



Federal Home Loan Bank of Atlanta

Community Investment Services (CIS)

AHP Set-aside Member User Guide
August 2011

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OVERVIEW

The purpose of this guide is to help FHLBank Atlanta members understand the Affordable Housing Program (AHP) Set-aside program requirements and the funding process. This guide will detail the steps and processes associated with application intake, processing, underwriting, decisioning, funding, and post-funding requirements. The Bank provides this guide as a reference tool for informational purposes only. Please refer to the AHP Set-aside Program section of the Bank's Affordable Housing Program Implementation Plan (IP) to review the specific requirements. The IP is available at: <http://www.fhlbatl.com/docs/cis/ahp-implementationplan.pdf>. In the event that the IP and this guide differ, the terms of the IP shall control.


AHP Set-aside Program

The AHP Set-aside Program includes five products, as follows:

- First-time Homebuyer Product (FHP)
 - Provides matching funds for the purchase of a home by a first-time homebuyer.
 - Maximum subsidy is \$7,500 per unit.
- Community Stability Homebuyer Product (CSP)
 - Provides matching funds for the purchase and/or rehabilitation of a home in an area targeted for stabilization by a local, state or federal government agency.
 - A participating homebuyer may or may not be a first-time homebuyer.
 - Maximum subsidy is \$7,500 per unit.
- Foreclosure Recovery Homebuyer Product (FRP)
 - Provides matching funds for the purchase and/or rehabilitation of a home that is being sold by the member from the member's REO portfolio.
 - A participating homebuyer may or may not be a first-time homebuyer.
 - Maximum subsidy is \$15,000 per unit.
- Energy Efficiency and Weatherization Rehabilitation Product (EWP)
 - Provides funds for weatherization and energy efficiency improvements of an existing owner-occupied home.
 - Eligible improvements include but are not limited to exterior doors, HVAC systems, insulation, water heaters, roof, windows, and low-flow plumbing fixtures.
 - Maximum subsidy is \$15,000 per unit.
- Accessibility Rehabilitation Product (ARP)
 - Provides funds for accessibility improvements of an existing owner-occupied home.
 - Eligible improvements include but are not limited to exterior ramps and sidewalks, bathroom and kitchen renovations, door widening, and floor replacement.
 - Maximum subsidy is \$15,000 per unit.

Income Calculation Tool

- To assist the member with the income qualification process, a user friendly online tool has been developed to assist in determining whether a customer meets the Area Median Income (AMI) requirements. The member should not submit the results from the Income Calculation Tool as part of the submission process.
- The online tool includes locally specific AMI data in a dropdown menu format that may aid the member's derivation of a customer's income eligibility for AMI comparison purposes.
- The illustration (as depicted below) includes the sequence of steps to complete the form/process. The tool is now available on the Bank's website.



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AHP SET-ASIDE PROGRAM INCOME CALCULATION TOOL

8.) Print Form

Reset Form

Determine Percentage of Area Median Income

AMI Year	Number of Household Occupants	Annual Household Income	Property State	Property County	Percentage of Area Median Income
2010	4.)	5.)	6.)	7.)	

For Step 5), Input Summation of Annual Income "Grand Totals" found at bottom of "Average YTD Income Calculator Tool"

Average YTD Income Calculator Tool

Start Date	End Date	Derived Weeks	Year to Date Pay	Weekly Average	Annual Income
1.)	2.)		3.)		
Grand Totals:				\$0.00	\$0.00

