



Community Investment Products

Starting Soon: First Front Door

Down payment and closing cost assistance, up to \$5,000, for income-qualified, first-time homebuyers

Affordable Housing Program

Up to \$650,000 in subsidy for affordable housing development

Community Lending Program

Low-cost liquidity and match financing for community development

Blueprint Communities®

Capacity-building for communities in need of revitalization

Banking On Business

Gap financing and equity for small business start-up and expansion

To learn more about how your institution can benefit from one of our products, contact:

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2016 First Front Door

Lori Graham

January 27, 2016

What to Expect from this Webinar

- Introduction to First Front Door (FFD)
- How FFD Works
- 2016 Program Overview and Changes
- Homebuyer Qualification Review
- Household Income Review
- FFD Retention Review
- FFD Online and Income Workbook Review
- Next Steps
- Questions

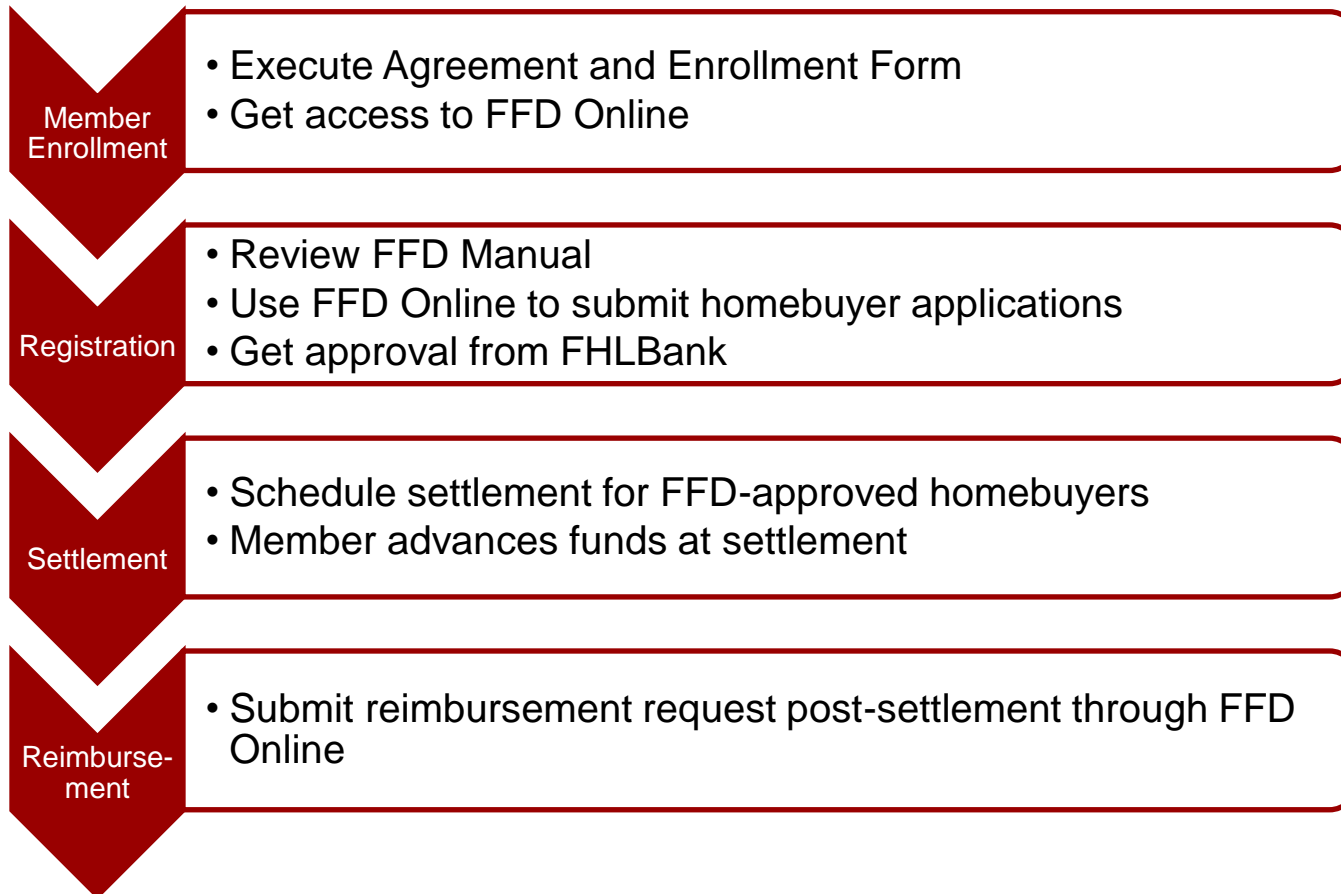


What is First Front Door

- Grant assistance toward down payment and closing costs to families at or below 80 percent of the area median income, defined by current location
- FHLBank will match \$3 for every \$1 provided by the homebuyer, up to \$5,000



