



Community Heroes

Grant Funding Initiative

FHLBank Atlanta and Virginia Housing
Development Authority – Shareholder Training

May 7, 2019





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 - Workflow
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FHLBank Atlanta

- Establish relationships with local governments and others working towards community revitalization
- Ability to increase your mortgage pipeline and add new customers
- Positive branding and public relations within the communities you serve

VHDA

- Ability to offer housing assistance to low- to moderate-income households
- Strengthen neighborhoods and build community relations

VHDA Community Heroes: Product Overview



VHDA

- \$750,000 total funds allocated
- \$6,000 Community Heroes grant

FHLBank Atlanta

- \$250,000 total funds allocated
- \$2,000 Community Heroes grant

First-time Homebuyers

- A borrower and non-borrower on title are considered a first-time homebuyer if they have not owned and occupied a primary residence in the last three years



Educators

- An employee of an accredited or state-recognized or public school; a certified teacher or administrator in an education public school; or an employee of a post-secondary level public educational institution; or has retired as one of the above as may be determined by VHDA at their sole discretion

Law Enforcement Officers, Firefighters, and First Responders

- An employee of a law enforcement agency or the fire department administered by a federal, state, or local government, or sworn law enforcement officer responsible for crime prevention and detection, or criminal incarceration; or a sworn member of a fire department involved in fire suppression or prevention, emergency medical response, hazardous materials incident response, or management/response to terrorism; or any other first responder, such as an emergency medical technician or National Guard or Reservist; or has retired as one of the above as may be determined by VHDA at their sole discretion

Use of Funds

- Funds disbursed on a 3:1 match basis (\$6,000 VHDA Community Heroes grant/\$2,000 FHLBank Atlanta Community Heroes grant)
- Grants are gifts (no lien recorded)
- Can be used for:
 - Purchase of single-family homes
 - Down payment and closing costs

Household Income Limits

- Eligible borrowers with household incomes of 80.01 percent to the lesser of 120 percent of area median income (MDI) or VHDA's income limits

Acceptable First Mortgages

- VHDA FHA purchase program
- VHDA Fannie Mae No MI purchase program
- VHDA Fannie Mae Reduced MI purchase program

Acceptable Properties

- One unit primary residence properties
- Townhomes and condos
- Manufactured housing deeded as real property (FHA first mortgage only)
- Maximum two acres; exceptions considered > 2 up to 5 acres

Sales Price Limits

- VHDA sales price limits apply
- The limit is the highest of the gross loan amount (which includes the VHDA Community Heroes and FHLBank Atlanta Community Heroes grants of \$8,000), sales price, and acquisition cost

Homebuyer Education

- Homebuyer education is required for all first-time homebuyers
- Complete VHDA's free homebuyer education prior to closing

Acceptable Funds to Close

- A minimum of one percent of the sales price into the transaction towards down payment or closing costs
- May be made from an eligible source in accordance with first mortgage requirements (including a gift)

Minimum Loan-to-Value (LTV)

- The first mortgage has a minimum LTV of 90 percent

Other Down Payment Assistance

- Maybe used with other acceptable non-VHDA and non-FHLBank Atlanta down payment assistance in accordance with the first mortgage

FHLBank Atlanta Community Heroes Grant Documentation

- VHDA Community Heroes application review statement (FHLBank Atlanta Community Heroes grant approval)
- VHDA Community Heroes homebuyer/homeowner certification

VHDA Community Heroes Grant Documentation

- VHDA Community Heroes grant award letter
- VHDA Community Heroes grant obligation letter
- Other standard VHDA Exhibits (Ex E2, Ex F, Ex O)






VHDA Community Heroes: Helpful Hints



- There is a minimum as well as a maximum household income
- Grant total is \$8,000 – no more, no less (and it's not a percentage based on the sales price)
- Grants must be listed separately on all documents – including AUS and CD





