



FHLBank
Chicago

Downpayment Plus[®] Programs Program Guide 2021



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I. PROGRAM OVERVIEW

The Federal Home Loan Bank of Chicago's (FHLBC) 2021 Affordable Housing Program Implementation Plan establishes the initial requirements of the Bank's set-aside program. The Downpayment Plus® (DPP®) Programs are the set-aside programs established by the Bank.

Program Description

Downpayment Plus® (DPP®) is a matching program funded by the FHLBC that provides down payment and closing cost assistance for income-eligible homebuyers. Funds are available to qualifying borrowers through participating FHLBC member financial institutions. The assistance provided is in the form of a forgivable grant (subsidy) paid on behalf of the borrower at the time the borrower closes on first mortgage financing with a participating FHLBC member financial institution. The DPP Program is a purchase program, not a refinance program. Additionally, the property being purchased must be owner-occupied.

Downpayment Plus Advantage® (DPP Advantage®) is a similar program, but assists income-eligible homebuyers participating in homeownership programs offered by non-profit organizations that provide mortgage financing directly to the homebuyer. Non-profit organizations providing direct first mortgage financing, such as Habitat for Humanity, must partner with a participating FHLBC member financial institution in order to access DPP Advantage.

How to Participate

Any eligible FHLBC member institution may apply to participate in the DPP Programs. Members wishing to participate in the DPP Programs must execute a Program Agreement with the FHLBC.

The DPP Programs are accessed through eBanking, the FHLBC's member-only website. The institution's Member Security Administrator must authorize one or more individuals to conduct DPP transactions in eBanking.

Upfront review of homebuyer eligibility and program compliance are crucial since the member must disburse subsidies to homebuyers before receiving the funds from the FHLBC. Ineligible use of DPP funds or compliance violations may result in a reduction or denial of reimbursement.

Timeline – Annual Program

The DPP Programs typically open for reservations of funds in January and continue until funds are exhausted or December 31st, whichever comes first.

Annual Certification

In order to participate in the DPP programs, member institutions who provided DPP funds in the previous year, must submit an [Annual Certification Form](#) before making any new reservations of funds this year. Additionally, acquirers of (former) members with DPP grants within the 5 year retention period are required to complete the annual certification form.

Summary of Key Changes for 2021

- Annual Certification Form (new requirement for 2021) - In order to participate in the 2021 DPP programs, member institutions who provided DPP funds in 2020, must submit an [Annual Certification Form](#) before making any new reservations of funds in 2021. Additionally, acquirers of (former) members with DPP grants within the 5 year retention period are required to complete the annual certification form.
- Retention Agreement Form Change - The retention agreement for Illinois and Wisconsin properties has been updated to remove the member's signature. This new [Retention Agreement](#) is required for all new reservations effective with the 2021 DPP Programs. Since this retention agreement is for Illinois or Wisconsin properties only, please review and update any retention agreement forms used for properties in other states.
- Beneficiary Questionnaire form change – Effective with the 2021 DPP Program reservations, the [Household Member Questionnaire](#) replaces the Beneficiary Questionnaire form.
- HUD approved Counseling Providers: Effective with the 2021 DPP Program reservations, members may use a [HUD approved counseling agency](#) to meet the Pre-purchase home buyer education or Pre-purchase counseling requirement.
- Repayment Worksheet Form Change – The [Repayment Worksheet](#), with Instructions has been updated based on further FHFA guidance during 2020. The updates include:
 - Updated Net Proceeds Calculation
 - Updated Household Investment Calculation

We encourage members to review our updated [recorded video](#) providing guidance on how to complete the repayment worksheet to report retention vehicle release activity within the 5 year retention period. Members may also use the instructions link within the Repayment Worksheet.

- Demographic data: Effective with the 2021 DPP Program reservations, members are required to provide demographic data in DPP Online. The information is typically found in the mortgage loan application – Fannie Mae form 1003. DPP Online allows up to two borrowers' demographic information. The new fields include:
 - Ethnicity
 - Sex
 - Race
- Electronic Signatures – For all DPP Program documents except the Retention Agreement, electronic signatures are acceptable.

