



# 2019 Programs Overview

## Downpayment Plus<sup>®</sup> and Downpayment Plus Advantage<sup>®</sup>

### Downpayment Plus

Downpayment Plus (DPP<sup>®</sup>) is a matching program that provides down payment and closing cost assistance for income-eligible homebuyers. The assistance provided is in the form of a forgivable grant paid on behalf of the borrower at the time the borrower closes on mortgage financing with a participating member financial institution.

### Downpayment Plus Advantage

Downpayment Plus Advantage (DPP Advantage<sup>®</sup>) is a similar program but assists income-eligible homebuyers participating in homeownership programs offered by nonprofit organizations in Illinois or Wisconsin that provide mortgage financing directly to the homebuyer; it is not a matching program. Nonprofit organizations providing direct first mortgage financing, such as Habitat for Humanity or Neighborhood Housing Services, must partner with a member financial institution in order to access DPP Advantage funds.

### Getting Started

Members wishing to participate in the DPP programs for the first time must execute a Program Agreement with the Federal Home Loan Bank of Chicago (FHLBank Chicago). Members with previously executed and submitted Program Agreements do not need to re-enroll.

The DPP programs are accessed through eBanking—the FHLBank Chicago’s member-only website. The institution’s Member Security Administrator must authorize one or more individuals to conduct DPP transactions in eBanking.

Visit [www.fhlbc.com](http://www.fhlbc.com) for a list of participating members.

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## Downpayment Plus and Downpayment Plus Advantage

### Program Information

#### Program Benefits to Members

- Opportunity to maintain and expand customer base
- Available for eligible borrowers purchasing homes in communities served by the member
- Not limited to first-time homebuyers
- Improves loan-to-value ratio
- May be combined with the FHLBank Chicago's MPF Xtra® product or other secondary market programs

#### DPP Program Elements

- For DPP, the maximum grant amount is the lesser of: 1) \$6,000; 2) three times the homebuyer's net contribution; or 3) 25% of the first mortgage amount; for DPP Advantage, the maximum grant amount is \$6,000
- The property may be in any state in which the member does business
- For DPP, the member limit is \$420,000; for DPP Advantage, there is no member limit
- Reservations are available on a first-come, first-served basis
- For DPP, the member originates or funds the first mortgage; for DPP Advantage, a nonprofit originates or funds the first mortgage
- Grants are forgiven on a monthly basis over a five-year retention period

#### Member Roles and Responsibilities

- Review the FHLBank Chicago's DPP Program Guide
- Verify the borrower's income in accordance with the DPP Income Calculation Guidelines
- Submit a grant reservation online through eBanking

- Ensure the borrower contributes a minimum of \$1,000 (DPP only) and completes pre-purchase homebuyer education and counseling. Education must be delivered by a provider that has adopted the education component of the National Industry Standards for Homeownership Education and Counseling (NIS) or by an online provider approved by the FHLBank Chicago. Counseling must be delivered by a provider that has adopted the counseling component of the NIS.
- Ensure the grant amount does not exceed the lesser of: 1) \$6,000; 2) three times the homebuyer's net contribution; or 3) 25% of the first mortgage amount (DPP only)
- Disburse grant funds at the closing of the first mortgage
- Ensure the property is subject to a recorded retention agreement
- Submit all pertinent documentation to the FHLBank Chicago
- Monitor the retention agreement

#### Borrower Roles and Responsibilities

- Apply for first mortgage financing with participating member
- Provide an executed purchase contract for the property
- Provide evidence of household income
- Complete pre-purchase homebuyer education and counseling. Education must be delivered by a provider that has adopted the education component of the NIS or by an online provider approved by the FHLBank Chicago. Counseling must be delivered by a provider that has adopted the counseling component of the NIS.
- Contribute a minimum of \$1,000 toward the purchase transaction (DPP only)



Member owned. Member focused.