AHP Set-aside Workflow

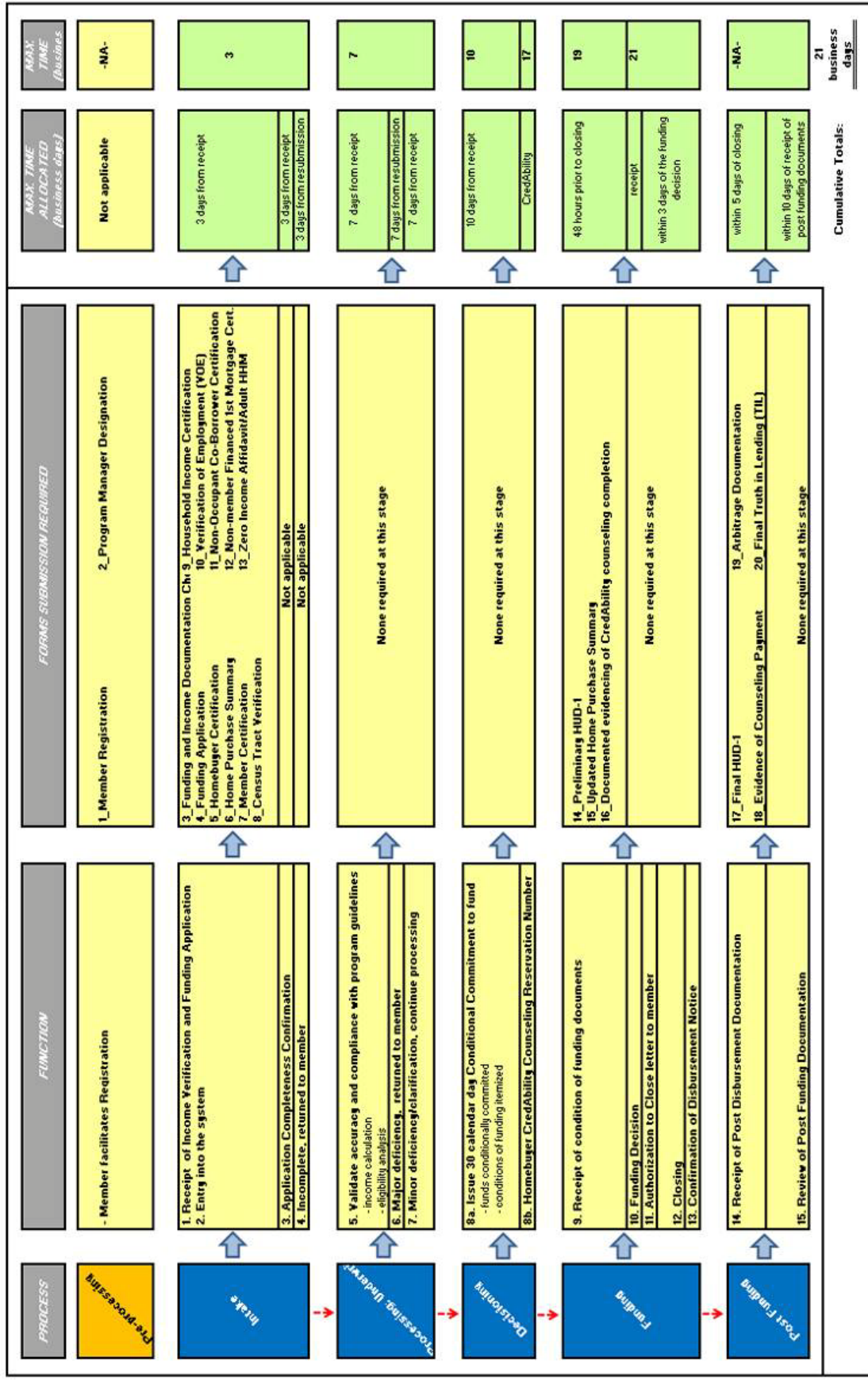
- A comprehensive overview of the steps and processes as outlined in the guide is reflected in the following AHP Set-aside workflow description and diagram:

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AHP Set-aside Program Interim Workflow: FHP/CSP/FRP



AHP Set-aside Program Interim Workflow: EWP/ARP

PROCESS	FUNCTION	FORMS SUBMISSION REQUIRED	MAX. TIME ALLOCATED (business days)	MAX. TIME /Business
Pre-processing	Member facilitates Registrations	1_Member Registrations	Not applicable	-NA-
Intake	1. Receipt of Income Verifications and Funding Application 2. Entry into the system 3. Application Completeness Confirmation 4. Incomplete, returned to member	3_Income and Funding Documentation Check 6b_EWP Cost Estimate 4_Funding Application 5_Homeowner Certification 6a_ARP Cost Estimate 7_Ceases Tract Verification 8_Household Income Certification 9_Verification of Employment (VOE) Not applicable Not applicable	3 days from receipt 3 days from receipt 3 days from resubmission	3
Forecast - Underwrite	5. Validate accuracy and compliance with program guidelines - income calculation - eligibility analysis 6. Major deficiency, returned to member 7. Minor deficiency/clarification, continue processing	None required at this stage	7 days from receipt 7 days from resubmission 7 days from receipt	7
Decisioning	8a. Issue 60 calendar day Conditional Commitment to fund - funds conditionally committed - conditions of funding itemized 8b. Homeowner CreditAbility Counseling Reservation Number	None required at this stage	10 days from receipt CredAbility	10 17
Funding	9. Receipt of condition of funding documents 10. Funding Decision 11. Disbursement Confirmation letter to member 12. Fund	10a_ ARP Funding Certification 10b_ EWP Funding Certification 11_ Invoices and/or receipts for completed rehabilitation work 12_ Evidence of CreditAbility counseling completion None required at this stage	48 hours prior to closing within 48 hours prior to receipt within 3 days of the funding decision	52 71
Post-Funding	13. Receipt of Post Disbursement Documentation 14. Review of Post Funding Documentation	14_Arbitrage Documentation 15_Copy of executed Retention Document with Recording Receipt None required at this stage	within 5 days of closing within 10 days of receipt of post funding documents	-NA-
Cumulative Totals:				71 business days

MEMBER REGISTRATION

NEW PRODUCT USERS

Members participating for the first time in the AHP Set-aside Products offered by FHLBank Atlanta must complete the following registration steps:

1. Complete the AHP Set-aside [Program Manager Designation Form](#)
 - Designate up to two individuals who will serve as Program Manager(s) to manage their AHP Set-aside Products.
 - The Program Manager responsibilities are outlined in the Bank's Implementation Plan.
 - The form must be executed by an officer authorized on the Member's Credit and Collateral signature card on file with the Federal Home Loan Bank of Atlanta.
2. Execute and return the [Set-aside Program Agreement](#).
 - The Agreement must be executed by an officer authorized on the Member's Credit and Collateral signature card on file with the Federal Home Loan Bank of Atlanta.

