
HELPING TO HOUSE NEW ENGLAND

Frequently Asked Questions

What is the Helping to House New England Program?

The HHNE program is a three-year, \$15 million (\$5 million per year) subsidy program funded through FHLB Boston's earnings. The program is designed to support affordable housing initiatives through the six New England Housing Finance Agencies, whose mission, common with the Bank, is to provide funding for the affordable rental and homeownership needs of low- and moderate-income households in each of the six states. Specifically tailored for HFAs, the subsidy will be used to write down interest rates to zero percent on Classic advances for the purpose of expanding affordable rental and homeownership initiatives. Additionally, HHNE advances will not be subject to any prepayment fees.

How does the HHNE program work?

HHNE provides zero-percent interest rate Classic advances (principal paid at maturity) to HFAs for terms from one- through 10-year maturities to support eligible affordable rental and homeownership initiatives under programs and guidelines offered by the HFAs. HHNE advances are made available by the Bank's interest subsidy commitment of \$5 million per year.

How are HHNE funds allocated?

HHNE advances are available and allocated on an estimated per-capita basis, subject to a 10 percent (or \$500,000) floor per state. Each HFA will be notified separately of their pro-rata share and will be updated regularly on the availability of funds.

Do HHNE approvals expire?

Yes; 2016 HHNE applications and approved (but not disbursed) funds expire on December 31, 2016. HFAs should notify the Bank by June 30, 2016 if unable to utilize the HHNE funding so that funds may be reallocated to the other New England HFAs. Any subsidy unused by December 31, 2016 cannot be carried over into the following year.

What are the eligibility requirements for participating in the HHNE program?

HHNE funds must be used to support targeted initiatives serving individuals and families that qualify for loans under the HFA's income guidelines for comparable loans. Examples of potential uses include, but are not limited to, short-term construction lending, workforce housing, deferred loan programs for homeownership, multifamily loan refinance, and rental housing expansion particularly in areas with job growth that excess supply of rental units. Other initiatives that expand and preserve affordable rental and homeownership housing will be considered.

How does my organization apply for HHNE funds?

HFAs must complete the online application at <https://housing.fhlbboston.com>. To access the HHNE application, each HFA will need to provide the username and password that is used for the Bank's Community Lending website, where one accesses the Bank's Affordable Housing, Community Development Advance and Equity Builder programs. Those who need a user name and password can request them when accessing the application.

How will FHLB Boston review and approve my application?

Applications for HHNE advances will be reviewed and approved based on the extent to which they satisfy program eligibility requirements and meet the spread requirements set forth below. HFAs will receive a notification of approval or request for additional information within 10 business days of the Bank's receipt of an application.

Is there a cap on the amount of subsidy that any one HFA can request?

Yes and no. Each HFA is limited to their per-capita allocated amount per year in interest subsidy to write down a HHNE advance; however, the program allows an HFA's unused allocation to roll back into the program to be redistributed to the remaining HFAs. The Bank will send notifications should additional interest-rate subsidies become available. Allocated subsidies may be requested at one time or through multiple requests.

How does my HFA request a disbursement of funds?

Once an application has been approved, a Supplement A form must be filed three business days prior to anticipated advance disbursement. The HFA should then contact the Housing and Community Investment department to request a disbursement of funds. Further instructions will be provided upon approval. The HHNE application provides a calculator for HFAs to assist in determining the approximate subsidy needed for the HHNE advance term selected and allows HFAs to manage their subsidy allocation.

Is there a cap on the amount of spread an HFA can charge over the zero-percent interest rate HHNE advance?

Yes. The spread cannot be greater than the spread normally charged for a loan of comparable risk and term.

Is there a prepayment fee on the HHNE advance?

No. Unlike the Bank's normal advance products, HFAs will not be required to pay a prepayment fee in the event they choose to prepay the HHNE advance.

Are there any reporting or compliance requirements after taking down a HHNE advance?

Yes. Within one year of HHNE funds being disbursed, HFAs are required to complete an online report describing the actual use of funds and the rationale for the spread charged over the zero-percent advance rate.

Who do I contact?

For more information, please contact an HHNE representative on the Housing and Community Investment team, listed below.

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All HHNE program information can be found at
https://www.fhlboston.com/communitydevelopment/housing_ne