II. PROGRAM REQUIREMENTS

Subsidy

Terms and Documentation

The subsidy is provided in the form of a forgivable grant that is secured with a retention agreement between the homebuyer and the member and forgiven on a *pro rata* basis over five years.

The grant must be identified on the Closing Disclosure as “FHLBC DPP Grant” or “FHLBC DPP Advantage Grant.” Failure to properly identify the DPP grant may result in delay of the member’s reimbursement.

More information on the retention period and repayment requirements is found in [Section V](#) and the Retention Agreement template for properties in Illinois and Wisconsin is found in [Section VI](#). The member shall be responsible for ensuring that the retention agreement is enforceable under applicable law, is in the proper form for recording under applicable law, and is properly recorded in the member’s name.

Maximum Grant per Household

The maximum grant per household is determined annually and may be modified during the year.

For the DPP general pool, the maximum grant per eligible household is the lesser of:

- (1) Three times the homebuyer’s contribution
- (2) \$6,000 or
- (3) 25% of the first mortgage amount.

For the DPP Advantage pool, the maximum grant per eligible household is the lesser of:

- (1) \$6,000 or
- (2) 25% of the first mortgage amount.

Members will not be reimbursed for grant amounts in excess of the maximum allowable grant amount.

DPP and DPP Advantage funds may not be used with other FHLBC AHP subsidies for down payment, closing-cost assistance, or homeownership counseling costs for the same borrower in the same transaction.

If the household received a DPP/Competitive Affordable Housing Program (AHP) grant to purchase a property within the past five years, the household is not eligible for a DPP or DPP Advantage grant.

Maximum Subsidy per Member

DPP: The 2021 DPP per-member cap is \$420,000, and may be modified during the year. The funds are made available on a loan-by-loan, first-come, first-served basis until the annual DPP allocation is exhausted.

DPP Advantage: There is no limit on the number of DPP Advantage subsidies one member can provide in a program year. The funds are made available on a loan-by-loan, first-come, first-served basis until the annual allocation is exhausted.

Member Requirements

- 1) Enroll in the program and execute the [DPP Program Agreement](#).
- 2) Complete Annual Certification, if DPP grants are under retention.
- 3) Verify that the household is income eligible based on the FHLBC's published [HUD Income Guidelines](#) and the [Income Calculation Guidelines](#) in use at the time of reservation.
- 4) Reserve DPP funds through the DPP Online system after obtaining the executed purchase contract and mortgage application.
- 5) Determine that the household has a sufficient stream of income to independently support the home purchase. Transactions involving co-signors, guarantors, or non-occupying coborrowers are not eligible for a DPP grant. If the first mortgage has a debt-to-income ratio greater than 45%, the member must submit an AUS approval or underwriter's explanation of affordability.
- 6) Upload the [Income Calculation Workbook](#), income verification documents, and other required data to the DPP Online system within 30 days of reservation initiation.
- 7) Ensure that the borrowers meet the homebuyer education and counseling requirements.
- 8) Ensure that the borrowers meet the \$1,000 minimum contribution requirement for the DPP Program (not applicable for DPP Advantage).
- 9) Ensure that the grant amount does not exceed the maximum amount based on the 3:1 match of the homebuyer's contribution. The DPP Advantage Program is exempt.
- 10) Ensure that the borrowers do not receive cash back at closing in excess of \$250.
- 11) Originate and/or fund the homebuyer's first mortgage loan, if providing grant funds through the DPP Program.
- 12) Verify that the organization making the loan is a not-for-profit organization, if providing grant funds through the DPP Advantage Program.
- 13) Disburse the grant funds when the first mortgage loan is closed.
- 14) Execute the [Retention Agreement](#) for the DPP grant.
- 15) Record the Retention Agreement for the DPP grant.
- 16) Upload the closing documents into the DPP Online system within two weeks of the loan closing date, and before the reservation expiration date.
- 17) Service the DPP retention vehicle during the five-year retention period. Even if the first mortgage has been sold, the servicing responsibilities of the DPP grant are retained by the originating member. If a Member loses its membership in the Bank prior to the Bank's disbursement of a reserved DPP grant, the member shall make best efforts to transfer its obligations under the reserved DPP grant to another member.
- 18) Process a release of the recorded retention vehicle within 30 days of the expiration date.

