

Housing and Community Investment

# Hundred Homes Initiative Guide



March 21, 2025

# 2025 Hundred Homes Initiative Guide

The Federal Home Loan Bank of Cincinnati (FHLB Cincinnati) has established a voluntary fund to help create homeownership through a program called the Hundred Homes Initiative (HHI). HHI funds are available to Members as grants to assist homebuyers who are residing in mobile homes constructed on or before June 15, 1976 for the purchase or construction of a qualifying home, including expenses related to the down payment, closing costs, mortgage principal reduction, purchase of land (as needed), disposal and/or recycling of vacated mobile home, and any legal work and fees necessary to decommission the old home and salvage the title. The total household income must be at or below 120 percent of Mortgage Revenue Bond (MRB) income limits, and funds are offered on a “first-come, first-served” basis. The maximum grant per household is \$50,000. Other program requirements are identified below.

## Schedule for 2025 Hundred Homes Initiative

**Hundred Homes Initiative funds will be available for reservation beginning at 8:00 AM EST on April 1, 2025, and will remain available until all funds have been reserved.**

Reservations may not be submitted in advance.

## Funds Available for 2025

**Funds will be reserved for Members and homebuyers on a “first-come, first-served” basis, but only to the extent that funds are available. The FHLB has \$5 million available.**

## Member Eligibility

- **All FHLB Members are eligible for participation in the program.** In the event a Member terminates membership in the FHLB, the FHLB will not disburse any additional funding, but will make every effort to assist the Sponsor in partnering with a new Member;
- **A Member may partner with multiple Sponsors creating multiple projects; and,**
- **Funds are reserved for specific homebuyers and specific properties.** The reservation approval cannot be transferred to other homeowners or to other properties. Once all funds have been reserved, the FHLB will not accept any additional reservation requests.

## Sponsor Eligibility

**The Sponsor organization must meet all of the following requirements:**

- **All eligible Sponsors must be a non-profit organization with a current 501(c)(3) or (c)(4) designation from the IRS.** Other IRS non-profit designations may be accepted with approval from FHLB;
- **The Sponsor is required to complete and submit the FHLB Cincinnati Sponsor Capacity Form at least two business days prior submitting a reservation request to demonstrate qualifications and experience with mobile homes, ownership acquisition, and new construction projects; and,**
- **The Sponsor may only partner with one Member per program year.**

In addition to the aforementioned criteria, the FHLB may also consider the Sponsor's overall capacity, location, performance on other FHLB programs, etc. Sponsors will be approved for participation in the program at the sole discretion of the FHLB and may be removed from participation for not complying with the program requirements.

## Homebuyer Eligibility

To receive Hundred Homes Initiative funding, homebuyers must meet all of the following eligibility requirements:

- **Total household income must be at or below 120 percent of MRB income limits,** as adopted by the appropriate state housing finance agency, for the county where the property is located, and adjusted for family size. MRB limits for KY, OH, and TN are available at [www.fhlbcin.com](http://www.fhlbcin.com). The income calculation will be based on the limits in place at the time the program opens.
- **Applicants must reside in the Fifth District and submit proof of residence in a mobile home or previous residence should the mobile home have been destroyed in a natural disaster, having been constructed on or before June 15, 1976.** Applicants will need to submit a signed affidavit at time of reservation certifying residence. There must also be proof at time of disbursement from a third party for the destruction or decommission of the mobile home.
- **Homebuyers must contribute at least \$500 of their own funds toward down payment and closing costs** (60 percent of these funds may be received as a gift).
- **Funds received from sellers, non-profit or other organizations, including state and local government agencies,** for down payment assistance grants are not considered "gifts" and cannot be used to reduce the homebuyers' required contribution.
- **Funds paid for items outside of closing, such as hazard insurance, taxes, application fees, and other items related to the purchase are considered as part of the homebuyer's required contribution.** Such items should be shown on the Closing Disclosure or with other documentation.
- **Applicants do not have to be first-time homebuyers (Typically someone who has not owned a home in the last three years.). However, all first-time homebuyers must complete a homebuyer counseling program.** The first paragraph of the reservation

approval letter indicates FHLB's first-time homebuyer determination. The counseling program must be provided by, or be based on one provided by, an organization recognized as experienced in homeownership counseling. The counseling does not have to be provided by a HUD approved agency but must cover, at minimum, mortgage financing, credit-worthiness, household budgeting, and home maintenance. The counseling must be completed within 12 months of the loan closing. The FHLB does not approve or endorse any particular counseling agency or course. A copy of the counseling certificate must be submitted with the online Funding Request.

