



SET YOURSELF UP FOR SUCCESS: A GUIDE TO ERROR-FREE PARTICIPATION

REFER TO THE AHP/TURNKEY INCOME CALCULATION GUIDE AND PROGRAM USER GUIDES
FOR AN IN-DEPTH REVIEW OF PROGRAM GUIDELINES

Jessica Puvogel, AVP, TurnKey Manager
Kristin Combes, TurnKey Coordinator

AUTHORIZED USERS

RESPONSIBILITIES OF AN AUTHORIZED USER:

- Conduct household interviews to determine program eligibility.
- Collect all required documentation and information from household members.
- Calculates household income in accordance with the AHP/TurnKey Income Calculation Guidelines.
- Certifies household eligibility in HSP Online.
- Coordinates communication between all external stakeholders (homebuyers, real estate agents, sellers, loan officers, title companies, etc.) and FHLBank.
- Reviews documentation prior to the loan closing as well as post-closing to ensure the transaction meets FHLBank guidelines.
- If the Authorized User does NOT have first-hand knowledge of the eligibility certifications required to submit a reservation in HSP Online, the Authorized User should NOT submit the reservation.
 - Resources
 - HSP/HSP+ User Guide: page 8
 - HOPE User Guide: page 10
 - Authorized Users in HSP Online document

