

Requesting a Repayment Quote, Release, or Subordination of an HSP/AHP Owner-occupied Subsidy





Affordable Housing Program (AHP) & Homeownership Set-aside Program (HSP) Request for Payoff and/or Release of Real Estate Retention Agreement or Subordination Agreement Instructions

According to Affordable Housing Program Regulations, homeowners who received AHP or HSP subsidy to assist with down payment, closing costs, or purchase-related repairs may be required to repay a pro-rated portion of the grant if they sell, transfer, assign or refinance the property prior to the end of the retention period.

The instructions below and the instructions provided on the Request for Payoff and/or Release of Real Estate Retention Agreement or Request for Subordination Agreement (Request Form) will assist you in determining whether a prorated portion of the grant is due, the retention document should be released, or FHLBank will subordinate the refinanced mortgage.

Personally Identifiable Information:

DO NOT send documentation that includes personally identifiable information (PII) via regular email. PII is information that can be used to distinguish or trace an individual's identity, such as their name, address or telephone number, combined with other personal identifying information such as social security number, biometric records, health information, date of birth, mother's maiden name, personal bank account numbers, credit card numbers, etc. Send this information using FHLBank's secure email portal – ProofPoint. To register and for instructions to use, see the ProofPoint User Guide on FHLBank's Community Programs web page.

Completing the Request for Payoff and/or Release of Real Estate Retention Agreement or Subordination Agreement

All FHLBank payoff quotes are based on the closing date for the sale of the property. If the closing date changes, complete and submit a new Request Form.

SECTION A

It is important to complete this section in its entirety, so FHLBank has all the information it needs to:

- Locate the information required to determine whether a payoff is required;
- Contact the proper person with questions or request additional information;
- Provide the payoff determination to the proper person/entity;
- Mail the executed, notarized Release of Mortgage or Subordination Agreement (as applicable) to the correct address.

OF NOTE:

If the borrower's name has changed since the original purchase date, enter the borrower's name as of the date of the original purchase in parentheses followed by the borrower's current name.

Continue to Section B.

SECTION B

This section will help you determine whether the grant is past retention (closing on purchase of home took place five years [sixty months] or more from closing on sale/transfer/assignment/refinance of home).

If the answer is Yes: The property is past retention and no payoff is required. Click on the link provided to the "Satisfaction/Release of Mortgage/Real Estate Retention Agreement." Complete the Release. Submit the Release, along with Sections A and B to FHLBank to: Housingpayoffrelease@fhlbtopeka.com

If the answer is No: **Continue to Section C.**



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SECTION C

Answer the questions in this section following the instructions in each section. See below for instructions and documentation requirements for **Yes** responses specific to each question.

1. **If “Yes” Response to:** Did the purchaser, transferee, or assignee provide documentation of their household income?
Provide the following documentation:
 - First and second page of Request Form
 - Income documentation for ALL household members. The following income documentation types are acceptable:
 - One paystub that accurately represents the household member’s hours worked, days worked per week, overtime, etc., that includes at least 28 days of year-to-date gross income.
 - Verification of Employment that includes at least 28 days of gross YTD earnings
 - Seasonal employees (employee does not work year-round such as a school para, construction worker, lifeguard) may submit the previous year’s W-2 if employed for a full season with the same employer
 - Non-traditional employees (employees not paid by the hour such as commissioned employees, truck drivers) may submit the previous year’s W-2 if employed for a full season with the same employer
 - Self-employment/rental income should be documented with the previous year’s tax return or IRS Form 8879 signed by the homebuyer;
 - Child support/alimony should be documented with a formal statement from a recognized state or local authority or agency verifying alimony award and child support payments (at least 60 days of history)
 - Social Security/SSI: Copy of award letter designating benefits for current year
 - Retirement/Annuities: 1099 for previous year, current award letter, or current statement showing disbursements
2. Provide the number of units included in the property. Most properties will include only one unit; however, if the sale involves a duplex, tri-plex, or four-plex, it will include more than one unit. Select the appropriate number of units. A *condominium is considered one unit.*
3. Provide documentation to verify the sales price such as the preliminary/draft or final Closing Disclosure.

Continue to Section D.

SECTION D

Answer the questions in this section following the instructions in each section. See below for instructions and documentation requirements for “YES” responses specific to each question.

- **“Yes” Response to:** If payoff is being requested as a result of a refinance, FHLBank is willing to subordinate. Would the lender allow FHLBank to subordinate? Click on the link to the Subordination Agreement and provide the following documentation:
 - First page of Request Form
 - Completed Subordination Agreement



**Affordable Housing Program (AHP) & Homeownership Set-aside Program (HSP)
Request for Payoff and/or Release of Real Estate Retention Agreement or Subordination Agreement
Instructions**

- **“Yes” Response to:** Has the property been foreclosed, has the title been transferred by deed-in-lieu of foreclosure, or an FHFA first mortgage been assigned to HUD? Provide the following documentation:
 - First and second page of Request Form
 - Evidence of **final** conveyance of the deed to the first mortgage lender or assignment of the first mortgage to the Secretary of HUD.
- **“Yes” Response to:** Is the property being sold, assigned or transferred due to the death of the homeowner? Provide the following documentation:
 - First and second page of Request Form
 - Copy of the death certificate or equivalent documentation confirming the death such as the obituary
- **“Yes” Response to:** Has the homeowner made any capital improvements to the property? Provide the following documentation:
 - First and second page of Request Form
 - Invoices, receipts, or other documentation that include a description of the capital improvements made, the property address, the cost of the capital improvements, and the date the capital improvements were made/paid for.
 - Sale/Transfer/Assignment Documentation (See [Sale/Transfer/Assignment Documentation Requirements](#))

OF NOTE:

DO NOT notify FHLBank Topeka at the initiation of the foreclosure proceedings, only once the foreclosure, deed-in-lieu or conveyance to HUD is finalized.

CAPITAL IMPROVEMENTS ARE:

A permanent structural change or restoration that enhances a property’s value, increases its useful life, or adapts it for new use. Examples include, but are not limited to: addition of bedroom, bathroom, deck, garage, porch, landscaping, fence, walkway, driveway, new roof, new siding, new storm windows/doors, new insulation, new heating and air, wiring, water heater, carpeting, fireplace, flooring, built-in appliances. See [IRS Publication 523](#).

SALE/TRANSFER/ASSIGNMENT DOCUMENTATION REQUIREMENTS

Submit, at a minimum:

- First and second page of Request Form
- Closing Disclosure or other closing document from the sale of the property
- Itemized first mortgage payoff letter/statement
- Payoff letter/statement for any mortgage senior to the AHP/HSP Retention Agreement that includes the principal balance due

Send the Request Form and required documents through secure email to: Housingpayoffrelease@fhlbtopeka.com

If sent via regular mail:

FHLBank Topeka
Attn: Housing and Community Development
P.O. Box 176
Topeka, KS 66601-0176

Contact HCD at 1.866.571.8155 with questions.