VHDA Community Heroes: Transactional Workflow



<p>Step 1</p>		<ul style="list-style-type: none"> • Homebuyer contacts the approved FHLBank Atlanta shareholder to make application for first mortgage and Community Heroes funds, providing documentation as may be required by VHDA: <ul style="list-style-type: none"> – Evidence of current employment – Income documentation for all household members ages 18 and over
<p>Step 2</p>		<ul style="list-style-type: none"> • Approved FHLBank Atlanta shareholder completes underwriting and submits the following application documents to FHLBank Atlanta at CommunityHeroesInitiative@fhlbatl.com at least 20 business days prior to closing: <ul style="list-style-type: none"> – Executed VHDA Community Heroes homebuyer / homeowner certification – NOTE: If selected for income review, FHLBank Atlanta will request all income documentation from the FHLBank Atlanta shareholder, and review such documentation to confirm eligibility based on VHDA's maximum household income grant calculation methodology
<p>Step 3</p>		<ul style="list-style-type: none"> • FHLBank Atlanta will issue a VHDA Community Heroes application review statement for each approved applicant to the FHLBank Atlanta shareholder and VHDA
<p>Step 4</p>		<ul style="list-style-type: none"> • FHLBank Atlanta shareholder will submit the request for reservation of grant to VHDA, along with VHDA Community Heroes application review statement and VHDA Community Heroes homebuyer/homeowner certification (Upload to Mortgage Cadence and email Lockdesk@vhda.com)
<p>Step 5</p>		<ul style="list-style-type: none"> • VHDA will review information provided and will issue reservation of funds letter to the FHLBank Atlanta shareholder along with Community Heroes grant award letter and Community Heroes grant obligation letter

VHDA Community Heroes: Transactional Workflow



Step 6		<ul style="list-style-type: none">• Homebuyer will complete free homebuyer counseling through the VHDA homeownership education course and provide a copy of the certificate of homebuyer counseling to the FHLBank Atlanta shareholder
Step 7		<ul style="list-style-type: none">• At least three business days prior to closing, the FHLBank Atlanta shareholder submits the following documentation to FHLBank Atlanta at CommunityHeroesInitiative@fhlbatl.com for prefunding review to request funds:<ul style="list-style-type: none">– Homebuyer preliminary closing disclosure showing 3:1 match between VHDA and FHLBank Atlanta– Certificate of homebuyer counseling completion
Step 8		<ul style="list-style-type: none">• At least 24 hours prior to the scheduled closing, FHLBank Atlanta will deposit the funds in the shareholder's demand deposit account
Step 9		<ul style="list-style-type: none">• FHLBank Atlanta shareholder shall advance the portion of the VHDA grant funds at loan closing and will be reimbursed by VHDA at time of loan purchase• Shareholder submits a copy of the final executed closing disclosure to VHDA and FHLBank Atlanta

VHDA Community Heroes: Documentation Requirements



Application

- Homebuyer provides the following to approved FHLBank Atlanta shareholder:
 - Proof of employment
 - Household income documentation for all household members ages 18 and over
- Shareholder submits the following to FHLBank Atlanta 20 business days prior to closing:
 - Executed VHDA Community Heroes homebuyer/homeowner certification
 - NOTE: If selected for QC, then shareholder to provide all income documents
- FHLBank Atlanta forwards the following to the shareholder and VHDA:
 - VHDA Community Heroes application review statement
- Approved shareholder submits VHDA Community Heroes grant reservation request to VHDA Lock Desk (Lockdesk@vhda.com)
- VHDA will provide reservation of funds confirmation to approved shareholder along with Community Heroes grant award letter and Community Heroes grant obligation letter
- Homebuyer will forward proof of counseling completion to approved shareholder

Funding

- Originating lender will fund Community Heroes grant (\$6,000) portion at closing and VHDA will reimburse the lender upon purchase of the first mortgage
- FHLBank Atlanta will fund the FHLBank Community Heroes grant (\$2,000) portion to the shareholder bank prior to loan closing upon satisfactory review of closing disclosure
- FHLBank Atlanta shareholder to provide the following to FHLBank Atlanta at least three business days prior to loan closing date:
 - Preliminary closing disclosure indicating 3:1 match
 - Proof of homebuyer counseling completion

