

## FREQUENTLY ASKED QUESTIONS FOR HOUSEHOLDS

### **DEFINITIONS:**

See a list of commonly misunderstood terms below. For a complete list of definitions, please view the *FHLBI 2024 Implementation Plan* at [FHLBI.com/resources/implementation-plan/](https://www.fhlbi.com/resources/implementation-plan/).

- **Area Median Income (AMI):** The midpoint of income in an area as defined and published by HUD. Households must be at or below 80%AMI based on household size to receive FHLBI grant funds.
- **FHLBI:** Also referred to as “FHLBank Indianapolis” or “Bank.” The Bank’s legal name is the Federal Home Loan Bank of Indianapolis. Information about the Bank is available at <https://www.fhlbi.com/>
- **First-Time Homebuyer:** An individual who has had no ownership in a principal residence during a three-year period ending on the date of the purchase of the property. Applicable to any of the borrowers.
- **Homeownership Opportunities Program (HOP):** An FHLBI program that provides funds to first-time homebuyers for down payment, housing counseling and closing cost assistance.
- **Manufactured Housing:** Manufactured housing is built to the Manufactured Home Construction and Safety Standards (HUD Code) and displays a red certification label on the exterior of each transportable section. Manufactured homes are built in the controlled environment of a manufacturing plant and are transported in one or more sections on a permanent chassis.
- **Member:** FHLBI Members are regulated financial institutions having a principal place of business in Indiana or Michigan. Typically, these Members will be commercial banks, savings and loan institutions, credit unions, insurance companies, or community development financial institutions (“CDFIs”). All FHLBI grant funds are distributed through members who participate in the grant programs.
- **Neighborhood Impact Program (NIP):** An FHLBI program that provides funds to homeowners for rehabilitation or accessibility modifications with the goal of improving neighborhoods.

### **HOW DO I APPLY FOR FUNDS?**

You must work with a FHLBI member to apply for any of the FHLBI programs. A list of participating FHLBI members as well as Program Guidelines and other pertinent information is available at [FHLBI.com/HOP](https://www.fhlbi.com/HOP) and [FHLBI.com/NIP](https://www.fhlbi.com/NIP).

### **HOW MUCH MONEY CAN I GET?**

For 2024, grant maximums are \$20,000 for HOP and \$15,000 for NIP.

### **WHAT DO I HAVE TO DO TO QUALIFY?**

Households must meet income requirements and own and occupy the home to be assisted. Please see further program requirements on each program’s webpage: [FHLBI.com/HOP](https://www.fhlbi.com/HOP) / [FHLBI.com/NIP](https://www.fhlbi.com/NIP).

### **IS THIS FEDERAL MONEY?**

No, the funds supplied through our grants are not connected to the federal government.

### **WHAT KIND OF REPAIRS CAN I GET DONE TO MY HOME THROUGH NIP?**

In general, NIP funds may be used for deferred maintenance repairs/modifications such as replacement of windows, roofs, HVAC, bathroom modifications, ramps, widening of doors, etc. For a complete list of eligible repairs/modifications, please review the program guidelines available at [FHLBI.com/NIP](https://www.fhlbi.com/NIP).

### **CAN I CHOOSE MY OWN CONTRATOR?**

Yes. FHLBI requires the household obtain a minimum of 2, independent, third-party comparable bids for each repair/modification from eligible contractors. Bid/contractor selection is at the household’s discretion. Please note, members may have additional contractor requirements.

### **WHAT IF I HAVE AN ISSUE WITH MY CONTRACTOR?**

Disputes surrounding the repairs/modification shall be resolved between the household and contractor(s). FHLBI will not mediate or participate in these discussions.

### **IS A MANUFACTURED HOME ELIGIBLE FOR HOP/NIP?**

If the home is titled as real estate and permanently affixed to a permanent foundation, the property is eligible.

**An affidavit of affixture or similar documentation that proves affixture, is required.**

### **ARE LAND CONTACTS ELIGIBLE?**

A land contract is not an eligible form of ownership for FHLBI programs. HOP cannot be used to purchase a property that will be utilizing a land contract versus a traditional form of mortgage lending. NIP properties cannot be in a land contract.

### **DO I HAVE TO PAY THE MONEY BACK?**

It depends on which grant you receive:

- NIP: No return of funds is necessary.
- HOP: If a HOP-assisted home is sold or refinanced within the five-year retention period, a portion of the grant funds received may need to be returned. Please contact the member for further information about this process.

### **HOW OFTEN CAN I RECEIVE GRANT FUNDS?**

No household may receive funds more than once every five years. The waiting period is 5 years from the date of closing (HOP) or the date of rehabilitation completion (NIP).

### **WHAT IF I HAVE A HOP/NIP RETENTION AGREEMENT ON MY HOME AND NEED IT REMOVED?**

Please contact the member who initially provided you with the grant. The member is responsible for any recording, subordination and/or release of the Real Estate Retention Agreement (retention agreement).

- The first paragraph of the retention agreement would indicate the name of the member institution.
- The bottom of Page 3 of the retention agreement typically includes a contact person's name.

### **HOW WILL I KNOW IF MONIES HAVE BEEN DISBURSED FOR MY APPLICATION?**

Communicate with the FHLBank Member who submitted the request on your behalf. They will be notified once the request has been approved.

### **WHY IS THE DISBURSEMENT TAKING SO LONG?**

Typical reasons for delay:

- The necessary income documentation was not submitted or was incomplete.
- FHLBI has asked for additional information/documentation and there is a delay receiving a response.