Members participating for the first time must complete the following steps **in conjunction with their initial application for funding:**

1. Participate in a Set-aside Program Educational Webinar.
 - The webinar will address specific Set-aside product information, workflow, income/asset verification, specific intake, processing, underwriting, decisioning, funding, post-funding, monitoring and compliance requirements, and processes.
2. Submit a *sample* Note and Mortgage that will be used to secure the AHP Set-aside subsidy.
 - Directions for preparing this document and a sample Rider are available at <http://www.fhlbatl.com/docs/cis/fhp-retention-rider.pdf>.
 - You can submit the standard Fannie Mae Note and Mortgage for the state where the real property is located. The Fannie Mae links are provided below for your reference.

Important information to include:	
1.	The loan amount for both documents should not exceed \$15,000.
2.	The loan term should be 5 years (2011 – 2016).
3.	The payments and interest rate referred to in the Fannie Mae note should both be zero.
4.	Please add the following provision to the standard Fannie Mae Mortgage:

“Federal Home Loan Bank of Atlanta AHP Set-Aside Program Retention Mechanism Requirements.

The Rider to Security Instrument – Federal Home Loan Bank of Atlanta AHP Set-Aside Program Retention Agreement (“Rider”) is attached hereto and by this reference made a part hereof. The provisions set forth in the Rider shall supersede any conflicting provision contained in this agreement, but only to the extent of such inconsistency.”

Note:

<https://www.efanniemae.com/sf/formsdocs/documents/notes/index.jsp>

Mortgage:

<https://www.efanniemae.com/sf/formsdocs/documents/secinstruments/>

EXISTING FIRST-TIME HOMEBUYER PRODUCT USERS

Existing First-time Homebuyer Product registrants using the Community Stability or Foreclosure Recovery Products should:

1. Execute and return the [Set-aside Program Agreement](#).
2. Update your organization’s existing Note and Mortgage that will be used to secure the AHP Set-aside subsidy to include the product rider.
 - Directions for preparing this document and rider are available at <http://www.fhlbatl.com/docs/cis/fhp-retention-rider.pdf>.

IMPORTANT INFORMATION

In order to ensure timely and efficient disbursement of funds, please note the following:

- The time from application submission to funding for each request may take up to **21** business days for First-time Homebuyer, Community Stability, and Foreclosure Recovery Products.
- The time from application submission to funding for each request may take up to **71** business days for Energy Efficiency/ Weatherization and Accessibility Rehabilitation Products.
- Within 3 business days of receipt, Program Managers will be notified of application completeness. Any request that is not complete in its entirety and/or does not have all required documents will not be processed. In such cases, the Program Manager will be notified that the application is being returned.
- Applications received after 2:00 p.m. EST will be considered received on the following business day.
- Application documentation should be submitted no less than 20 but no more than 30 calendar days before the scheduled closing date for the First-time Homebuyer, Community Stability, and Foreclosure Recovery Products.

- Applications must be submitted via e-mail to: setasideproducts@fhlbatl.com

Note: *All documents and correspondence relating to the program must be sent to the Set-aside email address only.*

INTAKE

A. Intake (Submit application and income/ asset verification)

First-time Homebuyer (FHP), Community Stability (CSP), and Foreclosure Recovery (FRP) Products

In order for members to receive funding for their customers, each application must consist of the following intake documents:

1. Income and Funding Documentation Checklist (*Must include funding date*)
2. Funding Application (*Must include funding date*)
3. Homebuyer Certification
4. Member Certification
5. Home Purchase Summary Form
6. Census Tract Verification
7. Household Income Certification Worksheet
8. Non-Occupant Co-Borrower Certification, *if applicable*
9. Non-Member Financed First Mortgage Certification, *if applicable*

Community Stability Product Only

10. Documentation of Community Stability Location

- *Elements of the Documentation for Community Stability Location shall include (a) the address of the home, (b) that the address is within a location that is targeted for community stabilization by that agency, (c) the name and contact information for the government agency, and (d) the document shall be signed by an authorized official of that agency.*
- *The Documentation for Community Stability Location can be in the form of a letter from a federal, state or local agency that has designated the homebuyer's property location as targeted for community stability with the elements described above, **or from a website database printout** showing the same information.*

Foreclosure Recovery Product Only

11. Current appraisal showing that the purchase price does not exceed the “as is” appraised value at the time the price was agreed upon

- *The appraisal must be dated within 90 days of the date of the purchase contract.*

12. Purchase contract

Energy Efficiency/ Weatherization (EWP) and Accessibility Rehabilitation Products (ARP)

In order for members to receive funding for their customers, each application must consist of the following intake documents:

Documents completed by:		
Member	Intermediary*	Homeowner
Income and Funding Documentation Checklist	Cost Estimate	Homeowner Certification
Funding Application	Household Income Certification Worksheet	Sign Household Income Certification Worksheet

**If involved in the transaction, intermediaries will submit the required documents. Otherwise, the documents will be completed and submitted by the member financial institution*

B. Income Documentation/Intake

As part of the application, the household income and assets must be validated. In order to complete this validation, the member must provide **all** of the following documents:

1. Income and Funding Documentation Checklist
 - *All information must be provided as requested on the document with all accompanying items appropriately marked. The Program Manager must sign and date this document.*
2. Household Income Certification Worksheet
 - *All information must be entered accurately and should correspond with the accompanying documents. This certification must be signed and dated by the Homebuyer/ Homeowner (all Household Member(s), (HHM) that will be listed on the mortgage)*
3. Income Supporting Documentation

