

First Home Club

Dear Future Homeowner:

Thank you for your interest in the invaluable First Home Club program offered through HSBC Bank USA, N.A. We are so happy to have the opportunity to help you make the American Dream come true!

Please complete the following forms and collect all of the documents required as reflected on the Document Checklist (next page). Once you have done this, please send back the forms and documents to the dedicated HSBC First Home Club Administrator (page 2). They will then guide you on the next steps in the process and answer any questions you may have.

HSBC strives to make your first time home-buying experience as seamless as possible and is excited that you are planning to take advantage of the First Home Club program's grant of up to \$7500.

First Home Club

Document Checklist

Name(s): _____

1. _____ **Complete Registration Form** (*enclosed*)
 - *Complete, Sign & Date*

2. _____ **COPIES of the following:**
 - *2009 & 2010 W2's*
 - *2009 & 2010 Federal Tax Returns*
 - *1 month of current, consecutive pay stubs showing year to date earnings (2 if paid bi-weekly ;4 if paid weekly)*
 - *Documentation for all other income (e.g. disability, unemployment, social security, etc)*
 - *Two years of Business tax returns and a current year-to-date schedule C for self-employed*

3. _____ **Child Support Documentation**
 - *Complete Child Support Statement (enclosed)(even if not receiving support)*
 - *Legal documents verifying support amount (court order or divorce decree)*

4. _____ **First Home Club Terms and Conditions** (*enclosed*)
 - *Signature required*

5. _____ **Credit Report Authorization Form** (*enclosed*)
 - *Complete, Sign & Date*

6. _____ **Homebuyer Education Certificate** (*to be sent later*)
 - *Required before the completion of the Savings Program, issued by an approved housing agency*

Returning your completed package:

Please return the completed enrollment package and copies of the above documentation to your dedicated HSBC First Home Club Enrollment Administrator:

Upstate NY (Buffalo-Albany/MidHudson)

HSBC Bank USA, N.A. (Mortgage Dept)
Jill Morris or Kirsten Fryling
2929 Walden Ave.
Depew, NY 14043

Downstate NY (Downstate & NJ)

HSBC Bank USA, N.A. (Mortgage Dept)
Susan Englander
534 Broadhollow Rd. Ste 100
Melville, NY 11747

Please call 1-888-313-7247 or email us at hsbc.grants@us.hsbc.com if you would like to go over the package or have any questions!

First Home Club

HSBC Bank USA, N.A. Registration Form

APPLICANT

| | | |
|-----------------|----------------|--|
| <hr/> | <hr/> | <hr/> |
| First | Middle Initial | Last Name |
| <hr/> | | |
| Mailing Address | City | State Zip |
| <hr/> | | |
| Home Ph# | Cell Ph# | Work Ph# |
| <hr/> | | |
| Email Address | County | |
| <hr/> | | |
| Age | Soc Sec # | Marital Status: Single, Married, Separated, Divorced |

CO-APPLICANT

| | | |
|-----------------|----------------|--|
| <hr/> | <hr/> | <hr/> |
| First | Middle Initial | Last Name |
| <hr/> | | |
| Mailing Address | City | State Zip |
| <hr/> | | |
| Home Ph# | Cell Ph# | Work Ph# |
| <hr/> | | |
| Email Address | | |
| <hr/> | | |
| Age | Soc Sec # | Marital Status: Single, Married, Separated, Divorced |

LIST ALL OTHERS LIVING IN HOUSEHOLD (not including names above)

| <u>First & Last Names</u> | <u>Age</u> | <u>Relationship</u> | <u>Student?</u> | <u>Earn/Receive \$?</u> | <u>Comments</u> |
|---------------------------------------|------------|---------------------|-----------------|-------------------------|-----------------|
| <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
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| <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL HOUSEHOLD MEMBERS= <hr/> | | | | | |

HSBC Branch Location=

First Home Club

HSBC Bank USA, N.A. Registration Form

APPLICANT'S EMPLOYMENT *(submit 1 months of consecutive, current paystubs, 2yrs W-2s & Federal 1040s)*

| | | |
|---|--|------------------------------------|
| _____ Employer Name | <input type="checkbox"/> Self-Employed | <input type="checkbox"/> Student |
| _____ Mailing Address (Human Resources) | <input type="checkbox"/> Full-Time | <input type="checkbox"/> Part-Time |
| _____ City | _____ Position | _____ Start Date |
| _____ State | _____ City | _____ State |
| _____ Zip | _____ Start Date | _____ Hourly Rate: _____ |
| Pay Frequency: <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-Weekly <input type="checkbox"/> Semi-Monthly <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly | Check all that apply to your annual pay: <input type="checkbox"/> Overtime <input type="checkbox"/> Commission <input type="checkbox"/> Bonus <input type="checkbox"/> Other _____ | |
| 2 nd job Employer Name & Address: _____ | | Hours Worked per Week: _____ |
| \$Monthly Amt: _____ | | P/T? _____ |

APPLICANT'S PREVIOUS EMPLOYMENT OR UNEMPLOYMENT *(provide W-2s, 1099s)*

| | | | |
|---|--------------------------|---------------------|-------------------|
| _____ Employer Name/Agency/Institution | _____ Position/Status | _____ Start Date | _____ End Date |
| _____ Employer Name/Agency/Institution | _____ Position/Status | _____ Start Date | _____ End Date |
| _____ Employer Name/Agency/Institution | _____ Position/Status | _____ Start Date | _____ End Date |

