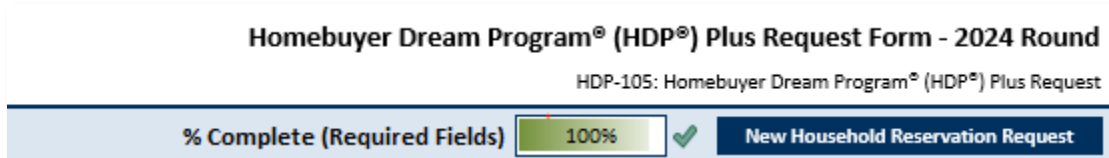
Note that once you've started the request form, you **will not** be able to change the form type; please ensure the correct type is selected before proceeding.

HDP-105: Homebuyer Dream Program® (HDP®) Plus Request Form

The *HDP Plus Request Form* (HDP-105 in MS Excel format, containing the .xlsx file extension) along with the following required documentation (in PDF format) must be submitted to the FHLB NY via the FTS as one Zip file per household:

- Income documentation for all sources of income for each income-earning adult in the household.
- Fully executed *HDP Plus Homebuyer Certification (HDP-104)*.
- Fully executed homeownership counseling certificate.
- Fully executed *HDP Zero Income Certification (AHP/HDP-101)* form(s) for each member of the household, 18 years and older, with zero income.
- Fully executed legal separation agreement or court papers filed for divorce (if applicable).

Prior to the submission of the *HDP Plus Request Form*, ensure the required fields section (located on the top right of the form) reflects 100% completion.



The screenshot shows the top right corner of the 'Homebuyer Dream Program® (HDP®) Plus Request Form - 2024 Round'. Below the title is the text 'HDP-105: Homebuyer Dream Program® (HDP®) Plus Request'. A progress bar indicates '% Complete (Required Fields)' at 100%, with a green checkmark icon to the right. A dark blue button labeled 'New Household Reservation Request' is positioned to the right of the progress bar.

The submission of a new household reservation request through the FTS does not constitute a reservation or commitment of funds. In the event the FHLB NY receives an incomplete *HDP Plus Request Form* and/or missing supporting documentation, the FHLB NY reserves the right to deny the household reservation request,

and the member will be required to submit a new household reservation request. If the household reservation request is conditioned for additional documentation/information, the member will have 2 business days to respond to the request. If not received after 2 business days the household will be denied, and the member will be required to submit a new household reservation request.

Commitment of Funds

The FHLBNY, in its sole discretion, will determine whether each household has met the HDP Plus eligibility requirements, prior to commitment of a HDP Plus grant.

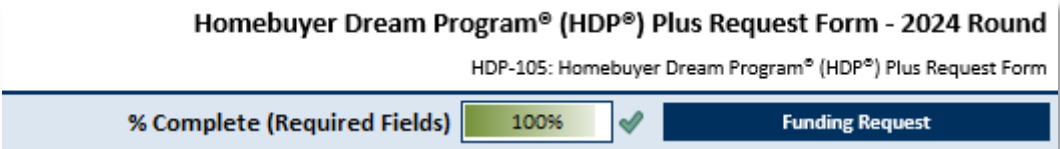
Upon the FHLBNY’s approval of the reservation request, the commitment of grant will be issued via email to the member confirming commitment of the grant for a 120-day period.

Once a commitment has been issued, changes to the grant amount will not be permitted. If a request for a grant amount change occurs, it must be done prior to the issuance of the commitment. The homebuyer and property address on the commitment must match the homebuyer and property address identified on the Closing Disclosure. Commitments may not be transferred to another member, property or homebuyer(s). Commitments that are withdrawn will not be credited back to the member’s allotment.

The FHLBNY requires reimbursement of funds to the member to occur by the commitment expiration date. It is the members’ responsibility to monitor the commitment period and communicate with the FHLBNY if there are any issues with submitting the funding request no later than fifteen (15) days prior to commitment expiration. If a member requests a commitment extension, it will be evaluated on a case-by-case basis. At the time of commitment expiration, the household will be withdrawn from the program.

Submission of a Funding Request

Funding requests must be submitted by the member to the FHLBNY upon receipt of closing documentation and no later than fifteen (15) days prior to commitment expiration. The member must submit an *HDP Plus Request Form* (in MS Excel format, containing the .xlsx file extension) selecting the Funding Request option. Prior to the submission of the *HDP Plus Request Form*, ensure the required field section (located on the top right of the form) reflects 100% completion.