Note:	<p><u>Enrollment and income eligibility determination:</u></p> <ul style="list-style-type: none"> • <u>No more than 90 calendar days prior to the enrollment date as defined in the Bank's Implementation Plan</u>
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Earned Income Documents

- *Verification of Employment form (VOE)*
- *Affidavit of zero income for all adult household members (if applicable)*

Other Income Documents

1. Self-employed
 - Submit signed copy of the most recent Form 1040 with Schedule C, E or F.

2. Social security, disability or death benefits, workers compensation, pension, adoption assistance, public assistance, unemployment, housing vouchers, or periodic payments
 - Benefit statement or letter from the provider that states the amount, frequency and duration of the benefit.
3. Regular cash contributions and gifts
 - Notarized statement or affidavit giving the purpose, date, and value of gift.
4. Alimony or Child Support
 - Divorce decree or other court order, separation agreement, or other written agreement filed with the court that states the amount and period of time over which payments will be received.

Asset Documents

1. Checking, savings, certificates of deposit, money market accounts, and cash held
 - Current account statement with interest rate information.
 - Notarized statement or affidavit stating the amount of cash held
2. Stocks, bonds, and treasury bills
 - Brokerage statement verifying value of stocks/bonds, earnings, dividends, and other interest income credited to the household member
3. Lump sum receipts, one-time receipts, and down payment assistance
 - Notarized statement or gift affidavit giving the purpose, date, and value of the gift
4. Individual retirement and Keogh accounts that are accessible to household members
 - Current statement or screen shot of account balances.
5. Personal property (e.g., antique cars, coin or stamp collections, etc.) held as investment
 - Notarized statement or affidavit stating the items held as investments and their value
6. For all other acceptable forms of income verification, refer to Appendix C of the AHP Implementation Plan.

PROCESSING/UNDERWRITING

If minor income or documentation discrepancies are noted, staff will work with the Program Manager to resolve the discrepancies and continue processing/underwriting. However, if there are significant discrepancies, the application will be returned to the Program Manager for correction and resubmission.

A. Eligibility Analysis

All applications are reviewed in accordance with the established Product Requirements defined in the IP. These guidelines serve as a benchmark for evaluating an application and may be used as a basis for adjusting, approving or rejecting applications.

B. Income Calculation

Documentation of income and assets is reviewed to determine if the household has income at or below 80 percent of the AMI, adjusted for family size.

Note:	<i>The Bank utilizes the U.S. Department of Housing and Urban Development (HUD) income eligibility regulations (HUD Handbook 4350.3 Chapter 5, Section 1)</i>
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DECISIONING

A conditional commitment to fund will be issued within **10** business days of receipt of all required documentation. The conditional commitment is subject to review and approval of all required documentation and compliance with necessary eligibility requirements.

- Conditional Commitment for First-time Homebuyer, Community Stability ,and Foreclosure Recovery Products includes:
 - Subsidy amount committed
 - Counseling provider contact information
 - Homebuyer counseling reservation number
 - Conditions of funding are itemized:
 1. Preliminary HUD-1 Settlement Statement
 2. Updated Home Purchase Summary Form
 3. Verification of homebuyer counseling completion
 4. Loan Closing Instructions

- Conditional Commitment for Energy Efficiency/ Weatherization and Accessibility Products includes:
 - Subsidy amount committed
 - Counseling provider contact information
 - Homeowner counseling reservation number
 - Conditions of funding are itemized:
 1. Funding Certification document
 - Scope of the work
 - Dated invoices or receipts from the contractor to the intermediary or member which supports the scope of work completed and costs incurred
 - Certification must be signed by the member, homeowner, intermediary, if applicable, and contractor
 2. Verification of CredAbility counseling completion

3. Other documents as may be required by the Bank

Note:	<ul style="list-style-type: none">• <i>Conditional Commitments expire 30 calendar days from issuance for First-time Homebuyer, Community Stability, and Foreclosure Recovery Products</i>• <i>Conditional Commitments expire 60 calendar days from issuance for Energy Efficiency/Weatherization and Accessibility Rehabilitation Products.</i>• <i>Conditional Commitments cannot be extended</i>
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If changes are required to the original application (i.e., subsidy amount or property location), the requested changes must occur prior to the submission of the preliminary documents. Such changes will require the updating and resubmission of specific documents for Bank review and may affect the issued Conditional Commitment.

FUNDING

First-time Homebuyer (FHP), Community Stability (CSP), and Foreclosure Recovery (FRP) Products

FHLBank Atlanta is committed to disbursing funds when all conditional funding requirements have been satisfied and upon receipt and approval of all required preliminary documents. The preliminary documents should be e-mailed to setasideproducts@fhlbatl.com and must be received within 48 hours prior to the loan closing date or desired funding date.

Note:	<i>Any documents that are received after 2:00 p.m. will be processed on the following business day.</i>
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The required documents to facilitate funding for First-time Homebuyer, Community Stability, and Foreclosure Recovery Products are as follows:

- Preliminary HUD-1 Settlement Statement (*Generated no more than **72** hours prior to the loan closing date.*)

These items are confirmed on the preliminary HUD-1 Settlement Statement for consistency with the Funding Request.

