



2019 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 eligible households. 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 2019 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 2019 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 2019 AHP IP, first 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 2019 HSP User Guide;
- (3) shall submit reservations and disbursement requests for HSP Subsidy and required documentation via the HSP online system;
- (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 2019 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, will retain the applicable documentation related to such verifications, and will 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 2019 AHP IP and 2019 HSP User Guide, 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, or allow processing fees to be charged by an outside entity, 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 homebuyers to contribute a minimum of \$500 towards down payment, closing costs, or costs paid before closing;
- (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 the use of HSP funds for repayment of other 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 in reservations per month per member beginning March 4, 2019. 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 in reservations 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) has established and maintains an adequate and effective internal control environment, including effective anti-money laundering controls, designed to prevent the use of FHLBank's products and services, including HSP funding, to facilitate money laundering, the funding of terrorists, fraud or other criminal activity. Member shall ensure that each intermediary (if any) and each recipient or beneficiary of AHP funding is included within the scope of Member's know-your-customer processes. Member complies with all applicable Bank Secrecy Act and Office of Foreign Assets Controls ("OFAC") requirements as they relate to the HSP and certifies Member has conducted (or caused to be conducted) a screen to confirm each intermediary (if any) and each recipient or beneficiary of HSP funding is not a "specially designated national and blocked person" ("SDN") on the SDN list maintained by OFAC or on the Federal Housing Finance Agency's Suspended Counterparty list (available on FHFA.gov).

(14) 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 race, color, creed, religion, sex, age, sexual orientation, national origin, ancestry, pregnancy, parental status, citizenship status, disability, genetic information, military status, gender identity and expression, or marital status. 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 14, this agreement may be cancelled, terminated or suspended, in whole or in part, without penalty to FHLBank;

(15) shall be required to repay any HSP Subsidy to FHLBank in the event of its noncompliance with the terms of this Registration Agreement;

(16) 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

(17) 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, the FHLBank Credit Resolution, or the FHLBank AHP/HSP Authorization Form. The signed agreement must be forwarded to FHLBank via email to hsp@fhlbtopeka.com. The signed agreement and HSP-related documents, except for the AHP/HSP Authorization Form, received via email are deemed originals. The original, signed AHP/HSP Authorization Form must be received by FHLBank.

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

Member Institution Name: _____

Address: _____

Phone Number: _____

Signature: _____ Date: _____

Printed Name: _____ Title: _____