Homebuyer Dream Program® (HDP®) Plus Request Form - 2024 Round

Which type of HDP Plus request would you like to submit?

- HDP Plus New Household Reservation Request
- HDP Plus Funding Request**
- HDP Plus Other Documentation Request

[Initiate HDP Plus Funding 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.*

HDP-105: Homebuyer Dream Program® (HDP®) Plus Request Form

The *HDP Plus Request Form*, along with the Closing Disclosure (in PDF format), must be submitted to the FHLBNY via the FTS as one Zip file per household.

It is the member's responsibility to review the closing documentation to ensure completeness and adherence to the guidelines prior to the submission for reimbursement of subsidy. Failure to submit the required *HDP Plus Request Form* and supporting documentation to FHLBNY within the required timeframe may affect the member's participation status in HDP Plus. The FHLBNY reserves the right, in its sole discretion, not to fund the member if the required *HDP Plus Request Form* and supporting documentation are not received and/or deemed unacceptable to the FHLBNY.

The FHLBNY will disburse subsidies under HDP Plus only to institutions that are members of the FHLBNY at the time they request a draw-down of the subsidies. If a member with an approved Funding Request for grant subsidy loses its membership in the FHLBNY the FHLBNY may disburse grant subsidies through another Federal Home Loan Bank to a member of that Federal Home Loan Bank that has assumed the member's obligations under the approved Funding Request.

Funding of the HDP Plus Grant

Upon review and approval by the FHLBNY of the *HDP Plus Request Form* and all supporting documentation, the grant will be disbursed to the member's Overnight Investment Account ("OIA") on a post-closing basis. An email notification confirming the transfer will be issued to the member.

Submission of Other Documentation

If additional documentation is requested by FHLBNY, the member must submit an *HDP Plus Request Form* (in MS Excel format, containing the .xlsx file extension) selecting the Other Documentation category. The *HDP Plus Request Form* along with the requested documentation (in PDF format) must be submitted via the FTS as one Zip file per household.



Homebuyer Dream Program® (HDP®) Plus Request Form - 2024 Round

Which type of HDP Plus request would you like to submit?

- HDP Plus New Household Reservation Request
- HDP Plus Funding Request
- HDP Plus Other Documentation Request**

Initiate HDP Plus Other Documentation 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.*

HDP-105: Homebuyer Dream Program® (HDP®) Plus Request Form

Status Reporting

Members are required to notify the FHLBNY of any household that ceases to participate in, or no longer qualifies for, HDP Plus. On a monthly basis, an *HDP Plus Member Pipeline Status Report* will be issued to the member via the FTS. Upon receipt of the report, members must review the status report and update the FHLBNY regarding any changes to the household's status to ensure that the member's records align with the records of the FHLBNY.

Reports provided to the member will remain available within the FTS until the end of a quarter, at which time reports dated ninety (90) days or older are automatically deleted. The member is solely responsible for downloading the *HDP Plus Member Pipeline Status Report*.

Program Requirements

Determining household eligibility is the responsibility of the member and is based upon the reservation request date, defined as the date a new household reservation request is submitted to FHLBNY via the FTS. The member must ensure the following HDP Plus eligibility requirements are met:

- Meet the definition of a “first-time homebuyer” which, based on the definition by the U.S. Department of Housing and Urban Development (“HUD”), is defined as an individual who meets any of the following criteria:
 - An individual who has had no ownership in a principal residence during the 3-year period ending on the date of the purchase of the property. This includes a spouse (if meets the above test, they are considered first-time homebuyers).
 - A single parent who has only owned a principal residence with a former spouse while married.
 - An individual who is a displaced homemaker and has only owned a principal residence with a spouse.
 - An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.
 - An individual who has only owned a property that was not in compliance with state, local or model building codes and could not be brought into compliance for less than the cost of constructing a permanent structure.
- Total household income must meet the following income threshold requirements as compared to the Area Median Income (“AMI”) for the county in which the household is purchasing, adjusted for household size, as determined under 26 U.S.C. 143(f), Mortgage Revenue Bonds, as published by a State agency or instrumentality. For the U.S. Virgin Islands only, the AMI, as published annually by HUD, is used.
 - New York and New Jersey: earning over 80% AMI, but not to exceed 120% AMI
 - Puerto Rico and U.S. Virgin Islands: earning over 80% AMI, but not to exceed 150% AMI
 - Household size is based upon the number of people who will reside in the home being purchased.
 - Divorced or separated homebuyer(s) who have joint custody of their children should include the children in their household count, regardless of the amount of custody time.
- Household must adhere to the income and underwriting standards of the FHLBNY as described in the Household Income section within this document.
- Household must purchase an eligible property type in FHLBNY’s district of New York, New Jersey, Puerto Rico and the U.S. Virgin Islands.