- Homebuyer Name(s)
- Property Location
- Loan Closing Date
- **FHLBank Atlanta** and the subsidy amount is identified as a line item
- Homebuyer has met the match requirement as reflected in the Product Requirements defined in the IP.

AHP Set-aside Match Funds Include:	
1.	The deposit or earnest money (line 201).

2.	The cash from/to the borrower (line 303).
3.	The payment(s) outside of closing point of contacts (POC(B)s). Note: If any POCs are not identified as being paid by the borrower (POC (B)) on the HUD-1 Settlement Statement, a copy of the borrower's payment for the item(s) <u>must</u> be provided (i.e., check, credit, etc.).

- No cash back in excess of \$250.00
 - **Homebuyer Counseling Fee to CredAbility** is identified as a line item
- Verification of CredAbility homebuyer counseling completion
 - Updated Home Purchase Summary Form (*Reconciled with the HUD-1 Settlement Statement*)
 - FHLBank Atlanta will not reimburse members for funds advanced to their customers prior to the disbursement of AHP Set-aside funds at loan settlement. Loans that are closed prior to satisfying all AHP Set-aside Pre-Funding Conditions will not receive funding.

Energy Efficiency/ Weatherization (EWP) and Accessibility Rehabilitation Products (ARP)

The required documents to facilitate funding for Energy Efficiency/ Weatherization and Accessibility Products are as follows:

Documents completed by:		
Member	Intermediary*	Homeowner
Verification of CredAbility homeowner counseling completion	Funding Certification	Funding Certification
Funding Certification		

**If involved in the transaction, intermediaries will submit the required documents. Otherwise, the documents will be completed and submitted by the member financial institution*

- FHLBank Atlanta will not reimburse members for rehab work completed prior to the submission of the application for funds

General Funding Requirements for all AHP Set-aside Products

- Subsidy funds will be credited to the member's demand deposit account and a notification will be sent upon approval of all required documents.
- Final approval notification will be sent via e-mail to the member's designated Program Manager on the business day following the disbursement.
- Members must disburse subsidies for approved purposes within three (3) business days of disbursement by the Bank.

POST FUNDING

First-time Homebuyer (FHP), Community Stability (CSP), and Foreclosure Recovery (FRP) Products

- The following post-funding documents must be submitted within five (5) business days of loan closing and should be e-mailed to setasideproducts@fhlbatl.com
- **Final** executed HUD-1 Settlement Statement

Note: *FHLBank Atlanta AHP Set-aside Program and the subsidy amount must be a clearly identified line item.*

- **Final** executed Truth in Lending (TIL) Disclosure Statement
- Evidence of arbitrage compliance
 - Copy of check or wire transfer/instructions to the closing agent showing the AHP Set-aside subsidy was disbursed for the homebuyer's loan closing.
- Evidence of payment for required counseling session
 - Copy of the homebuyer counseling payment confirmation to **CredAbility**.

Note: *The homebuyer counseling fee (\$150.00) should be paid through the member or the closing agent to CredAbility from the member's AHP Set-aside Program proceeds at closing.*

- Such other documents as may be required by the Bank.

Energy Efficiency/ Weatherization (EWP) and Accessibility Rehabilitation (ARP) Products

- The following post-funding documents must be submitted within five (5) business days of funding and should be e-mailed to setasideproducts@fhlbatl.com
- Evidence of arbitrage compliance
 - Copy of wire transfer or check showing the AHP Set-aside subsidy was disbursed to the intermediary or contractor
- Evidence of payment for required counseling session
 - Copy of the homeowner counseling payment confirmation to **CredAbility**
- Other documents as may be required by FHLBank Atlanta

COMPLIANCE

First-time Homebuyer (FHP), Community Stability (CSP), and Foreclosure Recovery (FRP) Products

The Bank will conduct a review of a **sample** of the retention documents to determine if the retention documents meet the applicable regulatory requirements. For the units selected in the sample, the member must submit a date stamped copy of the retention documents evidencing submission for recording to the appropriate jurisdiction office. Bank staff will review retention documents for the following:

- The retention documents have been executed;
- The member is the named mortgagee;
- The mortgagor is consistent with the Home Purchase Summary Form;
- The property address is consistent with the Home Purchase Summary Form;
- The retention documents contain all applicable retention features; and
- The subsidy amount is shown in the retention documents and is consistent with the actual subsidy funds disbursed.
-

Energy Efficiency/ Weatherization (EWP) and Accessibility Rehabilitation (ARP) Products

The Bank will review the retention documents for **all fundings** under the Energy Efficiency/ Weatherization and Accessibility Rehabilitation Products to determine if the retention documents meet the applicable regulatory requirements within **60** days of funding. For all funded units, the member must submit a date stamped copy of the retention documents evidencing submission for recording to the appropriate jurisdiction office. Bank staff will review retention documents for the following:

- The retention documents have been executed;
- The member is the named mortgagee;
- The retention documents contain all applicable retention features; and
- The subsidy amount is shown in the retention documents and is consistent with the actual subsidy funds disbursed.

HELPFUL LINKS

Census Tract Verification

The following website can be used to locate the census tract for each property:
www.ffiec.gov - Select Geocoding/Mapping System. Enter the property address and include the search result with each funding request (example search result follows).

