



## Video Companion

# Additional Details about HOPE

## TurnKey User Guide (HOPE) >>>>

### **Non-occupying Co-borrowers and Co-owners**

Non-occupying co-owners and non-occupying co-borrowers are ineligible. Refer to the FHLBank definitions of co-owner and co-borrower in the TurnKey User Guide (HOPE). Use FHLBank's definitions to qualify households for HOPE.

### **Homebuyer Name and Property Address**

The homebuyer's name and address must be identified at reservation and cannot be transferred to other homebuyers or other properties.

### **Loan to Value (LTV)**

The LTV may not be less than 80%. Principal reductions are not allowed if the LTV of the first mortgage is 80%.

### **Front Ratio (FR) Equation**

The FR may not be greater than 38%. To calculate the FR, take the sum of the monthly principal, interest (including subordinate mortgages), property taxes, property insurance, other housing-related fees (e.g. homeowners' association fees, flood insurance, private mortgage insurance, etc.) divided by the household's monthly income. FHLBank's income calculation will be used to determine the monthly income and FR.

### **Processing Fees**

A processing fee may not be charged by any entity for providing HOPE subsidy to a household.

### **Cash Back**

Households may receive up to \$250 cash back. The reimbursement to the member will be reduced if cash back to the household exceeds \$250,

regardless of the amount of funds the homebuyer or other parties contributed to the purchase transaction.

### **Miscellaneous Homebuyer Costs and Fees**

- Discount points may not exceed 3% of the loan amount for all mortgage loans associated with the transaction.
- Lender fees may not exceed 3% of the loan amount for all mortgage loans associated with the transaction.
- The interest rate may not exceed the FHLBank maximum interest rate, in effect at the time of the loan closing, for all mortgage loans associated with the transaction.

### **Homebuyer Education Requirements**

Homebuyer education/counseling is not required; however, if the homebuyer does take a homebuyer education/counseling course, the fee for the course may not exceed \$500.

### **Retention Period**

A 60-month retention period is required. A Real Estate Retention Agreement (RERA) must be executed at the loan closing and recorded against the property. If the home is sold, the deed transferred or the loan refinanced during the retention period, repayment of a prorated portion of the subsidy is required. The subsidy amount reduces by 1/60 per month. In the event of refinancing or obtaining a home equity loan, the RERA cannot be subordinated; repayment of a prorated portion of the subsidy is required. **Refer to the TurnKey User Guide for more information.**