- Eligible properties include 1-4 family dwellings, townhouses, condominiums, cooperative housing units or manufactured housing (must be affixed to a permanent foundation) to be used as the household's primary residence.
- In the case of new construction, construction must be completed prior to closing, and member must ensure issuance of a Certificate of Occupancy.
- Ineligible properties include investment properties and vacant land.
- Homebuyer(s) must provide a fully executed Purchase and Sales Contract dated prior to the reservation request date. The Purchase and Sales Contract is not required to be submitted to the FHLBNY.
- Homebuyer(s) must complete a homeownership counseling program as further defined in the Homeownership Counseling section.
- Homebuyer(s) must provide a minimum equity contribution of \$1,000 toward the purchase of the home as described in the Household Equity Contribution section within this document.
- Household closing and reimbursement of funds to the member must occur within the 120-day commitment period. Households that have closed before the issuance of a commitment are not acceptable.
- Obtain mortgage financing from the participating member, or a wholly owned subsidiary, or the federal government, or an instrumentality thereof, for the purchase of a primary residence.
- Member's first mortgage financing does not exceed the annual percentage rate, points and fees, or prepayment penalty thresholds of the Home Ownership and Equity Protection Act of 1994 and its implementing regulation (Federal Board Regulation Z), and that the first mortgage loan does not violate any Anti-Predatory Lending Laws.
- The member must comply with the underwriting standards of the FHLBNY, including but not limited to:
 - Maximum original Loan to Value ("LTV") of 97% for conventional financing and mortgages insured by the Federal Housing Administration ("FHA").
 - Loans guaranteed by the Veterans Administration ("VA") are limited to 100% and LTV is calculated using the base mortgage amount.
 - Loans guaranteed by the United States Department of Agriculture ("USDA") 502 Direct and Guaranteed Loan Programs are limited to 100% LTV.
 - Total Debt to Income Ratio greater than 45% requires the member provide an explanation of household affordability on the *HDP Plus Request Form*.
 - The term of the first mortgage financing cannot be less than 5 years.

Household Income

The household's total income must be above 80% of the AMI for the county where the property is being purchased, adjusted for household size, as determined under 26 U.S.C. 143(f), Mortgage Revenues Bond ("MRB"), as published by a State agency or instrumentality. For the U.S. Virgin Islands only, the area median income, as published annually by U.S. Department of Housing and Urban Development ("HUD") is used. The following limits are applied:

- New York and New Jersey: earning over 80% AMI, but not to exceed 120% AMI
- Puerto Rico and U.S. Virgin Islands: earning over 80% AMI, but not to exceed 150% AMI

The member is responsible for verifying all sources of income for all individuals, 18 years and older, who will reside in the home. The income of non-occupying co-signers, co-borrowers, or guarantors must also be included in the calculation for determining income eligibility.

The homebuyer(s) must demonstrate a reliable stream of income; examples include full time employment (defined as ≥ 32 hours a week), pension, disability award, Social Security, Individual Retirement Accounts, or other recurring sources.

Household members, 18 years and older, who do not receive income must execute an *HDP Zero-Income Certification* form (AHP/HDP-001) located on the FHLBNY's website and be identified under Section G of the *Income Calculation Worksheet*. If an individual is separated from his/her spouse, then the individual must also provide evidence of such separation with a legal separation agreement, legal documents filed with a court seeking a divorce or a divorce decree.

Eligible and Ineligible Income Sources

The following lists identify what does and does not constitute annual income.

What constitutes "income"?