FFIEC Geocoding System

FFIEC FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL
Promoting uniformity and consistency in the supervision of financial institutions

- Help on Data
- FFIEC Census Report
- Back to Geocode
- Search
- Contact Us
- Privacy Policy
- Disclaimer
- FFIEC Main

Geocoding System

Geocode Search Result for 2011 HMDA/CRA Reporting

Street Address	1475 PEACHTREE ST NE	MSA/MD Code	12060
City Name	ATLANTA	State Code	13
State Abbreviation	GA	County Code	121
Zip Code	30309	Tract Code	0004.00

MSA/MD Name: ATLANTA-SANDY SPRINGS-MARIETTA, GA
State Name: GEORGIA
County Name: FULTON COUNTY

<http://www.ffiec.gov/Geocode/GeocodeSearch.aspx?parmString=op...OO%2bKHb%2bSH8tc51V5JTOR32mYnB7HfCLpv9XY9aocHfRN0pC7Q%3d%3d> (1 of 2) [02/17/2011 10:44:54 AM]

When the property address search result is "**Address Not Found**", take the following steps: Select "Get Census Demographic"; then Click "County Code" to reveal the County name. The following will be the result. Print and send **both** the "**Address Not Found**", (*if applicable*) and the **Demographic Information** pages.

- GET STREET MAP
- Help on Data
- Back to Geocode
- Search
- Contact Us
- Privacy Policy
- Disclaimer
- FFIEC Main

Geocoding System

MSA Code: 12060	State Code: 13	County Code: 121	Tract Code: 0004.00
County Name: FULTON COUNTY (121)			

Summary Census Demographic Information

Tract Income Level	Upper	Tract Population	1670
Underserved or Distressed Tract	No	Tract Minority %	10.72
2010 HUD Estimated MSA/MD/non-MSA/MD Median Family Income	\$71,800	Minority Population	179
2010 Est. Tract Median Family Income	\$182,559	Owner-Occupied Units	662
2000 Tract Median Family Income	\$148,835	1- to 4-Family Units	344
Tract Median Family Income %	254.26		

<http://www.ffiec.gov/Geocode/CensusDemo.aspx?MSACode=12060&Stat...CMapper%2FTGMapSrv.aspx&latitude=33.794588&longitude=-84.387646> (1 of 2) [02/17/2011 10:47:48 AM]

Note: *Also acceptable is a FEMA Standard Flood Hazard Determination Form (SFHDF) or a Residential Appraisal Summary Report.*

Fannie Mae Weekly Yield

Information on the Fannie Mae 30-day delivery rate for 15-year and 30-year fixed and adjustable rate mortgages can be found at <http://www.fanniemae.com/newsreleases>. Select Fannie Mae Weekly Yield.

Note: *This is determined on the date of "lock-in".*

Media: News Releases > Fannie Mae Weekly Yield - Windows Internet Explorer provided by Federal Home Loan Bank of Atlanta

http://www.fanniemae.com/newsreleases/2011/5298.html;jsessionid=G2M3YEUIAVWBRJ2FQSH5FGI?p=Media&s=News

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BankNet - Media: News Releases > ... X

Homeowners Homebuyers Business Partners Investors Search

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Fannie Mae News

Media

Media Contacts

News Releases

Statements

Economics & Mortgage Market Analysis

E-News

Executive Speeches

About Us

About Fannie Mae

Community & Charitable Giving

Corporate Governance

Investor Relations

Diversity & Inclusion

Careers

For Business Partners

Affordable Housing & Community Development

Single-Family

Multifamily

Debt Securities

Mortgage-Backed Securities

For Homebuyers

Overview

HomePath

PR Contacts Katherine Constantinou Phone: (202) 752-5403

Cellular: Pager: PIN:

News Release

February 07, 2011

Fannie Mae Weekly Yield

Related Links
LIBOR Rate

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WASHINGTON, DC — Fannie Mae (FNMA/OTC) today reported its posted yields for February 4, 2011. All Fannie Mae yields are quoted on a net basis. Servicing fees are not included.

Fixed-rate Mortgage Yields			
Conventional	Current	Week Ago	Year Ago
15-year FRM	3.890	3.750	4.070
30-year FRM	4.690	4.550	4.720
FHA/VA (30-year FRM)	5.260	5.120	5.450

(30-day mandatory delivery for actual/actual remittances; 10-, 60-, and 90-day yields also are available.)

Adjustable-rate Mortgage (30-year term) Yields						
Adjustment Period (year)	Interest Rate Caps Per Adj.	Interest Rate Caps Lifetime	Current	Week Ago	Year Ago	Net Margin
1*	2%	6%	2.070	1.880	2.450	2.250%

*Rate reduction

Internet 95%

APPENDIX I: AHP SET-ASIDE FREQUENTLY ASKED QUESTIONS (FAQs)

[Who is a “First-time Homebuyer”?](#)

[Can a first-time homebuyer use AHP Set-aside products other than the FHP product?](#)

[Is there a limit on the number of requests one institution can make?](#)

[What is the maximum subsidy amount that can be awarded to eligible borrowers?](#)

[What are the eligible and ineligible uses of AHP Set-aside funds?](#)

[What are the member requirements for homebuyer counseling?](#)

[Can AHP Set-aside be used with other programs providing assistance to first-time homebuyers \(e.g., IDA, HOME, and CDBG\)?](#)

