



# First Home Club<sup>sm</sup>

## ENROLLMENT TERMS AND CONDITIONS

### APPLICANT

Applicant Name ("Household")	Co-Applicant Name ("Household")		
Address	City	State	Zip Code + 4
Approved Member ("Bank")	County	MSA	Census Tract

*In order for a household to enroll in the First Home Club and become eligible to receive a grant of up to \$7,500 per household for downpayment and closing cost assistance and up to \$500 to defray home ownership counseling costs towards the purchase of the Household's primary residence ("Home"), all applicants agree and understand that they must meet the following terms and conditions:*

- Meet the definition of a First-Time Homebuyer (See attached definition).
- Household must be a resident of the District of the Federal Home Loan Bank of New York ("FHLBNY") at time of enrollment. The FHLBNY's District is comprised of New York, New Jersey, Puerto Rico, and the U.S. Virgin Islands.
- At the time of First Home Club ("FHC"), the Household must have an income of 80% or less of the area median income for their current place of residence, adjusted for household size.
- The time of enrollment is the date on which the Household opens the dedicated savings account with the Bank. The maximum duration of enrollment is 24 months with one 12 month extension granted at the sole discretion of the FHLBNY for households having fulfilled all FHC requirements.
- The actual household size is the number of verifiable household members (i.e., any individuals related by blood, marriage, or adoption, or unrelated individuals, including all reported dependents) who will occupy the FHC-assisted residence as established at the time of enrollment.
- In the event that the Household's actual household size changes prior to the time of closing, the FHLBNY reserves the right to re-evaluate the qualifying the Household's size and income(s) retroactively to the time of enrollment.
- Open a dedicated savings account with the Bank and agree to systematically save a portion of the Household's income as determined on the following page.
- Each responsible household member must complete, within the period of the agreed upon dedicated savings program, a FHLBNY approved homebuyer counseling program offered by the Bank.
- Qualify for and obtain mortgage financing exclusively through the Bank for the purchase of a primary residence within the FHLBNY's District (i.e., New York, New Jersey, Puerto Rico or the U.S. Virgin Islands).
- Provide all necessary documentation to determine eligibility within the FHLBNY's FHC policy.
- Certify that all the information provided to the Bank is true and accurate.
- Execute a legal recordable retention document, at the time of closing, which ensures that the home remains affordable for a period of 5 years ("Recapture Period"). The FHLBNY may request the return of a portion of the matching grant funds awarded if the home purchased with the assistance of the matching funds is sold to an ineligible household (income exceeds 80% of the area median income, adjusted for family size, in which the house is located). The FHC grant may be fully forgiven if the household sells the home to an eligible household (income not exceeding 80% of the area median income) during the recapture period.
- The Applicant may refinance the first mortgage or take a home equity loan. The applicant will not be required to return the matching grant funds if the home continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism.
- First Home Club funds may be used in conjunction with other programs including other FHLBNY Affordable Housing Program awards. The combined subsidy amount from the FHLBNY may not exceed \$20,000 per household.



**DEFINITION OF FIRST TIME HOME BUYER**

*United States Code as of 01/19/2004*  
42 U.S.C.A. § 12704

**UNITED STATES CODE ANNOTATED  
TITLE 42. THE PUBLIC HEALTH AND WELFARE  
CHAPTER 130--NATIONAL AFFORDABLE HOUSING  
SUBCHAPTER I--GENERAL PROVISIONS AND POLICIES**

§ 12704. Definitions

As used in this subchapter and in subchapter II of this chapter:

**(14) The term "first-time homebuyer" means an individual and his or her spouse who have not owned a home during the 3-year period prior to purchase of a home with assistance under subchapter II of this chapter, except that--**

**(A) any individual who is a displaced homemaker may not be excluded from consideration as a first-time homebuyer under this paragraph on the basis that the individual, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse;**

**(B) any individual who is a single parent may not be excluded from consideration as a first-time homebuyer under this paragraph on the basis that the individual, while married, owned a home with his or her spouse or resided in a home owned by the spouse; and**

**(C) an individual shall not be excluded from consideration as a first-time homebuyer under this paragraph on the basis that the individual owns or owned, as a principal residence during such 3-year period, a dwelling unit whose structure is--**

**(i) not permanently affixed to a permanent foundation in accordance with local or other applicable regulations, or**

**(ii) not in compliance with State, local, or model building codes, or other applicable codes, and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.**

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