- Total annual anticipated income from all sources, at the time of reservation, received by the household, (even if a member is temporarily absent), prior to any payroll deductions of wages and salaries, overtime pay, commissions, fees, tips and bonuses and other compensation of personal services.
- Income derived from pension, disability award, Social Security, Individual Retirement Accounts, annuities, insurance policies, death benefits or similar types of periodic receipts.
- Reported net income derived from operation of a business or profession over a one (1) year period.
- Income consistently derived from stock portfolio earnings, dividends, and other interest income.
- Net income of any kind of real or personal property.
- Payment in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay. (See Note below).
- Automobile allowance.
- Alimony, child support, or separate maintenance.

- Welfare assistance, Supplemental Security Income, and other non-earned income paid to children.
- All regular pay, special pay, and allowances of a household member in the Armed Forces.
- 75% of the total annualized anticipated rental income, if purchasing a 2-4 family unit property.

Note: Unemployment is an acceptable form of income provided there is a consistent pattern of receipt in conjunction with a reliable stream of income.

Examples of acceptable unemployment income:

- A household whose income is seasonal and receives unemployment during the off season as a supplement until they return to work (e.g., Landscaper, roof repair, union employee).

Example of unacceptable unemployment income:

- A household previously employed and receiving income, has lost their sole source of income and is currently receiving unemployment. There is no return-to-work date as they will need to search for new employment.

What does not constitute "income?"

- Employment derived from individuals (including foster children) under the age of 18 years.
- Payments received for the care of foster children or foster adults.
- Non-recurring additions to household assets (e.g., inheritances, capital gains, insurance policy death benefit payments, settlement for personal/property losses).
- Amounts received by the household that are specifically for, or in reimbursement of, the cost of medical expenses for any household member.
- Income of a live-in aide.
- Mileage reimbursement.
- Educational scholarships paid directly to a student, educational institution, or a veteran.
- Earned income tax credits.
- Unreliable and non-recurring income (e.g., gifts, employee stock option buyouts).
- The value of food stamp allotments.
- The special pay to a household member serving in the Armed Forces who is exposed to hostile fire.
- Deferred periodic payments from supplemental security income and Social Security benefits that are received in a lump-sum amount or in prospective monthly drawdowns.
- Amounts received by the household in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.
- Amounts paid by a state agency to a household with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled household member at home.

Household Income Calculation and Documentation Requirements

The reservation request date must be used to determine the applicable MRB or HUD income guidelines and the age of each household member.

Household income must be calculated using the *Income Calculation Worksheet* embedded within the *HDP Plus Request Form*. Income for all household members over the age of 18 must be documented within the *Income Calculation Worksheet*. Supporting income documentation used to calculate household income must accompany the fully completed *HDP Plus Request Form* at the time of submission of the reservation request to the FHLBNY.

In addition to being clear and legible, all supporting income documentation must indicate the household member's name, as well as the date and source of the document.

At the sole discretion of FHLBNY, additional documentation may be requested. Income calculation and documentation standards are outlined below.

Employment Income

Employment income for each member of the household should be captured in Section A of the *Income Calculation Worksheet*. Employment income, which includes gross pay and any other income that is recurring and consistent, should be supported by the following income documentation:

- One (1) month of consecutive paychecks with accompanying earnings/deductions statements dated within 60 days of the reservation date. The pay period end date, not the check date, must be utilized in calculating income; or
- Fully completed and properly executed Fannie Mae Request for Verification of Employment (Form 1005) dated within 60 days of the reservation date.
 - Note:
 - *To properly calculate Section A of the Income Calculation Worksheet, weekly pay requires 4 paystubs and bi-weekly/ semi-monthly requires 2 paystubs.*
 - *The income documentation utilized to qualify the household must provide the necessary information to perform the annualized forecast of current year-to-date and the average of one month of consecutive paystubs on the Income Calculation Worksheet.*
 - *Employment ending or starting within the year of the reservation request will require a third-party verification of employment verifying both dates.*

The *Income Calculation Worksheet* will perform two calculations and use the higher figure as the annual income. The two calculations are as follows:

- The annualized forecast of current year-to-date ("YTD") earnings, and
- The annualized forecast based on the average of one month of consecutive paystubs.