Homebuyer Requirements

- 1) Apply for first-mortgage financing with a participating FHLBC member.
- 2) Provide an executed purchase contract.
- 3) Disclose current income sources and pending changes in income or employment status. Provide income verification documents as requested.
- 4) Contribute a minimum of \$1,000 from personal funds toward the purchase of the home for DPP.
- 5) Complete an approved homebuyer education and counseling programs prior to closing.
- 6) Sign all required documents including, but not limited to:
 - The Certificate of Borrower Eligibility certifying household income, and

- A retention agreement for the DPP grant to be recorded on the property.
- 7) Repay a *pro rata* share of the grant, if necessary, due to sale or refinancing before the end of the five-year retention period.

Homebuyer Education and Counseling

The member must ensure that at least one of the borrowers named on the Closing Disclosure has met the pre-purchase homebuyer education and counseling requirements before closing. We encourage all borrowers to participate in homeownership education. However, certificates of completion are only required for one of the borrowers. Both pre-purchase education AND pre-purchase counseling are required.

Pre-Purchase Education must be delivered by:

- 1) A provider that has adopted the Homebuyer Education Standard of the National Industry Standards for Homebuyer Education and Counseling (NIS), or
- 2) A HUD-approved counseling agency
- 3) An online education provider approved by FHLBank Chicago, which is Framework or eHome America.

Pre-Purchase Counseling must be delivered by:

- 1) A provider that has adopted the Homebuyer Counseling Standard of the NIS, or
- 2) A HUD approved counseling agency

The member should confirm that education and counseling providers are eligible providers by checking the NIS website: www.homeownershipstandards.org, or the [HUD Approved Counseling Agency web site](#). The member should provide guidance to their customer to ensure that eligible providers are used, and that both education and counseling are taken. Members should also consider their investor's homebuyer education requirements, if applicable. Borrowers should check with the member before taking any homebuyer education or counseling course to ensure that it meets all current requirements.

Upon completion of education and counseling, borrowers will receive one or two certificates of completion (depending on the provider) which must be submitted prior to a member receiving reimbursement for a DPP grant. Homebuyer education costs may be paid with the DPP grant if:

- The cost has not been covered by another funding source, including the member; and
- The cost to be covered by the DPP grant does not exceed \$500 per household; and
- The cost is identified on the Closing Disclosure form.

Homebuyer Contribution

The homebuyer must contribute a minimum of \$1,000 from their own funds toward the purchase transaction. Any cash back at closing reduces the homebuyer contribution amount. A homebuyer contributing \$2,000 or more is eligible to receive the maximum \$6,000 DPP grant. A contribution between \$1,000 and \$2,000 will be multiplied by three to determine the maximum allowable DPP grant amount. If a homebuyer does not meet the \$1,000 net minimum contribution requirement, the homebuyer is not eligible for a DPP grant and the member will not be reimbursed.

The contribution may be in the form of earnest money, cash at closing, or costs related to the transaction paid outside of closing. Such contribution amounts must be identified on the Closing Disclosure or documented with receipts submitted with the Closing Disclosure. Homebuyers receiving a DPP Advantage grant are not required to contribute \$1,000 toward the transaction, nor is the maximum allowable grant amount based on their contribution amount.

Funds held in the homebuyer's checking, savings, or other depository accounts may be used for the homebuyer's contribution. If the source of funds is from a third party (i.e. gift), this source is not considered a homebuyer contribution. Unverified funds are not acceptable for the homebuyer's contribution.

A homebuyer may receive up to \$250 cash back at closing; however, any cash back to the homebuyer reduces the homebuyer contribution amount. If the cash back reduces the borrower's contribution to less than \$1,000, the member will not be reimbursed for the DPP grant.

Any cash back in excess of \$250 will be deducted from the member's DPP reimbursement.

Funds in excess of \$250 should be applied as a credit to reduce the principal balance of the first mortgage loan. Evidence of this credit must be included as part of the Closing Disclosure form submitted via the DPP Online system.