## Property Eligibility

- **Only single-family properties are eligible and they must be used as the homebuyer's primary residence.**
- **Some manufactured housing is eligible** for HHI assistance. "Manufactured housing" refers to a single-family residential dwelling built in compliance with the Federal Manufactured Housing and Construction Standards, as amended, also known as the HUD Code, after June 15, 1976. Manufactured homes may be built in multi-sectional or single section units and installed on an FHA Title II permanent foundation system. In addition, the home and lot must be taxable together as real property. For HHI eligibility purposes, a single section manufactured home must be Energy Star certified. HHI funds may not be used for any other type of manufactured or mobile homes.

"Modular Home" refers to a home built to the State or Local Code where the home will be located. Sectional units are built in a production facility, transported to the site and assembled onsite. Modular homes are eligible collateral for the Hundred Homes Initiative.

"Mobile Home" refers to a residential structure manufactured prior to the enactment of the Federal Manufactured Housing and Construction Standards, also known as the HUD Code, on June 15, 1976. Mobile homes are not eligible collateral for the Hundred Homes Initiative.

- **The housing assisted with HHI funds must be subject to a legally enforceable restriction in the deed** or restrictive covenant to the deed requiring that the FHLB be given notice of any sale, transfer, assignment of title or deed such as to the Secretary of HUD, foreclosure, or refinancing of the unit by the household occurring during the five-year retention period. Homebuyers may be required to pay back a *pro rata* amount of the HHI grant if the home is sold or refinanced during the five-year retention period. The specific retention language required is available at [www.fhlbcin.com](http://www.fhlbcin.com).
- **The HHI program may be used only in transactions which convey full title** to the homebuyer. The grant may not be used with lease-purchase or land contracts.
- **The HHI program may be used for new home construction.** The reservation approval is valid until December 15, 2025 but any construction must be complete, the first mortgage permanent loan must be closed (or the construction/permanent loan must be converted to permanent), and funds must be requested no later than December 15, 2025.

The HHI grant may not be used for the construction loan financing, only the permanent loan.

- **The HHI program is not intended for any purchases requiring significant repair or rehabilitation.** If any funds are escrowed for repairs, the funds must come either from the seller or from the buyer's own funds. Pre-approval from the FHLB is required after the reservation request has been approved but prior to the loan closing if the escrow is being held from the buyer.
- **The FHLB reserves the right to determine whether or not a property is considered eligible.**

## Requirements for Members

- **The Member who reserves the Hundred Homes Initiative funds must originate the first mortgage.**
  - The loan may close in another lender's name. However, funds will only be disbursed to the Member. The Member is responsible for funding their investor.
  - After closing, the first mortgage may be sold or assigned.
  - If a Member wholly owns a mortgage company and that company originates first mortgage loans only for the Member, the loans may be originated in that mortgage company's name and closed in the name of the mortgage company, Member or any investor.
  - If a Member wholly owns a mortgage company and that company also originates first mortgage loans for financial institutions other than the Member, then that mortgage company must originate the first mortgages in the name of the Member in order to access Hundred Homes funds. However, the mortgage company may close in the name of the mortgage company, Member or any other investor.

However, if financed with a permanent mortgage, the mortgage may also originate from a federal government agency or enterprise, a state agency or enterprise, or be a sponsor (nonprofit housing development organization) provided mortgage.

- **The rate of interest, points, fees, and any other charges must not exceed a reasonable market rate for a loan of similar maturity, terms, and risk.**
  - The stated interest rate may not exceed 9.875%. For Adjustable Rate Mortgages (ARMs), the fully indexed rate may not exceed 9.875%. The maximum rate is set to reflect an interest rate well below any standards for defining predatory lending or high-cost home loans and reflects an interest rate which should be available to and affordable by homebuyers in the Hundred Homes Initiative.
  - The rate on the second mortgage cannot be more than 3.50% over the stated capped rate for the first mortgage. Based on the 9.875% cap on the first mortgage rate, the second mortgage rate cannot exceed 13.375%.