Section A - Employment Income

Applicant Name	Employer	Start Date	End of Pay Period	Paystubs / Year	30-Day Avg. Pay	YTD Gross Income	YTD Paystubs	YTD Pay Rate	Annual Income
30-Day Paystub History:					Paystub #1	Paystub #2	Paystub #3	Paystub #4	
Gross Pay Amount:									

Applicant Name	Employer	Start Date	End of Pay Period	Paystubs / Year	30-Day Avg. Pay	YTD Gross Income	YTD Paystubs	YTD Pay Rate	Annual Income
30-Day Paystub History:					Paystub #1	Paystub #2	Paystub #3	Paystub #4	
Gross Pay Amount:									

Variable/Bonus income is meant to include bonus income, commissions, profit sharing and any other income that may vary in amount or frequency of pay. Such non-reoccurring income should be removed from the household's year to date gross earnings and captured in the Variable/Bonus Income section of the *Income Calculation Worksheet*.

The member will be required to certify that the household has confirmed the income itemized in this section is a one-time payment.

Variable/Bonus Income - Instructions / Documentation

Applicant Name	Employer	End of Pay Period	Amount
Section A, Total Variable/Bonus Income			\$ -

Social Security, Pension, Public Assistance and Disability Income:

Social Security, Pension, Public Assistance and Disability Income should be captured in Section B of the *Income Calculation Worksheet*. Acceptable third-party documentation includes the following:

- Social Security Supplemental Income notices reflecting income within the year of reservation date.
- Retirement, pension and/or disability benefit statements.
- Letters or case management forms from public assistance agencies.
- Section 8 Homeownership Voucher Program approval letter.
- Other third-party documentation evidencing the amount and frequency of the benefit being received.

The gross benefit amount should be entered in the *Income Calculation Worksheet*. The worksheet will calculate an annualized income amount.

Section B - Social Security, Pension, Public Assistance and Disability Income

[Back to Top ^](#)

Applicant Name	Source	Payment Frequency	Payment Amount	Annual Income
Section B, Total Income				\$ -

Self-Employment Income

Self-Employment income should be captured in Section C of the *Income Calculation Worksheet*. Household members that report their annual earnings to the IRS through a Schedule C, 1099 statement, own a C or S Corporation, or an ownership interest in a partnership, are self-employed. Acceptable documentation includes:

- Most recent year completed copies of U.S. Individual Income Tax Returns (i.e., IRS 1040 Forms) and supporting schedules,
 - In lieu of U.S. Individual Income Tax Returns, an IRS form 4506-T (Request for Transcript Tax Return) can be submitted to the IRS, and the member can rely on and submit the transcripts furnished by the IRS.
- A year-to-date Profit and Loss (“P&L”) Statement prepared by the household member must be provided.

If a household member owns 25% or greater of a business, the applicable business tax returns must be provided.

The P&L must state that these numbers are true and accurate and must be signed by the applicable household member. Net income, depreciation, depletion, amortization and other losses that are not consistent and recurring must be added back to the business cash flow.

The household’s net income and duration of self-employment, as covered in the supporting documentation, must be entered in the *Income Calculation Worksheet*. For example, a tax return that reflects one full year of self-employment income should indicate 12 months in Section C of the *Income Calculation Worksheet*, the worksheet will calculate an annualized income amount.

Section C - Self-Employment Income				Back to Top ^
Applicant Name	Business Name	# Months	Net Income	Annual Income
Section C, Total Income				\$ -

Child Support

Child support should be captured in Section D of the *Income Calculation Worksheet* and should be documented via a court order, printouts from the court or agency responsible for enforcing support payments or any other third-party documentation evidencing the amount and frequency of support payments received. If there is a private arrangement, the details of the arrangement along with proof of receipt of two support payments must be provided.

When completing the fields on the worksheet, the following guidelines should be followed:

- Children’s names cannot be entered on the worksheet; the dropdown menu within the worksheet identifies children as Child #1, Child #2, etc.
- Arrear payments should not be included in the income calculation.

- Income payment frequency must be provided so that the worksheet can calculate the annualized income.
- In the case where child support is not received in line with the court order, an average of the year-to-date payments must be calculated and input into the *Income Calculation Worksheet* as the payment amount.

Section D - Child Support				Back to Top ^
Applicant Name	Dependents (select from dropdown)	Payment Frequency	Payment Amount	Annual Income
Section D, Total Income				\$ -

Seasonal Employment, Unemployment and Miscellaneous Income:

Seasonal employment, unemployment and miscellaneous income should be captured in Section E of the *Income Calculation Worksheet*. The acceptable documentation will vary dependent upon income type.