How Does It Work





2016 Program Details

- Funding round opens: March 2, 2016
- Total amount available: TBA
- Maximum grant amount: \$5,000
- Requests for homebuyer registration and reimbursement only accepted through FFD Online system



2016 Program Changes

Guideline	2015	2016
Eligible Homebuyer Contribution Type	Short-term loans, defined as a loan with a term of five years or less, could be counted as part of the homebuyer contribution	Short-term loans are no longer eligible as part of the homebuyer contribution



Homebuyer Qualifications

- First-time homebuyer (not owned home in the past three years)
- Income-qualified, using current address
- Purchasing an eligible property (not investment property)
- Member **MUST** provide first mortgage financing
- Homebuyer contribution verified on settlement statement determines eligible subsidy
- Homebuyer counseling completed prior to settlement



Household Income Review

- HUD definition/Income Guidelines
 - 24 CFR 5.609 = Code of Federal Regulations, Part 5 - General HUD Program Requirements
- Annual income is the **gross** amount of income of all adult household members that is **anticipated** to be received during the coming 12-month period
- FFD Income Workbook is how income is calculated and is required to be completed for homebuyer registration



FY 2015 INCOME LIMITS DOCUMENTATION SYSTEM

HUD.gov [HUD User Home](#) [Data Sets](#) [Fair Market Rents](#) [Section 8 Income Limits](#) [MTSP Income Limits](#) [HUD LIHTC Database](#)

FY 2015 Income Limits Summary

FY 2015 Income Limit Area	Median Income Explanation	FY 2015 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Allegheny County	\$69,700	Very Low (50%) Income Limits (\$) Explanation	24,350	27,800	31,300	34,750	37,550	40,350	43,100	45,900
		Extremely Low (30%) Income Limits (\$)* Explanation	14,600	16,700	20,090	24,250	28,410	32,570	36,730	40,890
		Low (80%) Income Limits (\$) Explanation	38,950	44,500	50,050	55,600	60,050	64,500	68,950	73,400

<http://www.huduser.org/portal/datasets/il.html>

****FFD will use 2016 HUD Income Guidelines as soon as they are published****



Verifying Income

- Current third-party verification required for FFD

Third-Party Verification Examples

- Three consecutive wage statements/ paystubs
- Current-year social security statements
- Unemployment compensation statements
- Tax returns (business income)
- Zero-Income Form



Household Size

- Household size = number of adults and children
 - Not foster children or adults
 - Not live-in aides or children of live-in aides
 - DOES include family/friends/others living in household that have reasonable expectation of continuation
- Joint custody of child: count when child resides with household at least 50 percent of the time
- Pregnant women = one person until child born



Front End

- Five-year retention requirement
- A note secured by a second mortgage/deed of trust or FHA/VA rider must be executed and recorded
- Specific retention language for the second lien and copies of the FHA/VA rider are provided in the FFD Program Manual

Back End

- Sale of the home could result in a repayment of the grant from any net gain on the transaction
- Repayment of the FFD grant is not required for a refinance – the FFD mortgage must remain in place and be subordinated to the new mortgage by the member
- Lien is released after five years



FFD Online

- The round will open at 9 a.m. on Wednesday, March 2
- Registrations and disbursements must be submitted through FFD Online
- Bank4Banks® ID and Password required
- Income Workbook must be used – download and save the new 2016 version from www.fhfb-pgh.com/firstfrontdoor



Next Steps

- Market FFD Program
 - www.fhfb-pgh.com/firstfrontdoor
- Practice FFD Income Workbook – download it today!
- Create partnerships for referrals
 - Local homeownership counseling agencies
 - Local realtors
- Take advantage of technical assistance

Community Investment Contacts



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