- **Hundred Homes Initiative first mortgage loans must comply with applicable federal, state, and local anti-predatory lending laws, regulations and orders designed to prevent or regulate abusive and deceptive lending practices and loan terms (collectively, “Anti-Predatory Lending Laws”).** For example, Anti-Predatory Lending Laws may prohibit or limit certain practices and characteristics, including, but not limited to the following:
  - Requiring the borrower to obtain prepaid, single-premium credit life, credit disability, credit unemployment, or other similar credit insurance;
  - Requiring mandatory arbitration provisions with respect to dispute resolution in the loan document; or
  - Charging prepayment penalties for the payoff of the loan beyond the early years of such loan.
- **Any project including a loan that does not comply with all applicable Anti-Predatory Lending Laws will be ineligible for HHI assistance.**
- **HHI grant may not be used with interest-only mortgages.**
- **HHI grant may be used with Balloon and Fixed-Rate mortgages.**
- **HHI grant may be used with ARMs with industry standard caps and margins. The mortgages should be underwritten at their fully indexed rates. The fully indexed rate is not the same as the fully indexed rate at maturity. ARMs may require additional explanation.**
- **The FHLB will not provide HHI assistance to a homebuyer with a permanent first mortgage that exceeds the annual percentage rate or points and fees thresholds of the Home Ownership and Equity Protection Act of 1994 and its implementing regulations (Federal Reserve Board Regulation Z) or any loan considered “high priced”.**
- **A transaction utilizing HHI funds may not include single-premium credit life insurance.** *If the Closing Disclosure shows a charge for single-premium credit life insurance, no HHIs funds will be disbursed.*
- **Funds must be requested by December 15, 2025.** That is, the Funding Request must be submitted to the FHLB by December 15, 2025, or the reservation will be cancelled.
- **If HHI funds have been disbursed to the Member and the funds are misused, or if the housing is sold or refinanced during the five-year retention period, the FHLB may recapture all or a portion of the funds pursuant to the retention language in the deed.**

## Role of Sponsors

The Sponsor is responsible for the following:

- Completing the Sponsor Capacity Form;
- Identifying qualifying households;

- Determining and documenting the household's income (Note: FHLB will rely on the household income calculations performed by the Sponsor to determine that the household income meets the requirements of the program);
- Obtaining proof the household currently resides in a pre-June 15, 1976 mobile home;
- Disposing/recycling of the mobile home; and,
- Requesting the funds from the FHLB Member institution.

## Retention Requirements

- All properties purchased using HHI grants shall be subject to retention agreements providing that the FHLB will be given written notice of any sale, transfer, assignment of title or deed such as to the Secretary of HUD, foreclosure, or refinancing of the unit by the household occurring during the HHI five-year retention period and providing that HHI subsidy may be subject to repayment.
- The "retention period" for an HHI unit is five (5) years from the date of the loan closing.
- The retention language must be inserted into the Deed or recorded as a Restrictive Covenant to the Deed. If it is attached to the Deed as an addendum or attachment, the Deed must make reference to the specific addendum or attachment including the retention language (for example, "see Attachment A for FHLB retention language"). If the FHLB staff cannot determine the retention language was recorded with the deed, a recorded copy will be required. Only the 2025 retention language will be accepted.
- The 2025 retention language is posted at [www.fhlbcin.com](http://www.fhlbcin.com).
- The Member has no responsibility to monitor the homebuyer or property during the five-year retention period. The original Member should only contact the FHLB about a sale or refinance of a property if they are providing the new financing.

## Eligible Uses of Funds

- **HHI funds may be used to fund reasonable down payment and closing costs** incurred in conjunction with the acquisition of an eligible property by eligible homebuyers.
- **Maximum HHI grant is \$50,000 per Member with all \$50,000 being utilized.**
- **HHI funds may be used in conjunction with other local, state, and federal funding sources** and with the FHLB's Community Investment Cash Advance programs. However, HHI funds *may not* be used with an existing or future award through the FHLB's competitive Affordable Housing Program or through any of the FHLB's voluntary housing programs.
- **A portion of the funds awarded may be used to pay for the reasonable costs of counseling** (not to exceed \$325) for homebuyers purchasing Hundred Home assisted housing if the cost is not covered by another funding source.