For seasonal employment, the supporting documentation should include a fully completed Verification of Employment Form providing income amount earned over the most recent year, a W2, or other third-party documentation providing this information. Individuals working under contractual agreements (i.e., teachers) must also provide the most recent contract in effect within the year of the reservation date. The contracted salary and any additional income listed above salary must be included in the income analysis.

To verify unemployment income, worker’s compensation or severance pay, the benefit notification or award letter should be obtained.

To document miscellaneous income such as interest or dividends, the most recent 1099 or brokerage statements verifying stock portfolio earnings, should be obtained. Other options for documentation include IRS form 4506-T (Request for Transcript Tax Return). Interest and dividend income must be included in the total household income when the annual amount exceeds \$100 per filing year.

For these income types, the *Income Calculation Worksheet* is designed to accept an annual income amount, as reflected below. If the income source documentation provides an income figure that is not an annual amount, it must be annualized prior to completing the worksheet.

Section E - Seasonal Employment, Unemployment, and Miscellaneous Income			Back to Top ^
Applicant Name	Income Source	Annual Income	
Section E, Total Income			\$ -

Rental Income

If the homebuyer(s) is purchasing a 2-4 family property, anticipated rental income must be captured in Section F of the *Income Calculation Worksheet*. Rental income must be verified with a Real Estate Market Analysis, Uniform Residential Appraisal Report (Fannie Mae form 1004), or a Small Residential Income Property Appraisal Report (Fannie Mae form 1025) dated within 120 days of the reservation date. In line with program requirements, 75% of the total gross annualized rental income will be calculated within the *Income Calculation Worksheet*.

Section F - Rental Income			Back to Top ^
Applicant Name	Gross Monthly Rental Income	Net Monthly Rental Income	Annual Net Income
Section F, Total Income			\$ -

Zero Income Earning Adults

All household members over the age of 18 years, who will reside in the property, but do not receive any income from any source, must be listed in Section G of the *Income Calculation Worksheet*. A fully executed *HDP Zero-Income Certification* (AHP/HDP-001) dated within 60 days of the reservation date is required for each household member listed in this section of the *Income Calculation Worksheet*.

Section G - Zero-Income Earning Adults	Back to Top ^
Applicant Name	

Homeownership Counseling

The member must ensure that one of the homebuyer(s) listed within the *HDP Plus Request Form* has completed a homeownership counseling program within 18 months prior to the reservation request date, as evidenced by a completion certificate.

Funds up to \$500 may be added to the total grant amount to assist in defraying the cost of the homeownership counseling, which will be provided on behalf of the homebuyer(s) via the member to the non-profit counseling agency, as long as:

- Such costs were incurred in connection with a qualified homebuyer(s) who has attended and successfully completed a formal counseling program and ultimately purchases a property;
- The cost of such counseling has not been covered by another funding source including the member; and
- The cumulative amount of the grant funded to each household, including any homeownership counseling costs (e.g., \$19,500 + \$500 = \$20,000), is the total grant amount listed on the retention documentation. The Closing Disclosure should reflect the total grant amount in addition to itemizing the homeownership counseling fee.

The homeownership counseling program must be provided by an organization recognized as experienced in homebuyer or homeownership courses. While the curriculum may vary amongst the agencies, the topic of predatory lending should be covered. Acceptable counseling entities include the following:

- A counseling 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. For more information, please refer to the following resources:
 - HUD: <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm>
 - State Government or State HFA: please check with your state offices
 - National Industry Standards: [Home \(homeownershipstandards.org\)](http://www.homeownershipstandards.org)

The use of online homeownership counseling programs through either Framework or eHome America will be permitted. The homebuyer should work directly with recognized education/ counseling agencies to receive guidance and instructions to complete the online education through either via Framework or eHome America. The FHLBNY will not permit other online education/counseling agencies, including but not limited to online education from Fannie Mae, Freddie Mac, or MGIC.

It is the member's responsibility to validate actual counseling agency costs. Copies verifying costs for each counseling agency must be maintained by the member.

Household Equity Contribution

The homebuyer(s) must have an equity contribution of a minimum of \$1,000 towards the purchase of the property. The equity contribution must be used towards down payment, closing costs or costs paid before closing as identified on the Closing Disclosure.