[Can a borrower use gift funds?](#)

[Must a co-borrower reside in the home being purchased with AHP Set-aside funds?](#)

[If there are funds remaining after closing, and the homebuyer has contributed over the amount for the 4:1 match, can they receive cash back that is considered overpayment?](#)

[What is the applicable retention period for the AHP Set-aside funds?](#)

[What are the retention requirements?](#)

[Can AHP Set-aside funds be used with FHA insured mortgages?](#)

[Can AHP Set-aside be used in conjunction with the AHP Competitive Program?](#)

[Can loans to first-time homebuyers be sold on the secondary market?](#)

[Is there a limit on the amount of assets a borrower can have?](#)

[What types of properties are eligible to be purchased with AHP Set-aside?](#)

[Are AHP Set-aside funds considered a loan?](#)

[Are AHP Set-aside funds considered as part of the CLTV calculation?](#)

[Can an unborn child be considered a household member?](#)

[Is Manufactured and/or Mobile Housing an eligible property type?](#)

How can non-profits and intermediaries be involved with the Energy Efficiency/Weatherization and Accessibility Rehabilitation products?

Who is a “First-time Homebuyer”?

”First-time homebuyer” is defined by the Cranston-Gonzalez National Affordable Housing Act of 1990. The code specifies:

“the term **“first-time homebuyer”** means an individual and his or her spouse who have not owned a home during the 3-year period prior to purchase of a home with assistance under sub chapter II of this chapter, except that -- (A) any individual who is a displaced homemaker may not be excluded from consideration as a first-time homebuyer under this paragraph on the basis that the individual, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse; (B) any individual who is a single parent may not be excluded from consideration as a first-time homebuyer under this paragraph on the basis that the individual, while married, owned a home with his or her spouse or resided in a home owned by the spouse; and (C) an individual shall not be excluded from consideration as a first-time homebuyer under this paragraph on the basis that the individual 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. (15) The term "single parent" means an individual who -- (A) is unmarried or legally separated from a spouse; and (B) (i) has 1 or more minor children for whom the individual has custody or joint custody; or (ii) is pregnant.”

The Bank has expanded this definition to include recovering victims of catastrophic loss or natural disasters.

Can a first-time homebuyer purchase a home with AHP Set-aside funding other than the FHP product?

Yes, a first-time homebuyer can purchase a home with CSP or FRP funds. Regardless of which AHP Set-aside product the member and homebuyer choose, however, the member must report all first-time homebuyers in the documentation provided.

Is there a limit on the number of requests one institution can make?

No member may receive more than \$1,000,000 in an annual offering cycle. However, if by July 31, seventy-five percent of the FHP funds have not been disbursed, the Bank, at its discretion, may remove the \$1,000,000 per member cap for the remainder of the year. In addition, the Bank currently allows an exception to the annual cap for members using a new Set-aside product only. New Set-aside products include Community Stability, Foreclosure Recovery, Energy Efficiency/Weatherization, and Accessibility Rehabilitation products.

What is the maximum subsidy amount that may be awarded to eligible AHP Set-aside borrowers?

The maximum subsidy varies by the AHP Set-aside product that is used, as follows:

- FHP – maximum subsidy is \$7,500

- CSP – maximum subsidy is \$7,500
- FRP – maximum subsidy is \$15,000
- EWP- maximum subsidy is \$15,000
- ARP- maximum subsidy is \$15,000

For FHP, CSP, and FRP each dollar of a household’s cash funds for down payment and closing costs can be matched with not more than four (4) dollars of FHP assistance.

EWP and ARP do not require an existing homeowner to contribute matching funds.

What are the eligible and ineligible uses of AHP Set-aside funds?

FHP, CSP, and FRP funds must be used for down payment and closing costs assistance only and must be reflected in the HUD Settlement Statement. AHP Set-aside funds cannot be used for reimbursement of earnest money deposits, to pay discount points, or to pay cash to the borrower at closing. AHP Set-aside funds cannot be used in conjunction with any other AHP Competitive funds.

What are the member requirements for homebuyer counseling?

The member can only provide AHP Set-aside funds to households that complete the Bank’s prescribed homebuyer counseling, debt management planning, and default prevention program through CredAbility. The curriculum will include, but is not limited to:

- Choosing the right mortgage
- Avoiding predatory lenders
- Budgeting and saving
- Maintaining your new home
- Preventing foreclosure

Can AHP Set-aside be used with other loans or programs providing assistance to first-time homebuyers (e.g., VA and FHA; IDA, HOME, and CDBG)?

Yes. The AHP Set-aside funds can be used with other programs. (*Note: Funds from other agencies or corporations cannot be used as the borrower’s match for AHP Set-aside products.*)

Can a borrower use gift funds?

Yes. Only gift funds from a family member (duly notarized through an affidavit of gift) can be used as a match fund.

Must a co-borrower reside in the home being purchased with AHP Set-aside funds?

No. The income of the household members living in the home is the only qualifying factor for AHP Set-aside Program. However, the co-borrower and homebuyer will need to certify the co-borrower will not reside in the homebuyer’s residence. Also, the co-borrower who is a non-resident cannot be party to the AHP Set-aside security instrument/deed of trust.

