

Hundred Homes Initiative Closing Instructions for Members

The member (and sponsor) should ensure that each homebuyer is income eligible as defined in the Hundred Homes Initiative Guide. Income eligibility is indicated by the FHLB Cincinnati approval of the Hundred Homes Initiative Reservation Request. If the FHLB has not indicated approval, the loan should not close or Hundred Homes Initiative funds will not be disbursed.

As the Member for the Hundred Homes Initiative grant, you are responsible for:

- Verifying the homebuyer's contribution is at least \$500. Items paid outside of closing can count towards this requirement (e.g., homeowner's insurance premiums, application fees, earnest money, appraisal fees, home inspections, etc.);
- Ensuring all deposits made by the homebuyer toward the purchase of the home stay in the transaction. No amount of the earnest money, whether paid by cash, check, or note, can be given back to the buyer under any circumstance. No amount of earnest money paid by another party on behalf of the homebuyer can be returned to the buyer or the other party;
- Verifying no other debt is being paid off through the closing. It is not acceptable to pay off credit cards, loans, collections, etc., unless the borrower brings sufficient funds to closing (over and above the \$500 required) to pay these items;
- Verifying, and documenting, that all repairs specified in the appraisal, have been made and that all funds have been disbursed with no funds returned to the homebuyer when a repair escrow (from the buyer) is shown on the Closing Disclosure. Grant funds will not be disbursed until the FHLB receives proof of completion and funds disbursement;
- Ensuring the first mortgage loan rate is not higher than 9.875%;
- Ensuring the second mortgage loan rate is not higher than 13.375%. Hundred Homes Initiative funds may not be used in transactions involving a second mortgage provided by an individual as seller. Second mortgages provided by formal organizations, including financial institutions, Community Development Financial Institutions, housing finance agencies, non-profit organizations, etc. are acceptable;
- Ensuring the FHLB's current retention language is included in the new warranty deed. The language can be included in the body of the deed or as a referenced attachment/exhibit;
- If an FHA loan, having the homebuyer sign the current Hundred Homes Initiative Retention Language Acknowledgement for FHA Loans form. This form should be signed on or before the day of the loan closing.
- Obtaining a copy of the counseling certificate from all first-time homebuyers upon completion of an acceptable counseling course;
- Obtaining proof the sponsor destructed and/or decommissioned the existing mobile home; and,
- Reading the Hundred Homes Initiative Closing Instructions for Closing Agents and providing these instructions to each closing attorney/agent prior to any closing using a Hundred Homes Initiative grant.

For more information on required documentation, please reference the Hundred Homes Initiative Guide or for assistance, please contact the Housing & Community Investment Department at (888) 345-2246 or email us at hhi@fhlbcin.com.