Property Requirements

One or two-unit properties are eligible. The property must be purchased as the borrower's primary residence. The property may be in any state where the member, and/or its qualifying subsidiary, does business.

The property may be attached, detached, or a condominium. Manufactured homes titled as real estate are also eligible. New construction must be completed before closing. Any rehabilitation work funded with a DPP grant must be completed before the member obtains reimbursement of the grant.

Property for which the homebuyer is converting a contract or contract-for-deed to a regular mortgage is also eligible. Borrowers must make their minimum contribution for the grant at the time the contract is converted.

If the homebuyer is related to the seller, an independent appraisal of the property must be obtained from a state-certified or licensed appraiser dated within six months of the closing date, and the sales price may not exceed the appraised value. "Related" is defined as parent, grandparent, child, grandchild, brother, sister, aunt, or uncle of any household member.

Members may sell qualifying real estate owned (REO) properties in their portfolio using DPP assistance. Members must obtain an independent appraisal as outlined above and the sales price may not exceed the appraised value. All other DPP Program requirements must be met. Short sale properties are eligible; however, lenders should not reserve DPP funds until the investor accepts the offer.

Eligible Uses of Subsidy Funds

- Down payment and closing cost assistance;
- Escrow reserves deposited with the lender for property taxes, insurance, or monthly assessments;
- Escrow for eligible rehabilitation costs directly associated with acquisition. An independent property inspection report and a [Scope of Work and Certification Form](#) are required if escrowing for rehab, and DPP grant reimbursement occurs after completion of work (See Forms, Procedures and Information Links, [Rehab Guidelines](#));
- Homeownership education and counseling costs if they meet eligibility requirements.

Ineligible Uses of Subsidy Funds

- More than \$250 cash back to the homebuyer at closing;
- Reimbursement of earnest money, deposits, or costs paid outside of closing (in excess of the above-mentioned \$250 cash back);
- Escrow for new construction;
- Interest rate write-down on mortgage;
- Payment of non-housing-related costs. Such costs include, but are not limited to, debt collections, credit card bills, child support payments, and federal or state income taxes;
- Payment of property taxes or utility bills incurred by the seller, or other expenses unrelated to the purchase transaction that are owed by the seller;
- Pre-paid life insurance;
- Use with any other AHP subsidy for the same homebuyer in the same transaction;
- Home warranty fee.

First Mortgage Requirements

- The loan term must be a minimum of five years. On adjustable-rate mortgages, the initial interest rate lock period must be a minimum of five years.
- Interest-only first mortgages are ineligible for the DPP Program.
- The lender must consider the homebuyer's ability to repay mortgage financing. Lenders originating loans with total debt-to-income ratios exceeding 45% must provide the AUS approval, or an underwriter's written explanation regarding household affordability.
- Lenders have used a wide range of mortgage programs including HUD Section 184, FHA, VA, Rural Development, or state housing agency (e.g., IHDA or WHEDA) first mortgage products. Members should check with the secondary market investor/guarantor as to its requirements for purchasing first mortgage loans where there is a recorded retention agreement on the property from a down payment assistance subsidy. Members must follow both DPP guidelines and the first mortgage lender/investor/guarantor guidelines.
- DPP funds may not be used with construction-period financing or single-close products if the construction has not yet been completed.
- The rate of interest, points, fees, and any other charges for all loans made in conjunction with a DPP grant shall not exceed a reasonable market rate of interest, points, fees, and other charges for loans of similar maturity, terms, and risk. Excessive or unreasonable closing fees may require explanation and could result in a reduction of the member's DPP reimbursement.
- The subsidy may be combined with federal, state, and local grants or loans, including Community Development Block Grant and HOME funds.
- The member is not required to hold the DPP recipient's first mortgage loan in its portfolio.
- Though the FHLBC member may elect to have an agent service its DPP retention agreement, the member may not transfer the DPP retention agreement servicing to another party without the FHLBC's prior express written consent.