CO-APPLICANT'S EMPLOYMENT *(submit 1 months of consecutive, current paystubs, 2yrs W-2s & Federal 1040s)*

| | | |
|---|--|------------------------------------|
| _____ Employer Name | <input type="checkbox"/> Self-Employed | <input type="checkbox"/> Student |
| _____ Mailing Address (Human Resources) | <input type="checkbox"/> Full-Time | <input type="checkbox"/> Part-Time |
| _____ City | _____ Position | _____ Start Date |
| _____ State | _____ City | _____ State |
| _____ Zip | _____ Start Date | _____ Hourly Rate: _____ |
| Pay Frequency: <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-Weekly <input type="checkbox"/> Semi-Monthly <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly | Check all that apply to your annual pay: <input type="checkbox"/> Overtime <input type="checkbox"/> Commission <input type="checkbox"/> Bonus <input type="checkbox"/> Other _____ | |
| 2 nd job Employer Name & Address: _____ | | Hours Worked per Week: _____ |
| \$Monthly Amt: _____ | | P/T? _____ |

CO-APPLICANT'S PREVIOUS EMPLOYMENT OR UNEMPLOYMENT *(provide W-2s, 1099s)*

| | | | |
|---|--------------------------|---------------------|-------------------|
| _____ Employer Name/Agency/Institution | _____ Position/Status | _____ Start Date | _____ End Date |
| _____ Employer Name/Agency/Institution | _____ Position/Status | _____ Start Date | _____ End Date |
| _____ Employer Name/Agency/Institution | _____ Position/Status | _____ Start Date | _____ End Date |

First Home Club

CHILD SUPPORT STATEMENT

Check one of the following that applies:

- Do not have children. (Skip to Certification below)
- Do not receive child support. (Skip To Certification below)
- Awarded court ordered child support and receive payments. *
- Awarded court ordered child support but do not receive payments. *
- Receive child support through a private arrangement. **
- Child support is pending. ***

* Attach a copy of the Support Order or other support collection agency documentation

** Attach two or more copies of checks, bank statements or other verifiable proof.

*** Attach documentation verifying amount i.e. unsigned agreement, letter from attorney or other.

► **Complete a separate Child Support Statement for each child support order/agreement** ◀

Current or anticipated child support order/arrangement:

\$ _____ Monthly Bi-weekly
 Semi-Monthly Weekly

Child/rens first and last name(s):

Certification:

I/We certify that this Child Support Statement and its supporting documentation are true and correct.

| | | | |
|-------------------------|-------|----------------------------|-------|
| _____ | _____ | _____ | _____ |
| Participant's Signature | Date | Co-Participant's Signature | Date |
| _____ | _____ | _____ | _____ |
| Print Name | | Print Name | |

First Home Club

Deposit Monthly Breakdown:

The goal is to save a total of **\$1,875.00** to obtain the full grant of \$7500!

You may select any of the following:

- 10 Deposits @ \$188.00
- 11 Deposits @ \$171.00
- 12 Deposits @ \$157.00
- 13 Deposits @ \$145.00
- 14 Deposits @ \$134.00
- 15 Deposits @ \$125.00
- 16 Deposits @ \$118.00
- 17 Deposits @ \$111.00
- 18 Deposits @ \$105.00
- 19 Deposits @ \$ 99.00
- 20 Deposits @ \$ 94.00
- 21 Deposits @ \$ 90.00
- 22 Deposits @ \$ 86.00
- 23 Deposits @ \$ 82.00
- 24 Deposits @ \$ 79.00

Deposits must be made once monthly or divided bi-weekly and can be made anytime during the calendar month. (except the last business day)
Withdrawals may result in termination of the grant program. Auto-deductions/Payroll Savings are highly recommended.

First Home Club

Quick Reference Guide

1. What does not constitute “income”?

According to §813.106 of the HUD regulations, annual income is *not* to include the following:

- Income from the employment of children (including foster children) under the age of 18 years;
- Payments received for the care of foster children;
- Lump sum additions to family assets (e.g., inheritances, capital gains, insurance policy death benefit payments, settlement for personal/property losses, medical expense reimbursements);
- Income of a live-in aide;
- Educational scholarships paid directly to a student, educational institution, or a veteran;
- Earned income tax credits;
- Unreliable and non-recurring income (e.g., gifts, employee stock option buyouts, etc. As indicated above in 1.b, overtime pay, commissions, fees, tips and bonuses do not constitute unreliable and non-recurring income as defined here.); and
- The value of food stamps allotments (per §913.106 of the HUD regulations).

2. HSBC Savings Account

- Once your enrollment is approved, you will open up a dedicated savings account at your local HSBC Bank branch. You will then make 1 consistent deposit each month for a period of 10-24 months. Do not make deposits on the last business day of the month and do not withdrawal funds. You may request a one time extension if you will not be buying a home within 24 months.

3. Homebuyer Counseling Program

- All adult household members will need to participate in an educational homebuyer counseling program at a local HSBC approved agency. This invaluable course will help you understand the entire home buying process!

4. Mortgage Financing

- Once you are close to reaching your savings goal, a HSBC Mortgage Consultant will be happy to pre-qualify you for a mortgage loan, so you are ready to make an offer on your first home. The Mortgage Consultant will also help you through the entire mortgage process.

5. Important Details

- If you sell your home to a household who is not eligible for the FHC grant before you have been in the property for 5 years, you may need to pay back a portion of the grant. After you have enjoyed your home for 5 years, the grant is forgiven.
- Your entire household income must meet the Income Requirements for your county. If you add a member to your household after you are enrolled, their income must be included.
- Contact our team if you ever have any questions at 1-888-313-7247.



First Home ClubSM

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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