- **A portion of the funds awarded may be used to pay an administration fee to the Sponsor** (not to exceed 10 percent of the total costs).
- **A portion of the funds awarded may be used to dispose of and/or recycle the existing mobile home.**
- **HHI is not intended for any purchases requiring any significant repair or rehabilitation.**
  - If more than \$500 is to be escrowed for repairs from the buyer, the property is not eligible for HHI funds without the advance written approval of the FHLB prior to closing. The Member should email the appraisal and repair estimate to [hhi@fhlbcin.com](mailto:hhi@fhlbcin.com) after the Reservation Request has been approved but before the loan is closed requesting approval for the escrow hold. **If the Closing Disclosure reflects an escrow for repairs and the Member did not seek approval prior to closing the loan, funds may not be disbursed.**
  - If any funds are escrowed for repairs, the funds must come either from the seller or from the buyer's own funds, in addition to the required \$500 homebuyer cash contribution.
  - If any funds are escrowed for repairs from the buyer, HHI funds will not be disbursed until the Member certifies that:
    - 1) All repairs were required for mortgage approval as evidenced by the appraisal;
    - 2) All repairs have been completed; and
    - 3) All escrowed funds have either been disbursed or released.
  - All payments from escrow funds for repairs should be made only by the Member or closing agent and such payments should be made directly to the materials and/or service providers. Under no condition should escrowed funds be given to the homebuyer.
  - If any unused escrowed funds are released to the homebuyer, the HHI grant will be reduced by a like amount. In lieu of releasing unused funds to the homebuyer, the unused funds may be applied as a prepayment of the first mortgage principal.

## Ineligible Uses of Funds

- **HHI funds may not be used for any other purposes except those specifically stated above.** HHI funds may not be used to pay for significant repairs (i.e. repairs more than \$500), pay off consumer debt, pay off judgments, buy down the mortgage rate, etc. If the FHLB determines that funds were used for an ineligible expense, the grant will be reduced by the amount of the ineligible expense unless the homebuyer brings adequate funds to the closing to meet the required \$500 homebuyer cash contribution and cover the amount of the ineligible expense.



- **HHI funds may not be used for any loan with co-borrowers or co-signors unless they will occupy the home as their primary residence and their incomes are included in determining eligibility.** HHI funds are intended only for homebuyers who qualify for the first mortgage based on their own merit, not relying on others as co-signors, co-borrowers, or guarantors, and not relying on any expected but uncertain change in job status or income or other circumstances.
- **HHI funds may not be used for any loan with collateral other than the subject property.** Blanket loans (loans with cars, boats, CD's, or other property secured as additional collateral) are not eligible.
- **HHI funds may not be used in transactions involving a second mortgage provided by an individual seller.** Second mortgages provided by formal organizations, including financial institutions, Community Development Financial Institutions, housing finance agencies, non-profit organizations, etc. are acceptable.

## Reserving Hundred Homes Initiative Funds

**Funds will be allocated “first-come, first-served.”** Members are not guaranteed any specific amount of HHI funds.

**Funds will be reserved only for specific homebuyers purchasing specific homes and reservations cannot be transferred to other homebuyers or to other properties.** The Reservation Request and Funding Request can only be submitted through the Members Only portal at [www.fhlbcin.com](http://www.fhlbcin.com).

- To request that funds be reserved for a homebuyer, the Member must:
  - Access the FHLB’s Member’s Only portal at [www.fhlbcin.com](http://www.fhlbcin.com). For assistance in accessing the Member’s Only portal, please contact the Member’s Only Administrator at your institution or contact the FHLB’s Service Desk at 800-781-3090 (8:30 – 5:00PM ET);
  - Click on the Hundred Homes Initiative link and complete a Reservation Request;
  - Choose the Sponsor name from the drop-down list; and,
  - Upload and attach the following required documents to the Reservation Request form (All documents must be uploaded as one attachment. Note: The attachment file name should not contain special characters, such as @, &, #, \*, etc.):
    - 1) Certification of Household Income Eligibility;
    - 2) Fully executed Loan Application (if applicable);
    - 3) Purchase or New Construction Contract; and,
    - 4) Affidavit from the homeowner showing proof of residency in a mobile home constructed on or before June 15, 1976.
- Please note that during periods of peak demand it may take four weeks to review and approve a Reservation Request. If the information submitted is incomplete, it might take

longer. Funds are not reserved and the loan should not close using HHI funds until the FHLB has given approval.