If the first mortgage product is FHA-insured, the following information may assist in meeting HUD's reporting requirements:

- The DPP Program is a Federal Home Loan Bank Homeownership Set-Aside Grant Program, as defined by HUD.
- Federal Home Loan Bank of Chicago's HUD Lender ID: 94089
- Federal Home Loan Bank of Chicago's EIN: 36-600101

III. STEP-BY-STEP OVERVIEW

Member Enrollment

- 1) Member executes the enrollment form ([DPP Program Agreement](#)).
- 2) Member sends the enrollment form to the Community Investment department, as per enrollment instructions.
- 3) Community Investment obtains the required FHLBC signature.
- 4) Community Investment department activates the member in DPP Online.
- 5) Members use the eBanking portal to set up their DPP Online users.
- 6) Members may begin to market the program.

Member Reservation of DPP Funds

- 1) Members may reserve DPP funds through the DPP Online system for households with an executed purchase contract and a first mortgage loan application on file for a specific property address.
- 2) Members should utilize the [Reservation Document Checklist](#) to gather, scan, and upload the documents required by DPP Online. A completed [Income Calculation Workbook](#) is also required. The Bank may cancel the reservation if the required income data and documents have not been submitted within thirty (30) days of the member's initiation of the reservation, unless extended by the Bank.
- 3) The FHLBC will review the household application and provide a decision via the DPP Online system. The FHLBC requires two weeks after all required data and documents are received to provide an approval decision.
- 4) Missing documents, an incomplete/incorrect income calculation workbook, or additional clarification may delay the review/approval decision.

Prepare to Close

- 1) After the reservation is approved by the FHLBC, and the member has received 1st mortgage underwriting approval and completed its Final Closing Disclosure form, the member may advance to Prepare to Close in DPP Online.
- 2) The member must enter the required data into the DPP Online system, taking the data primarily from underwriting approval and the Final Closing Disclosure form.
- 3) After keying in the required data, the member must print the DPP Certificate of Borrower Eligibility to be signed at closing by both the borrower(s) and the member.

- 4) If the first mortgage is reported as FHA-insured, and DPP funds are used to fund the borrower's Minimum Required Investment (MRI), HUD may require a letter from the government entity providing the funds. The DPP Online system generates an optional letter issued by the FHLBC.
- 5) Member ensures compliance with the homebuyer education and counseling requirements, and obtains the Homebuyer Education and Counseling Certificate of Completion form.
- 6) Member prepares [Retention Agreement](#) in preparation for the loan closing.

Closing of Mortgage Loan and Request for Funding of DPP Grant

- 1) Member closes first mortgage loan, or monitors its closing, advances the DPP grant funds, and ensures execution of the Retention Agreement and Certificate of Borrower Eligibility.
 - The borrower may not receive more than \$250 in cash back at closing. Any excess grant should be applied at closing as a credit to reduce the principal balance of the mortgage loan.
 - The subsidy must be identified on the Closing Disclosure as "FHLBC DPP Grant" or "FHLBC DPP Advantage Grant."
- 2) Member uploads post-closing documents to DPP Online and submits a disbursement request:
 - Closing Disclosure (most recent);
 - Certificate of Borrower Eligibility signed by member and borrower(s);
 - [Retention Agreement](#), executed, not yet recorded;
 - Certificate of Homebuyer Education and Counseling from approved third party provider;
 - [Rehabilitation/Repair Worksheet](#) with support, if applicable;
 - Property inspection reports, if applicable; • Explanatory statement if debt ratio >45%.
- 3) FHLBC reviews the closing documents, requests corrections or clarification, if necessary, and reimburses the member by crediting the DPP funds to the member's DID account at the FHLBC. Notification of deposit is made to the member contact via email. Deposits are also reflected in the member's eBanking statements.
- 4) The FHLBC may cancel the member's reservation if the disbursement request has not been submitted within ninety (90) days of the FHLBC's reservation approval, unless extended by the Bank.
- 5) The total processing time from receipt of the complete disbursement request to the deposit of DPP funds into the member's DID account is approximately three to four weeks.

IV. DETERMINING INCOME ELIGIBILITY

Income eligibility is based on the household's projected annual income. Members must use the [Income Calculation Guidelines](#) to determine a household's annual income.