2025 INELIGIBLE RESERVATIONS SNAPSHOT

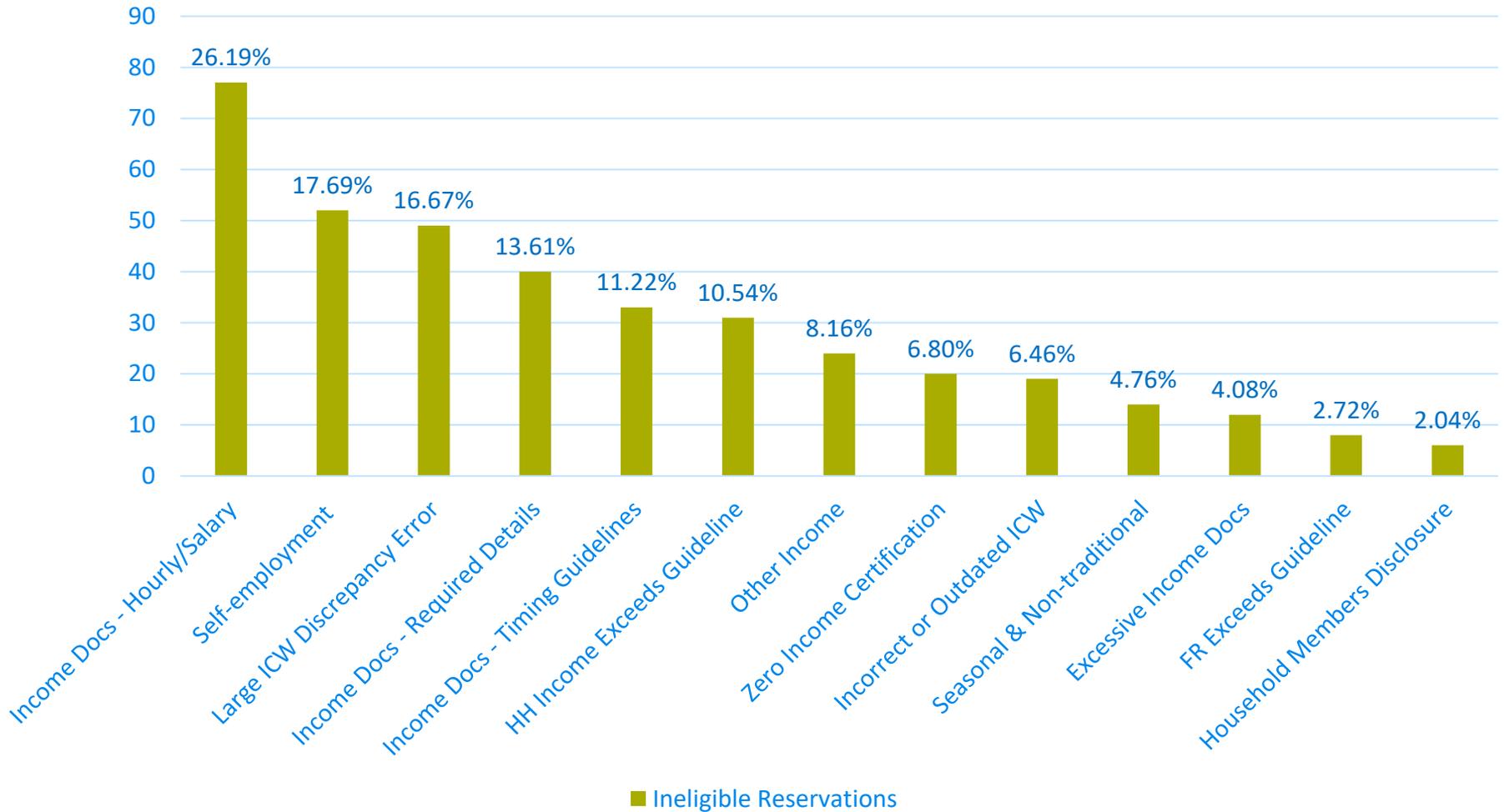
OVERALL VOLUME

- Total Reservations Reviewed: 2,134
- Total Reservations Deemed Ineligible: 294 (11.62%)
 - 86 of the 294 (29.25%) were deemed ineligible for **two** or more issues
 - 20 of those 86 were deemed ineligible for **three** or more issues

GENERAL REASONS FOR INELIGIBLE RESERVATIONS

- Income Documentation (including ICW) Issues: 248 (84.35%)
- Household Income Exceeds Guideline: 31 (10.54%)
- Front Ratio Exceeds Guideline: 8 (2.72%)
- Other: 7 (2.38%)

BREAKDOWN OF INELIGIBLE RESERVATIONS



2025 TURNKEY: MOST FREQUENT CHALLENGES

- Incorrect or missing income documentation for hourly & salaried homebuyers
- Self-employment income documentation incomplete or non-compliant
- Large ICW discrepancy error with no employer explanation or satisfactory explanation provided
- Income documentation outside required timing guidelines
- Income documentation missing required details
- Household income exceeds program guideline
- Other income (Social Security, child support, retirement) documentation incomplete or incorrect
- Zero Income Certification missing or incomplete
- Incorrect or outdated version of the ICW submitted
- Excessive or unnecessary income documentation provided
- Seasonal or Non-traditional income documentation incomplete or unclear
- Front Ratio exceeds program guideline
- All Household Members not disclosed

INCORRECT OR MISSING INCOME DOCUMENTATION

CHALLENGE: NO INCOME DOCS PROVIDED

- **Details:** Income documentation was not provided for all income earning household members.
- **Solution:** Provide income documentation for ALL income earning household members. Combine all income documentation as one PDF and upload on the Household Income Screen in HSP Online.
- **Resources:**
 - **AHP/HSP Income Calculation Guide**
 - Page 6: Household Member and Income Disclosure Requirements
 - Page 8: Income Inclusions and Exclusions
 - Pages 9 & 10: Hourly & Salary Employment Income Documentation Requirements

CHALLENGE: INCOME DOCS NOT UTILIZED

- **Details:** The ICW was not completed with the income documentation provided.
- **Solution:** Complete the ICW with the income documentation uploaded on the Household Income Screen. All entries in the ICW must be verified with the income documentation provided.
- **Resources:**
 - **AHP/HSP Income Calculation Guide**
 - Pages 9 & 10: Hourly & Salary Employment Income Documentation Requirements
 - Pages 10 – 14: Calculating Hourly and Salary Employment Income

INCORRECT OR MISSING INCOME DOCUMENTATION

CHALLENGE: PAYSTUB OR VOE NOT PROVIDED

- **Details:** One paystub OR a VOE was not provided for and hourly or salary wage earner.
- **Solution:** Provide ONE paystub that accurately represents a typical pay period OR a VOE for hourly and salary wage earners.
- **Resource:**
 - **AHP/TurnKey Income Calculation Guide**
 - Pages 9 & 10: Hourly & Salary Employment Income Documentation Requirements

CHALLENGE: INCORRECT HOUSEHOLD DOCS

- **Details:** An ICW and/or income documentation for a different household was submitted.
- **Solution:** Double check to ensure the correct ICW and income documentation are uploaded on the Household Income screen prior to submission. The names on the ICW and income docs must match the Head of Household name entered in HSP Online.
- **Best Practice:** Obtain a new ICW from the Resources section of the TurnKey public website for each household. DO NOT reuse ICWs for multiple households.