- A homebuyer is considered “enrolled” in the Hundred Homes Initiative at the time the Reservation Request is received.
- The FHLB will perform a preliminary review of the Reservation Request and the supporting documentation submitted to determine the eligibility of the homebuyer and the availability of funds in the program. If any of the information is incomplete, additional documentation or information may be required and additional time will be required to process the request. A Request for Additional Information, describing the documentation needed, will be sent to the designated Member contact. All additional information must be scanned and emailed within five business days to the person requesting it or to [hhi@fhlbcin.com](mailto:hhi@fhlbcin.com).
- The Reservation will be reviewed based on its new order in the queue. If the additional information is correct and all other conditions met, the Reservation will be eligible for funding as long as funding is still available.
- Written notification will be provided to the Member as to the homebuyer’s eligibility and date of reservation expiration. **Submission of the Reservation Request does not constitute a reservation of funds; funds are reserved only upon written notification from the FHLB. The loan should not close prior to receiving a reservation approval or HHI funds may not be disbursed.**
- Changes made to the purchase price, loan amount, loan type, interest rate, or loan term after the reservation has been submitted, do not require FHLB approval. All final numbers will be identified when the Funding Request is reviewed.
- Changes made to the household composition or household income after the Reservation Request has been approved, should be brought to FHLB’s attention prior to the loan closing.

## Withdrawing a request

If a Member has submitted a Reservation Request and then realizes the transaction will not close, they should send an email to [hhi@fhlbcin.com](mailto:hhi@fhlbcin.com) with the project number, homebuyer’s name and statement that the Reservation Request should be withdrawn. FHLB will withdraw the reservation request and generate a withdrawal letter, which will then be emailed to the Member contact.

## Disbursing Hundred Homes Initiative Funds

**Hundred Homes Initiative funds will be disbursed only after closing.** The FHLB has provided some general guidance and some specific instructions which Members should use in closing mortgages using HHI funds. The information is available at [www.fhlbcin.com](http://www.fhlbcin.com), Housing Programs/Hundred Homes Initiative/Program Documents and Forms.

- To request a disbursement of funds for a homebuyer, the Member must:
  - Access the FHLB’s Member’s Only portal at [www.fhlbcin.com](http://www.fhlbcin.com). For assistance in accessing the Member’s Only portal, please contact the Member’s Only Administrator at your institution or contact the FHLB’s Service Desk at 800-781-3090 (8:30 – 5:00PM ET);
  - Click on the Hundred Homes Initiative link and complete a Funding Request; and
  - Upload and attach the following required documents to the Funding Request form (All documents must be uploaded as one attachment. Note: The attachment file name should not contain special characters, such as @, &, #, \*, etc.):
    - 1) If there is a mortgage, provide an executed Closing Disclosure signed by the borrower, showing the Hundred Homes Initiative grant amount. If there is not a Closing Disclosure (no mortgage), please provide the Funding Disclosure for HHI Requests with No Mortgage.
    - 2) A copy of the recorded Warranty Deed or Restrictive Covenant with the HHI retention language.
    - 3) A copy of the counseling certificate (required only for first-time homebuyers); and,
    - 4) An executed Hundred Home Retention Language Acknowledgement for FHA Loans form (required only for FHA loans).
    - 5) Certification from third party company of the destruction or decommission of mobile home.

Funds will be disbursed only to the extent they are required to fill the gap for down payment, closing costs, and counseling fees. However, any excess HHI funds may be used for “prepayment” or “principal reduction” of the first mortgage, and the amount must be shown on the Closing Disclosure on page three in Section K. No funds can be disbursed until the FHLB receives the Direct Subsidy Agreement, which is emailed to the Member contact upon receipt of the first Reservation Request.

**Please note that during periods of peak demand, it may take four weeks to review and approve a Funding Request. If the information submitted is incomplete, it may take longer.**

## Documents and Forms

All documents and forms may be found at [www.fhlbcin.com](http://www.fhlbcin.com) and only the current FHLB version will be accepted.

### Sponsor Capacity Form

The Sponsor Capacity Form is required for each participating Sponsor organization to provide information to help determine the organization’s ability to meet program requirements.

The properly completed Sponsor Capacity Form must:

- Be submitted at least two business days before the member submits the first Reservation Request;
- Be signed and dated by the organization's Executive Director or Board Chair;
- Identify the FHLB Cincinnati Member partner; and,
- Provide sufficient detail to demonstrate qualifications and experience required.

## Certification of Household Income Eligibility

The Certification of Household Income Eligibility is required to prove the household meets the program income guidelines.

