



2016 Homeownership Set-aside Program Member Registration Agreement (Registration Agreement)

Federal Home Loan Bank of Topeka (FHLBank) strives to be a strategic business partner with its members. The Homeownership Set-aside Program (HSP) is designed to support FHLBank members in meeting the needs of low-income first-time homebuyers by offering down payment, closing cost and purchase-related repair assistance to qualified participants. The HSP provides a maximum subsidy of \$5,000 to homebuyers as a grant (HSP Subsidy), subject to a five-year retention period. There is no obligation for the homebuyer to repay the HSP Subsidy, except as further described in this Registration Agreement or the Real Estate Retention Agreement, and there is no interest accrual on the HSP Subsidy.

Any member wishing to participate in the HSP must review and sign this Registration Agreement, agreeing to comply with the Affordable Housing Program (AHP) statute and regulations (12 U.S.C. 1430(j); 12 C.F.R. Part 1291) (the AHP regulations) and FHLBank policies, procedures, rules and regulations, which govern the HSP, whether now existing or hereafter amended or implemented, as well as this Registration Agreement. Any terms not defined herein shall have the meaning ascribed to them in the AHP Regulations or the 2016 AHP Implementation Plan (IP).

The undersigned member (Member) hereby requests to participate in FHLBank's HSP and further agrees that it:

- (1) shall comply with the AHP Regulations and the 2016 AHP IP, which are incorporated herein by reference. In the event of a conflict in the terms of this Registration Agreement and terms of the AHP Regulations or the 2016 AHP IP, then the terms of the AHP Regulations and then the AHP IP shall govern;
- (2) understands that the HSP Subsidy is provided by Member at closing and then reimbursed by FHLBank, after approval of Member's proper disbursement request, as further described by the 2016 HSP Manual;
- (3) shall submit reservations and disbursement requests for HSP Subsidy and required documentation via TrueShare online file server;
- (4) will represent and certify that each reservation request shall be submitted only for those HSP recipient(s) who meet the definition of first-time homebuyer, as defined in the 2016 AHP IP and will maintain back-up documentation regarding each HSP recipient'(s') first-time homebuyer status and will make such documentation available to FHLBank for review upon request;
- (5) will verify all certifications used to qualify homebuyers for participation in the HSP, exercise due diligence in the process of performing such verifications, and will retain the applicable documentation related to such verifications, and provide such documentation to FHLBank promptly upon request;

- (6) shall ensure an executed, recorded Real Estate Retention Agreement is in place for each HSP Subsidy and will provide any further documentation required by FHLBank in accordance with the requirements of the 2016 AHP IP and 2016 HSP Manual, as well as such other documentation required by FHLBank;
- (7) shall use HSP Subsidy in accordance with the terms of this Registration Agreement, will not charge processing fees for providing HSP Subsidy to a household, and will pass on the full amount of the HSP Subsidy only to the household for which the subsidy is approved (i.e., an HSP Subsidy reservation cannot be transferred to a different homebuyer or to a different property address). In the event Member receives or recaptures any portion of an HSP Subsidy upon the sale of a homebuyer's house (e.g., through a "passive" or "silent" second mortgage), it shall return the recaptured portion to FHLBank;
- (8) will require a minimum mortgage term of five (5) years and a maximum mortgage term of forty (40) years;
- (9) will provide to FHLBank notice of any sale, refinancing or foreclosure of the homeowner's property, or death of the homeowner occurring before the end of the retention period;
- (10) will require that homebuyers contribute a minimum \$500 down payment or other costs paid outside of closing of at least \$500 unless the homebuyer is participating in a sweat equity or other program as outlined in the 2016 AHP IP;
- (11) understands that none of the following are allowed under the HSP: cash back to the homebuyer at closing; non-occupying co-borrowers and co-owners; or paying off homebuyer debt (i.e. credit cards, other loans) at closing;
- (12) acknowledges that HSP funds are available on a first-come, first-served basis of \$25,000 per month per member beginning March 7, 2016. Members may access the current month's limit plus the unused portion of previous months' limits if funds are available. Members are neither allocated nor guaranteed \$25,000 per month. Member is not guaranteed availability of HSP funds; each member institution may not reserve funds in excess of the member limit, unless that limit is revised by FHLBank;
- (13) it shall practice the principles of equal employment opportunity and non-discrimination in all business activities, to the maximum extent possible, and at a minimum regardless of color, national origin, sex, religion, age, disability status or genetic information. Business activities include operational, commercial and economic endeavors of any kind, whether for profit or not for profit and whether regularly or irregularly engaged in by Member, and include, but are not limited to, management of the Member, employment, procurement, and all types of contracts;
Member shall include the provisions of the immediately preceding paragraph to the maximum extent possible, in each subcontract entered for services or goods provided to FHLBank under this Registration Agreement. In the event of Member's noncompliance with this Section 12, this contract may be cancelled, terminated or suspended, in whole or in part, without penalty to FHLBank;
- (14) shall be required to repay any HSP Subsidy to FHLBank in the event of its noncompliance with the terms of this Registration Agreement;

- (15) shall use its best efforts to transfer its obligations under this Registration Agreement to another member in the event of its loss of membership in FHLBank before a final disbursement of HSP Subsidy is processed; and
- (16) acknowledges that final determination on all issues relating to the HSP shall be made by FHLBank in its sole discretion.

The signature below must be made by an authorized representative of the Member included on the FHLBank Credit Authorization or FHLBank Credit Resolution. The signed agreement must be forwarded to FHLBank via TrueShare online file server. The signed agreement and HSP-related documents received via TrueShare are deemed originals.

With the intent to be legally bound hereby, the undersigned hereby acknowledges, agrees and consents to the foregoing.

Member DDA (to be used for HSP disbursements): _____

Member Institution Name: _____

Signature: _____ Date: _____

Printed Name: _____

Title: _____