Post-funding

- FHLBank Atlanta shareholder to provide copy of final executed closing disclosure to FHLBank Atlanta and VHDA
- Closing disclosure must reflect FHLBank Atlanta Community Heroes grant for \$2,000 and VHDA Community Heroes grant for \$6,000 separately

VHDA Community Heroes: Marketing and Outreach



Member Locator



Find a Member Near You

Select the type of member you'd like to find

Member Financial Institutions

Lenders that participate in AHP Ownership Products

Lenders that participate in Multifamily Housing

Enter Zip Code:

SUBMIT

Contact us to add your institution to the Find A Member page on FHLBank Atlanta's website

VHDA Community Heroes Income Limits



VHDA Community Heroes Income Limits

Area	Household Size								
		1	2	3	4	5	6	7	8
Washington-Arlington-Alexandria	Minimum	\$65,681	\$75,041	\$84,401	\$93,761	\$101,281	\$108,801	\$116,321	\$123,841
	Maximum	\$98,520	\$112,560	\$126,600	\$140,640	\$146,700	\$146,700	\$146,700	\$146,700
Charlottesville	Minimum	\$50,177	\$57,345	\$64,513	\$71,681	\$77,415	\$83,149	\$88,884	\$94,618
	Maximum	\$75,264	\$86,060	\$96,768	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000
Richmond	Minimum	\$47,451	\$54,201	\$61,001	\$67,551	\$73,201	\$78,601	\$84,001	\$89,451
	Maximum	\$71,174	\$81,300	\$91,500	\$101,623	\$102,900	\$102,900	\$102,900	\$102,900
Norfolk-VA Beach- Newport News	Minimum	\$47,451	\$54,201	\$61,001	\$67,751	\$73,201	\$78,601	\$84,001	\$89,451
	Maximum	\$71,174	\$81,300	\$91,500	\$97,000	\$97,000	\$97,000	\$97,000	\$97,000
Culpeper	Minimum	\$45,451	\$54,201	\$61,001	\$67,751	\$73,201	\$78,601	\$84,001	\$89,451
	Maximum	\$71,174	\$81,300	\$91,500	\$101,623	\$102,100	\$102,100	\$102,100	\$102,100
Rappahannock	Minimum	\$45,451	\$54,201	\$61,001	\$67,751	\$73,201	\$78,601	\$84,001	\$89,451
	Maximum	\$71,174	\$81,300	\$91,500	\$99,400	\$99,400	\$99,400	\$99,400	\$99,400
Warren	Minimum	\$45,451	\$54,201	\$61,001	\$67,751	\$73,201	\$78,601	\$84,001	\$89,451
	Maximum	\$71,174	\$81,300	\$91,500	\$98,200	\$98,200	\$98,200	\$98,200	\$98,200
King George	Minimum	\$53,361	\$60,961	\$68,561	\$76,161	\$82,321	\$88,401	\$94,481	\$100,561
	Maximum	\$80,040	\$91,440	\$102,840	\$106,900	\$106,900	\$106,900	\$106,900	\$106,900
All Other Areas of Virginia	Minimum	\$47,451	\$54,201	\$61,001	\$67,751	\$73,201	\$78,601	\$84,001	**
	Maximum	\$71,174	\$76,700	\$88,200	\$88,200	\$88,200	\$88,200	\$88,200	**

*Red represents VHDA Maximum
**The minimum income exceeds the maximum income limit

vhda.com/FHLCommunityHeroesLimits



- VHDA CH Grant Program Guidelines:
www.vhda.com/FHLCommunityHeroesPG
- VHDA CH Grant Income Limits:
www.vhda.com/FHLCommunityHeroesLimits
- VHDA CH Grant Reservation Form:
www.vhda.com/FHLCommunityHeroesReservationForm

Contact Us for More Information



VHDA

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To become a VHDA Approved Lender, FHLBank Atlanta shareholder contact

Upon completion of today's training, loan officers participating in the origination of this program should email Mindy Hall-Sexton at mindy.hall-sexton@vhda.com, requesting their name be added to the participating lender list accessed by consumers

Contact Us for More Information



FHLBank Atlanta

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Questions



We are happy to help!