Determination of income eligibility will be based primarily on the income documentation submitted in support of the reservation. However, pending income or employer changes, or other factors used to approve the first mortgage must also be disclosed and considered. Members must calculate the annual income for each household member aged 18 years and older. The information will be totaled to determine the household's annualized income which will then be used to determine whether the household is income-eligible for DPP assistance. Eligible households must have annualized incomes of less than or equal to 80% of HUD area median income (AMI), as published by the FHLBC, based on the specified year, household size, and location (county/state) of the property.

Members must collect and submit income documentation used to calculate a household's annualized income. Income documentation collected is based on information reported on the [Household Member Questionnaire](#) and may include verification of employment, paystubs, and/or other source documents. The income documentation submitted for DPP grant approval should be identical to that obtained by the member in support of the first mortgage approval.

Detailed information on calculating income and determining income eligibility is found in the [Income Calculation Guidelines](#).

Members must submit the following documentation through DPP Online as per the [Reservation Document Checklist](#):

- 1) Purchase Contract
- 2) [Household Member Questionnaire\(s\)](#)
- 3) First Mortgage Application
- 4) Income documents for all sources of income: (e.g., paystubs, VOE, award letters, Certification(s) of [Zero Income](#) and [Tip Income](#), if applicable).
- 5) [Income Calculation Workbook](#)
- 6) Lease Agreement or Appraisal if purchasing a two-unit property and/or documenting rental income.

V. RETENTION AND MONITORING (SERVICING) REQUIREMENTS

Subsidies are subject to a 60-month (5-year) retention agreement to ensure that the property is retained as affordable housing. The retention period commences on the date subsidy is disbursed. If the subsidy recipient owns the home for the full term the subsidy is forgiven at the conclusion of the retention period. The member is required to record a retention agreement on the property for the amount of the DPP subsidy.

The member is responsible for monitoring (servicing) the retention vehicle during the 5 year retention period until the retention vehicle is released by the member. Even if the 1st mortgage servicing is transferred to another lender, the member retains responsibility for servicing the DPP grant. Member responsibilities include providing payoff quotes, processing subordination requests, and releasing the retention vehicle. If the member has been acquired by a nonmember, the acquiring entity may assume responsibility for monitoring the retention agreements.

If, after the disbursement of a DPP grant to a member, the member undergoes an acquisition or a consolidation resulting in a successor organization, the successor organization (a member or nonmember) shall assume the member's monitoring obligations under its approved disbursement of the DPP grant.

Release activity within the 5 year retention period must be reported to the FHLBC within 30 days of the transaction using the current [Repayment Worksheet](#). Such transactions requiring reporting includes a sale of the property, refinancing (if releasing the retention vehicle), foreclosure sale, deed in lieu of foreclosure, death of the borrower(s), or assignment of an FHA-insured mortgage. The member is responsible for calculating the appropriate repayment amount using the FHLBC's [Repayment Worksheet](#), as discussed below, and facilitating the repayment to the Bank.

In the event that the FHLBC receives a Notice from the member per the terms of the retention agreement, the FHLBC will forward the notice to the member for processing.

Foreclosure, Death, or Assignment to HUD

In the case of a foreclosure or conveyance of the property to the first-mortgage lender by a deed in lieu of foreclosure, the obligation to repay any unforgiven grant is terminated. Additionally, the obligation is terminated upon the death of all borrowers or when an FHA-insured mortgage is assigned to the Secretary of the U.S. Department of Housing and Urban Development.

Evidence documenting the foreclosure, deed in lieu of foreclosure, or assignment must be provided to the FHLBC. Any cash-out to the borrower must be approved by the FHLBC in advance of the foreclosure or provision of a deed in lieu of foreclosure.

Home Equity Loans or Line of Credit

The retention agreement for the DPP grant must be subordinated to a home equity loan or Line of Credit upon request.

Refinance

If the borrower(s) wish to refinance their first mortgage during the five-year retention period the member must:

- Subordinate the DPP retention agreement to the new mortgage, if requested.
- Provide a payoff quote on the unforgiven portion of the DPP grant if the borrower wishes to release the DPP retention agreement. Use the [Repayment Worksheet](#) in Section VI.