The properly executed Certification of Household Income Eligibility form must:

- Be completed, signed and dated by the Sponsor;
- Clearly list the Sponsor name, homeowner name, and complete subject property address;
- Include all persons residing in the home regardless of age, special need status or income;
- Identify demographic (age, race & gender) information for all persons residing in the home; and,
- Show the total household income as a percent of the Mortgage Revenue Bond (MRB) limit for the county the subject property is located.

## Determining Income

Income for all individuals residing in the home must be shown. This includes child support, Social Security (SS), Supplemental Security (SSI), Survivor's or any other benefit received for or on the behalf of a minor child residing in the household. For additional guidance on calculating income, please refer to Section VII - *How is Household Income Calculated?* in the FHLB Income Eligibility Guide.

Examples of acceptable documents used to verify income include but are not limited to:

- Pay stubs
- Verification of Employment
- SS/SSI/VA Benefit Letter
- IRS Tax Returns
- Annuity/Pension Award Letter
- Unemployment/Worker's Compensation Notification
- Alimony/Child Support printout
- Court Order/Divorce Decree



**After all persons and incomes have been entered on the form, add the incomes to determine the “Total Household Income.” Do not send the income documentation to the FHLB, only the Certification of Household Income Eligibility should be submitted.**

## Determining Household Income Eligibility

The current MRB Income Limits for each county in Kentucky, Ohio, and Tennessee must be used. Separate income limits apply to households of “1 – 2 persons” versus households of “3 + persons.”

- Enter the appropriate “MRB Income Limit” based on the state and county of residence and household size.
- Divide the “Total Household Income” by the “MRB Income Limit” to determine the “Total Household Income as a Percent of MRB Income Limit.” If the percentage calculated is greater than 120 percent, then the household is not eligible for the HHI.

## How We Process Hundred Homes Initiative Requests

Hundred Homes Initiative Reservation Requests and Funding Requests are processed in the order they are received.

### Processing Reservation Requests

When we receive a Reservation Request, we first check to determine whether all documents have been included. If any information is missing, we will not process the request further until the information is received.

- If all documents and information are included with the Reservation Request, we will review the income documentation to determine the household’s eligibility for HHI funds.
- If the household is determined to be at or below 120 percent of MRB income limits, for the appropriate county and adjusted for family size, we send a notice to the Member contact that the household is income eligible for HHI and reserve the amount of funds requested.
  - That notice only provides certainty that the household is income eligible, it does not “approve” any other parts of the transaction, nor does it waive any of the other HHI requirements.
  - The approval is for that household only and for the property indicated on the Reservation Request only. If that purchase is not completed, the reservation cannot be transferred to another property. A new Reservation Request must be submitted for the new property and the old Reservation Request must be cancelled.
  - The approval is for the amount of funds requested and that amount cannot be increased except by submitting a new Reservation Request.



- o All HHI Funding Requests must be submitted to the FHLB by 5PM ET on December 15, 2025 or the reservation will be cancelled.

## Processing Funding Requests

When we receive a Funding Request, we first check to determine whether all documents have been included. The request must include a copy of the Closing Disclosure executed by the buyer, the Deed including the 2025 Retention Language, a copy of the counseling certificate (required only for first-time homebuyers), an executed Hundred Homes Initiative Retention Language Acknowledgement for FHA Loans form (required only for FHA loans), and proof the mobile home has been destructed and/or decommissioned. If any documents are missing, we will not process the request further until the information is received.

Funding Requests may take four weeks to process. The FHLB will make every effort to process requests as quickly as possible and will notify Members if processing times will likely exceed the estimates above.

The **Closing Disclosure** summarizes the purchase transaction and includes information about all of the amounts charged to the buyer, paid by, or on behalf of the buyer. The Closing Disclosure will document the property address, first mortgage lender, purchase price, first mortgage amount and other mortgage amounts, points and fees charged in connection with the purchase, other closing costs, amounts paid by the buyer, amount of Hundred Homes Initiative funds applied to the purchase, amounts of any other down payment or purchase assistance, and any amounts paid to the buyer at closing. Note: If there is no mortgage loan, a Funding Disclosure for HHI Requests with No Mortgage should be submitted. The form is available at [www.fhlbcin.com](http://www.fhlbcin.com).

