



FHLBank
Chicago

2026 Downpayment Plus® Program

Frequently Asked Questions

Member Eligibility

How can I participate in Downpayment Plus® (DPP®) and Downpayment Plus Advantage® (DPP Advantage®)?

Members wishing to participate in the DPP Programs must execute a Program Agreement with FHLBank Chicago, if new to the DPP Program. In addition, Member institutions who provided DPP funds in the previous year must complete an Annual Certification Form inside the DPP Online system.

How can our contacts get access to the system to reserve grants?

The DPP Programs are accessed through eBanking—FHLBank Chicago's member-only website. The institution's Member Security Administrator (MSA) must authorize one or more individuals to conduct DPP transactions in eBanking. There are **two** member roles that the MSA is required to assign through eBanking: DPP Analyst and DPP Administrator. The DPP Administrator will have additional permissions in the DPP Online platform beyond the DPP Analyst role. They will be able to view DPP portfolios, process Annual Certifications, process the Marketing Contact Form, and self-serve the DPP grants to update contacts. **Please note: to participate in the DPP Programs and have grants in retention you will need to make sure that your institution assigns a DPP Administrator to complete the annual certification form.**

Member Responsibilities:

What mortgage products do DPP Programs allow?

Lenders use 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. Interest-only first mortgages are ineligible for the DPP Program. 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.

Is purchased property only allowed in Illinois and Wisconsin?

The property may be in any state where the member, and/or its qualifying subsidiary, does business.

Where do I find the HUD Limits?

FHLBank Chicago uses median income limits published annually by the U.S. Department of Housing and Urban Development (HUD) to determine income

eligibility. The HUD limits are posted here: <https://www.fhlbc.com/community-investment/competitive-affordable-housing-program-ahp/ahp-program-policy-and-forms/hud-income-guidelines>.

Borrower Responsibilities:

How do I find HUD-approved homebuyer education and counseling programs?

All homebuyers accessing the DPP or DPP Advantage are required to complete both pre-purchase homebuyer education and pre-purchase counseling. 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 prepurchase counseling are required. Please refer to FHLBank Chicago's website for more information: <https://www.fhlbc.com/community-investment/downpayment-plus-programs/dpp-homebuyer-education>

What happens if the borrower sells or refinances their home?

They may need to repay a pro rata share of the grant, if necessary, due to sale or refinancing before the end of the five-year retention period. The servicing member (who issued the DPP grant) will need to facilitate the repayment process, which is built into DPP Online.

DPP Program Requirements:

Will we need to execute a new DPP Program Agreement?

No, all current executed DPP Program Agreements have been migrated into the new DPP Online system. However, if your institution is new to DPP, a DPP Program Agreement will need to be completed in DPP Online.

Is the grant amount increasing for the new program year?

No, the maximum DPP grant per eligible household remains the lesser of: \$10,000 or 25% of the first mortgage amount.

Is the member limit increasing for the new program year?

No, the per-member limit remains \$1,000,000 for DPP and \$1,000,000 for DPP Advantage.

For DPP, can you have a non-occupying co-borrower?

No, transactions including co-signers, guarantors, or other non-occupying co-borrowers are not eligible for a DPP grant.

Can you combine DPP with other grant programs?

Yes, DPP may be combined with federal, state, and local grants or loans. The member is responsible for ensuring all guidelines are followed for any programs that are used. Please confirm with your investor or any other program provider that they would allow the DPP grant to be layered with their funds in the transaction.

What is the difference between DPP and DPP Advantage?

DPP is a program that provides down payment and closing cost assistance for income-eligible homebuyers. The assistance is provided 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 FHLBank Chicago member financial institution. Grants are forgiven on a monthly basis over a five-year retention period.

DPP Advantage is a similar program but assists income-eligible homebuyers participating in homeownership programs offered by nonprofit organizations that are not shareholder members of FHLBank Chicago. These organizations provide mortgage financing directly to the homebuyer and must both originate and fund the mortgage. Non-profit organizations providing direct first mortgage financing, such as Habitat for Humanity, must partner with a participating FHLBank Chicago member financial institution in order to access DPP Advantage.

DPP Advantage requires no homebuyer contribution.

What resources are available to me?

All DPP Program policy and forms can be found on our public website:

<https://www.fhlbc.com/community-investment/downpayment-plus-programs/dpp-program-policy-and-forms>

Any additional questions contact FHLBank Chicago Community Investment at dpp@fhlbc.com

Member Retention Requirements:

What are the retention requirements that are associated with a DPP grant?

The member is responsible for monitoring the retention vehicle during the 5-year retention period until the retention vehicle is released by the member. Even if the first 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.

How do I process a repayment for a sale or refinance?

Release activity within the 5-year retention period must be reported to FHLBank Chicago within 30 days of the transaction via DPP Online. FHLBank Chicago also provides an external "Sample Repayment Worksheet" as a resource on the public website. Please note the official calculation and approval will be in DPP Online. See the [DPP Program Guide](#) for additional information regarding reporting and servicing the DPP grant.