



Community Investment  
Products

## First Front Door

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

## Affordable Housing Program

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

## Blueprint Communities

Capacity-building and  
funding for  
communities in need  
of revitalization

## Community Lending Program

Loans for  
community and  
economic  
development  
projects

## Banking On Business

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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## **2017 First Front Door**

Lori Graham

February 8, 2017

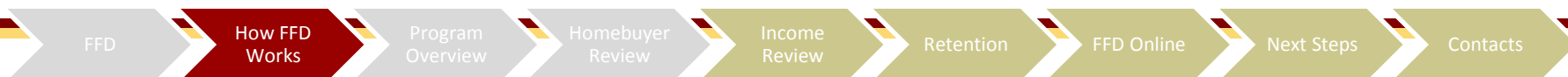
# What to Expect from this Webinar

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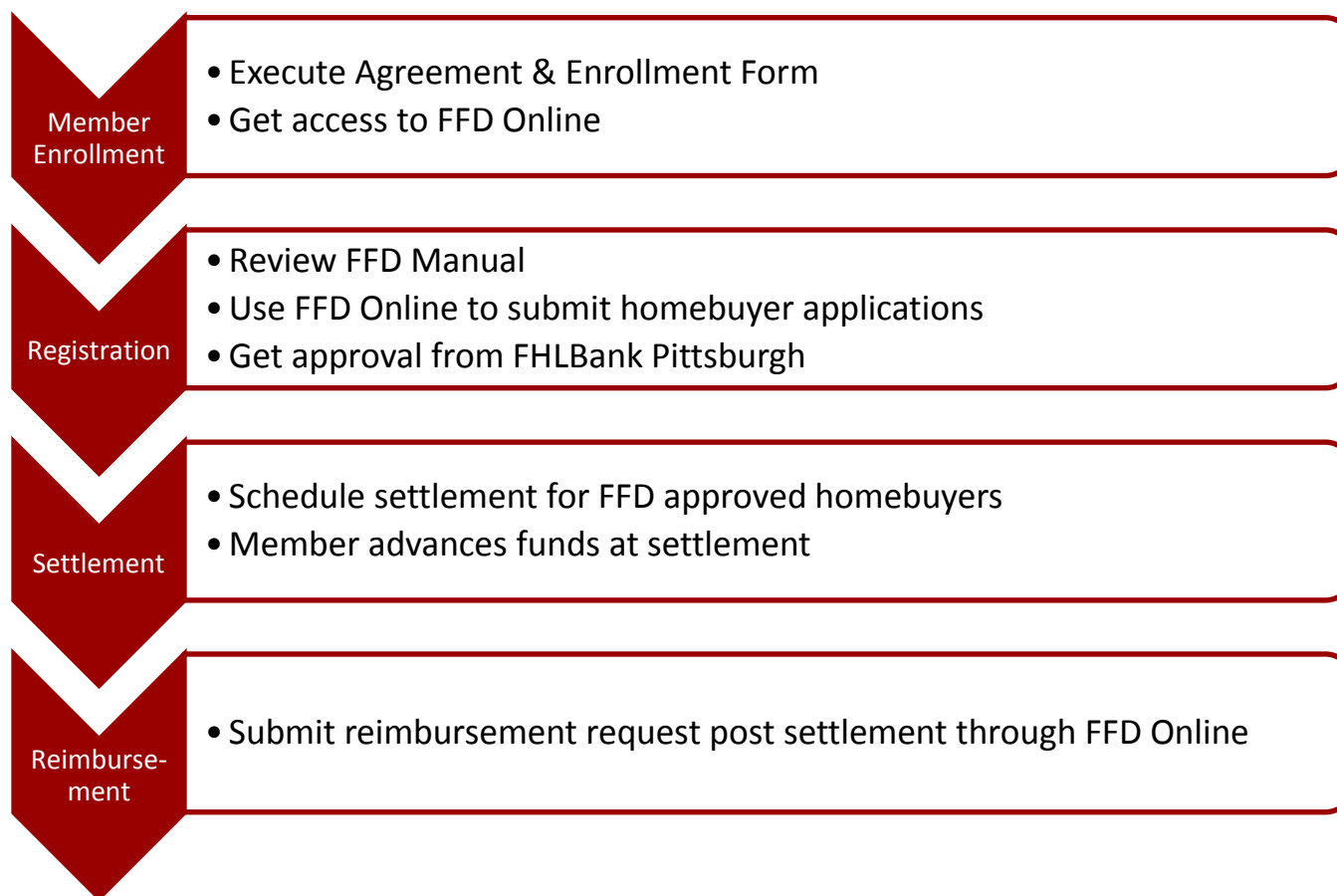
- Introduction to First Front Door (FFD)
- How FFD Works
- 2017 Program Overview
  - Program Changes
- Homebuyer Qualification Review
- Household Income Review
- FFD Retention Review
- FFD Online and Income Workbook Review
- Next Steps
- FFD Contacts