If there are funds remaining after closing, and the homebuyer has

contributed over the amount for the 4:1 match, can they receive cash back that is considered overpayment?

Funds should not be given back at closing. If there are funds in excess of \$250 remaining, they should be applied towards principal reduction or as a credit toward the household's monthly payments on the mortgage loan.

What is the applicable retention period for the AHP Set-aside funds?

AHP Set-aside funds are subject to 5-year retention agreements to ensure that the properties are retained as affordable housing.

What are the retention requirements?

The member shall ensure that each owner-occupied unit purchased or constructed with AHP Set-aside assistance is subject to a legally enforceable retention agreement. (**Note:** *There must be a separate note and security instrument securing solely the AHP Set-aside subsidy in connection with the unit. This document should not be the security instrument for the first mortgage.*)

Members should consult the AHP Set-aside Program Retention Agreement Rider and Instructions when preparing a borrower-specific rider to the member's security instrument.

Can AHP Set-aside funds be used with FHA insured mortgages?

The Federal Housing Administration (FHA) considers AHP Set-aside funds to be an acceptable source of down payment assistance, which can be used in conjunction with FHA-insured mortgage financing. AHP Set-aside funds can also be used by borrowers to satisfy the 3.5 percent minimum cash investment required by National Housing Act section 203(b)(9)(A).

Can Set-Aside Program funds be used in conjunction with the AHP Competitive Program?

Members cannot use Set-Aside Program funds in connection with an existing or future funding under the AHP Competitive Program.

Can loans to first-time homebuyers be sold on the secondary market?

Loans with AHP Set-aside funds attached are not prohibited by FHLBank Atlanta from being sold on the secondary market, assuming the mortgages meet your investor's guidelines.

Is there a limit on the amount of assets a borrower can have?

There is no limit on the amount of assets a borrower can have. However, based on HUD's income calculation guidelines, income derived from select assets will be included in income eligibility calculations.

What types of properties are eligible to be purchased with AHP Set-aside funds?

Owner-occupied units that are intended as the primary residence of the homebuyer are eligible for funding including single family detached, condominiums, townhouses, foreclosed properties, cooperatives, manufactured and mobile housing, and new construction.

Are Set-aside funds considered a loan?

Set-aside product funds are considered a loan and members must ensure that units financed with such funds are subject to a deed restriction or other legally enforceable retention agreement or mechanism that has been approved by the Bank.

Are Set-aside funds considered as part of the CLTV calculation?

The CLTV should be calculated including all loans that have any repayment terms in their agreement. Set-aside repayment is triggered if the home is sold or refinanced prior to the end of the retention period, so it should be included in the calculation.

Is Manufactured and/or Mobile Housing an eligible property type?

Yes, if titled as real estate.

What types of documentation are acceptable as proof of community stability location under the CSP product?

Documentation issued by a federal, state, or local governmental agency that shows that the location of the home for which CSP funds are being sought is targeted for neighborhood stabilization is acceptable for proof of community stability location documentation.

Is there any documentation required other than the appraisal and the purchase contract for homes to be purchased with FRP product funds?

No. The appraisal will be used to show that the purchase price is less than the current appraised “as is” value, and the purchase contract will be used to show that the home is being purchased from the member’s REO portfolio and the price agreed upon.

How can non-profits and intermediaries be involved with the Energy Efficiency/ Weatherization and Accessibility Rehabilitation products?

Rehabilitation products allow for the involvement of an intermediary organization or corporation working with the member. The products allow soft costs, including intermediary fees, of up to 20 percent of hard costs

What are the homebuyer/homeowner requirements?

Homebuyers/ homeowners must have incomes at or below 80% AMI - adjusted for family size and be purchasing or rehabilitating a home located within FHLBank Atlanta’s district (AL, DC, FL, GA, MD, NC, SC, VA).

Homeowners using the Energy Efficiency/ Weatherization and Accessibility Rehabilitation products must have at least one year of ownership by a life estate or a full interest in the fee title

Homebuyers and homeowners must complete FHLBank Atlanta’s prescribed homebuyer or homeowner counseling, and default prevention program provided by CredAbility

Are there any inspection requirements for the Energy Efficiency/ Weatherization and Accessibility Rehabilitation products?

No, FHLBank Atlanta does not have specific inspection requirements. The member may at their discretion develop inspection requirements. Member and intermediaries, if applicable, must certify that the rehabilitation work was done in compliance with applicable health, fire

prevention, building, and housing codes and standards. Features should be consistent with applicable energy or accessibility standards according to any applicable code. In addition, at completion of rehabilitation the work performed meets HUD minimum habitability standards

Does FHLBank Atlanta have a minimum credit score requirement?

No, FHLBank Atlanta does not have a minimum credit requirement for eligible homebuyers/homeowners.

Does FHLBank Atlanta have a minimum or maximum Combined Loan To Value (CLTV) requirement?

Homebuyers receiving funding under the First-time Homebuyer, Community Stability, or Foreclosure Recovery Products are allowed a combined Loan to Value (CLTV) **including forgivable loans**: Not to exceed 105%. If the homebuyer receives aUSDA or VA loans (CLTV): the CLTV may not to exceed 108%.

The Bank does not have a maximum combined Loan to Value for the Energy Efficiency/Weatherization and Accessibility Rehabilitation Products.