- The Closing Disclosure should show the buyer as the same person or persons for whom HHI funds were reserved.
- The Closing Disclosure should show the property address as the same property for which HHI funds were reserved.
- The Closing Disclosure should show the settlement date as a date after funds were reserved.
- The Closing Disclosure must show the HHI grant as a credit to the buyer and these funds should be identified as “Hundred Homes Initiative grant,” “FHLB Grant,” or something similar.
- The HHI amount should not be included in the “Cash to Close To Borrower” on the Closing Disclosure. The HHI funds are not provided to the homebuyer but are reimbursed to the Member. The Closing Disclosure should reflect that the Member has provided the HHI funds at closing.
- The Closing Disclosure should show \$500 from the buyer’s own funds.
  - o The amounts from the buyer may be shown as “earnest money” or “down payment”, or may be shown as “Cash to Close From Borrower”, or may be shown as amounts “Paid Outside of Closing” or POC.



- If funds were paid for matters related to the closing (like hazard insurance) but were not shown on the Closing Disclosure, additional documentation such as paid invoices or cancelled checks must be provided to verify that the amounts were paid from the buyer's own funds.
- Part of the \$500 (up to \$300) may be received as a "gift." However, funds from the seller, government agencies, or non-profit or other organizations as "down payment grants" or other down payment assistance are not considered gifts.
- **If the homebuyer receives any cash back at closing, as indicated on the Closing Disclosure, the HHI grant will be reduced by a like amount.** In lieu of cash back, any otherwise "excess" funds may be used as "principal reduction" or as "principal prepayment". However, any such use must be shown on page three in Section K on the Closing Disclosure to avoid a reduction in the HHI amount. The principal reduction can only be applied to a first mortgage, not a second mortgage.
- **Any funds indicated on the loan application or Closing Disclosure as earnest money, whether paid by cash, check, or note are considered a partial down payment, and no amount can be refunded to the homebuyer. If the Closing Disclosure indicates the earnest money was refunded or returned, the HHI grant will be reduced by a like amount.**
- **If the HHI funds appear to be used for an ineligible purpose, e.g., paying off consumer debt, the grant will be reduced by a like amount.** Any amount paid for these kinds of items must come from the buyer's own funds at closing, in addition to the \$500 required.
- **Any amounts shown as "refunded" or "returned" to the buyer or "cash to" the buyer will result in reduction of the HHI amount by a like amount.** *See also the discussion of "earnest money" above.*

The **Deed** shows the transfer of the property from the seller to the buyer and is must be submitted with all Funding Requests.

- The buyer(s) names should match the names on the Reservation Request. A Name Affidavit is required if the homebuyer's name differs from the approval letter.
- If the deed shows additional names than appeared on the approval letter, a satisfactory explanation is required.
- The Deed must also show the retention language in the body of the deed or as a referenced attachment or exhibit. An example can be found on our website.
- If the Deed is in the name of a Trust, the borrower must be the sole beneficiary. A copy of the trust is required.

The **Counseling Certificate** is required only for first-time homebuyers. The first paragraph of the approval letter indicates FHLB's first-time homebuyer determination.



The **Hundred Homes Initiative Retention Language Acknowledgement for FHA Loans** form must be included with the Funding Request for all FHA loans closed with the HHI grant. It is not required for any other loan type.

## Repayment of Hundred Homes Initiative Funds

- If the property purchased using HHI funds is sold or refinanced within the retention period, the homebuyer or closing agent is required to give notice to the FHLB of the sale or refinancing.
- Reference the Subsidy Recapture Policy and Procedures available at [www.fhlbcin.com](http://www.fhlbcin.com) for a complete explanation of the subsidy recapture process with examples.

## Technical Assistance

For assistance with Members Only, please contact the Service Desk at 800-781-3090.

For information or assistance with the Hundred Homes Initiative, please contact the Housing and Community Investment Department toll free at **888-345-2246**.

**Web site:** [www.fhlbcin.com](http://www.fhlbcin.com)

**Email Address:** [HHI@fhlbcin.com](mailto:HHI@fhlbcin.com)

### **Mailing Address:**

**Federal Home Loan Bank of Cincinnati  
Hundred Homes Initiative Program  
P.O. Box 598  
Cincinnati, OH 45201-0598**

**OR**

**Federal Home Loan Bank of Cincinnati  
Hundred Homes Initiative Program  
221 East Fourth Street  
Suite 600  
Cincinnati, OH 45202**