## What is First Front Door:

- First Front Door (FFD) provides 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 Pittsburgh will match the homebuyers contribution \$3 for every \$1 provided by the homebuyer, up to \$5,000



## How Does it Work:





FFD

How FFD  
Works

Program  
Overview

Homebuyer  
Review

Income  
Review

Retention

FFD Online

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## 2017 Program Details:

- Start Date: March 15, 2017 (Wednesday)
- Funds Available: TBA
- Maximum Grant: \$5,000
- Program submissions for homebuyer registration and reimbursement only accepted through FFD Online



# 2017 Program Changes: No Changes!

Program Guideline	2016	2017



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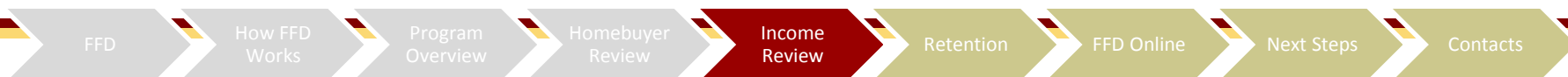
## Homebuyer Qualifications:

- 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”/“HUD 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
- FFD uses the most recent published HUD Income Guidelines and as such, guidelines are subject to change per HUD publication



## FY 2016 Income Limits Summary

FY 2016 Income Limit Area	Median Income <a href="#">Explanation</a>	FY 2016 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
<b>Philadelphia County</b>		Very Low (50%) Income Limits (\$) <a href="#">Explanation</a>	28,150	32,150	36,150	<b>40,150</b>	43,400	46,600	49,800	53,000
		Extremely Low Income Limits (\$)* <a href="#">Explanation</a>	16,900	19,300	21,700	<b>24,300</b>	28,440	32,580	36,730	40,890
		Low (80%) Income Limits (\$) <a href="#">Explanation</a>	45,000	51,400	57,850	<b>64,250</b>	69,400	74,550	79,700	84,850

**\*\*FFD will use 2017 HUD Income Guidelines as soon as they are published\*\***



## FY 2016 Income Limits Summary

### Statewide Income Limits For Pennsylvania

FY 2016 Very Low-Income (50%) Limit (VLIL)								
Median Family Income	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
68,300	23,900	27,300	30,750	34,150	36,900	39,600	42,350	45,100

FY 2016 Extremely Low-Income Limit (ELIL)							
1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
14,350	16,400	18,450	20,500	22,150	23,750	25,400	27,050

FY 2016 Low-Income (80%) Limit (LIL)							
1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
38,250	43,700	49,200	54,650	59,000	63,400	67,750	72,100

**\*\*FFD will use 2017 HUD Income Guidelines as soon as they are published\*\***

## Verifying Income:

- Current third-party verification required for FFD
- Asset verification is not required

### Third-party Verification Examples:

- Wage statements/paystubs (3 consecutive statements)
- Current year social security statements
- Unemployment compensation statements
- Two years of tax returns ONLY required when calculating business income



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## Household Size:

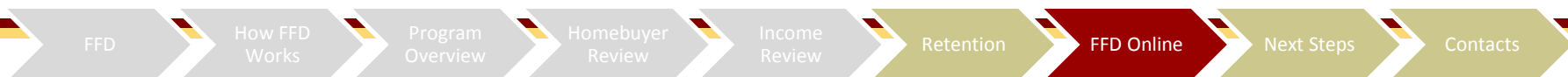
- Household size = Number of adults and children
  - Not foster children
  - Not foster adults
  - Not live-in aides
  - Not children of live-in aides
  - DO include family/friends/others living in household that have reasonable expectation of continuation
- Joint custody of child: Count when child resides with household at least 50% of the time
- Pregnant woman = 1 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
- After five years, release the lien



## FFD Online:

- Bank4Bank<sup>®</sup> ID and Password required
- FFD registrations and disbursements can only be processed through FFD Online
- The round will open at 9 A.M. Wednesday, March 15, 2017
- Income Workbook must be used; download and save the new 2017 version from <https://www.fhlp-pgh.com/ffd>



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## Next Steps:

- Market FFD Program
  - Marketing materials available
    - <https://www.fhlp-pgh.com/ffd>
- Practice FFD Income Workbook
  - Download it today!
- Create partnerships for referrals
  - Local homeownership counseling agencies
  - Local realtors
- Take advantage of technical assistance



# FFD Contacts

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