- Gift funds from a family member are considered an acceptable source of equity.
- Unacceptable sources of equity are (a) funds received from seller credits, (b) secondary financing, (c) additional grants or credits from a non-profit or other organization, including state and local government agencies.

The equity contribution must be sourced from the Closing Disclosure. It is calculated as the sum of the household deposit, costs paid before closing and cash to close from the borrower.

Any cash to the borrower at closing will be deducted from the total equity contribution. If the homebuyer(s) fail to meet the \$1,000 equity contribution requirement, the member will forfeit reimbursement of the entire grant.

Use of the HDP Plus Grant

Eligible Uses of the Grant

The HDP Plus grant must be used toward the down payment and/or closing costs for the purchase of a household's principal residence. Acceptable closing costs are:

- Loan origination and/or discount fee
- Appraisal and/or application fee
- Credit report
- Flood certification
- Closing fee
- Document preparation
- Attorney fees
- Title insurance and title fees
- Abstracting fees
- Recording fees and tax stamps
- Survey fees
- Prepaid interest
- Escrow of property taxes, homeowner's insurance, mortgage insurance, and flood insurance
- Mortgage Insurance (including upfront premium)
- Property inspection fees

The HDP Plus grant may be used in conjunction with other grant programs, including the FHLBNY's Affordable Housing Program General Fund. The combined Set-Aside and Affordable Housing Program General Fund subsidy are limited to a maximum of \$60,000 per household and property.

Closing Requirements

The requirement for reimbursement to the member after closing is the submission of a fully executed Closing Disclosure.

Execution of Closing Disclosure

If a homebuyer(s) receives subordinate financing, the loan amount, APR and mortgage term must be reflected on the Closing Disclosure.

- Closing Disclosure must reflect the following details:
 - The full HDP Plus grant amount must be itemized as "HDP Plus Grant." If the full HDP Plus grant is not listed on the Closing Disclosure, provide applicable disclosure(s).
 - Non-profit counseling agency fee, if applicable, must be itemized on the Closing Disclosure.
 - The \$1,000 minimum equity contribution used towards down payment, closing costs or costs paid before closing for the purchase of the property.
 - *Note: Any cash to the borrower at closing will be deducted from the total equity contribution. If the homebuyer(s) fail to meet the \$1,000 equity contribution requirement, the member will forfeit reimbursement of the entire grant.*

- The member may provide cash back to a homebuyer(s) at closing in an amount not exceeding \$250 above the sum of the items reflected on the Closing Disclosure as “Borrower Paid Before Closing”. If the homebuyer has paid any pre-closing expenses directly related to the acquisition of their dwelling those costs can be deducted from “Cash to Borrower”. Examples include but are not limited to mortgage application fees, credit report fees, appraisal fees, property inspection fees, or down payment costs. If the above calculation still results in having cash in hand exceeding \$250, a principal payment or payment to the monthly mortgage is required.

All documentation must be legible, consistent, and accurate as to the household closing, including but not limited to, borrower name, property address, terms, etc.

Events of Non-Compliance and Recapture

Events of Non-Compliance

FHLBNY may receive notification from a member or other mechanisms that the HDP Plus grant will not be or is no longer being used for purposes that conform to the HDP Plus requirements. Such a situation would constitute an event of noncompliance which may result in the reclaiming of the HDP Plus grant. Events of non-compliance will include but will not be limited to acts such as evidence of fraud or willful non-compliance by a household, member or counseling agency.

Suspension and Debarment Policy

If, in the judgment of either the FHLBNY or the FHFA, the member or a counseling agency shows a pattern of noncompliance, or engages in a single instance of flagrant noncompliance with the terms of the *HDP Plus Member Participation Agreement* or Program Guidelines, the FHLBNY, either in its sole discretion or under the regulatory direction of the FHFA, may suspend or debar the member or counseling agency from participation in HDP Plus.

Conflict of Interest

The FHLBNY's Board of Directors has adopted a written policy regarding the Code of Business Conduct and Ethics. Pursuant to this policy, conflicts of interest or attempts to influence any action that would affect the funding of a household are not permitted by the following parties:

- Members of the Affordable Housing Advisory Council;
- Members of the Board of Directors; and
- FHLBNY staff and management.

Record Retention Requirements

All supporting documentation for each HDP Plus-assisted household shall be maintained by the member for a term of seven (7) years from the date of funds disbursement.