The member may not prohibit borrowers from refinancing the first mortgage during the retention period or refuse to subordinate the DPP retention agreement. The member also may not require borrowers to maintain the retention agreement, or itself refuse to maintain a retention agreement after the refinancing.

Repayments

The grant is forgiven on a *pro rata* basis over a 60-month period. Forgiveness of the grant is based on the number of full months the home is owned. A month is calculated from the exact date of the loan closing to the corresponding date one month later. Forgiveness will not be recognized for partial months.

The borrower must repay a *pro rata* portion of the grant from any net proceeds realized in the following circumstances:

- In the case of a sale prior to the end of the retention period, unless the unit is sold to a purchaser with income at or below 80% AMI, determined by using [Income Calculation Guidelines](#). Upon the sale to a very low-, low-, or moderate-income purchaser, the retention vehicle terminates.
- In the case of a refinancing prior to the end of the retention period, unless the unit continues to be subject to a legally enforceable retention vehicle as permitted under the DPP Program.

Net proceeds will be calculated based on the FHLBC's guidelines at the time the property is sold or refinanced, as per the Repayment Worksheet. The member is responsible for calculating the appropriate repayment amount using the FHLBC's Repayment Worksheet and facilitating repayment to the Bank.

Repayment Exceptions

If the repayment amount due per the current Repayment Worksheet is \$2,500.00 or less, no repayment is due. Additionally, for sales within the 5 year retention period, the current Repayment Worksheet includes a proxy test, based on sales price, to determine whether the subsequent home buyer is likely to be low-to-moderate income ($\leq 80\%$ AMI). If the sales price is at or below the proxy method sales price, we assume that the subsequent buyer's income is less than or equal to 80% AMI. So the amount due is zero.

A [Repayment Worksheet](#) is available on the FHLBC's website and in Section VI of this document.

DPP Program Questions?

Members may submit questions to dpp@fhlbc.com, or call us at (312) 565-5824, option 1.

VI. Forms, Procedures and Information Links

A. MEMBER ENROLLMENT FORM

[DPP Program Agreement](#)

B. HOUSEHOLD APPLICATION/INCOME FORMS AND LINKS

[HUD Income Guidelines](#)

[Census Tract Locator](#)

[Household Member Questionnaire](#)

[Income Calculation Guidelines](#)

[Income Calculation Workbook](#)

[Certification of Zero Income](#)

[Certification of Tip Income](#)

[Rehab Guidelines](#)

[Reservation Document Checklist](#)

C. CLOSING AND RETENTION DOCUMENT FORMS AND LINKS

[DPP Homebuyer Education](#)

[Retention Agreement \(IL and WI Sample\)](#)

[Retention Agreement Cover Page \(WI\)](#)

[Scope of Work and Certification Form \(Escrow for Rehab\)](#)

[Glossary of Terms](#)

[Closing Document Checklist](#)

D. PROCEDURES

1. Determining Income Eligibility

[Income Calculation Workbook Instructions](#)

2. DPP Online System Guide - Processing a DPP Grant Application

[Initiate a Reservation of Funds](#)

[Complete Reservation– Submit Income Verification Documents](#)

[Clarification Request - Reservation](#)

[Prepare to Close – Disbursement Request](#)

[Post Closing – Disbursement Request](#)

[Clarification Request – Disbursement](#)

[Withdrawing a Reservation](#)

[Appendix A – Reservation and Disbursement Status Descriptions](#)

[Appendix B – Dashboard and Navigation Tips](#)

3. Servicing the DPP Retention Vehicle

[Repayment Worksheet Instructions](#)

E. OTHER DOCUMENTS AND LINKS

[DPP Online Troubleshooting Guide](#)

[Common Member Errors](#)

[Timeline Management](#)

[Predatory Lending Brochure](#)

[Participating Lenders](#)

[Marketing Contact Change Form \(DPP website\)](#)

[DPP Overview – Webinar](#)

[Annual Certification](#)

[Repayment Worksheet](#)