INCORRECT OR MISSING INCOME DOCUMENTATION

CHALLENGE: JOB OFFER PROVIDED

- **Details:** The homebuyer is currently **unemployed** but has signed an employment contract with a confirmed future start date; however, a job offer was submitted as income documentation.
- **Solution:** Provide the signed and fully executed employment contract with the confirmed future start date.
- **Resource:**
 - **AHP/TurnKey Income Calculation Guide**
 - Page 24: New Employment Income Documentation Requirements

CHALLENGE: FUTURE EARNINGS PROVIDED

- **Details:** The homebuyer is currently **employed** with a confirmed upcoming job change; however, a job offer or employment contract for the future employment was provided.
- **Solution:** Provide income documentation for the homebuyer's current employment as of the date of reservation submission.
- **Resource:**
 - **AHP/TurnKey Income Calculation Guide**
 - Pages 9 & 10: Hourly & Salary Employment Income Documentation Requirements

SELF-EMPLOYMENT INCOME DOCUMENTATION

CHALLENGE: TAX RETURN NOT SIGNED

- **Details:** The tax return submitted was not signed by all taxpayers listed on the 1040.
- **Solution:** Double check to ensure the tax return uploaded on the Household Income is signed by all taxpayers listed on the 1040.
- **Resource:**
 - **AHP/TurnKey Income Calculation Guide**
 - Page 17: Self-employment Income Documentation Requirements

CHALLENGE: INCORRECT DOCUMENTATION

- **Details:** The documentation submitted for the self-employed homebuyer(s) did not meet FHLBank income documentation guidelines.
- **Solution:** Utilize the AHP/TurnKey Income Calculation Guide and the TurnKey Self-employment Decision Tree to ensure the income documentation submitted meets TurnKey guidelines. Keep loan guidelines and TurnKey guidelines separate.
- **Tip:** Do not provide business tax returns or multiple years of tax returns.
- **Resources:**
 - **AHP/TurnKey Income Calculation Guide**
 - Page 17: Self-employment Income Documentation Requirements
 - **TurnKey Self-employment Decision Tree**
 - **AHP/TurnKey Profit & Loss Statement**

SELF-EMPLOYMENT INCOME DOCUMENTATION

CHALLENGE: INCOMPLETE DOCUMENTATION

- **Details:** All pages and schedules of the tax return were not provided, or the self-employment section of the ICW was completed but no self-employment documentation was provided.
- **Solution:** Double check to ensure all pages and schedules of the signed tax return are included in the PDF uploaded on the Household Income screen.
- **Resource:**
 - **AHP/TurnKey Income Calculation Guide**
 - Page 17: Self-employment Income Documentation Requirements

CHALLENGE: AHP/TURNKEY P&L ISSUES

- **Details:** The AHP/TurnKey P&L is not fully completed, or other alternative P&L forms were submitted.
- **Solution:** If the AHP/TurnKey P&L is required (instead of a tax return), ensure the homebuyer **fully completes each field** and **signs** the form.
- **Tip:** If a P&L is required, the AHP/TurnKey P&L must be submitted. Alternative P&L forms will not be accepted.
- **Resources:**
 - **AHP/TurnKey Income Calculation Guide**
 - Page 17: Self-employment Income Documentation Requirements
 - **TurnKey Self-employment Decision Tree**
 - **AHP/TurnKey Profit & Loss Statement**

ICW DISCREPANCY ERRORS

CHALLENGE: NO EMPLOYER EXPLANATION

- **Details:** The ICW was submitted with a large discrepancy error and no employer explanation for the discrepancy.
- **Solution:** Obtain an employer explanation for the discrepancy and provide with the reservation submission.
- **Resources:**
 - **AHP/TurnKey Income Calculation Guide**
 - Page 25: Income Calculation Discrepancies
 - Page 26: Employer Explanations/Verifications
 - Pages 10-14: Calculating Hourly and Salary Employment Income

CHALLENGE: EXPLANATION NOT SUFFICIENT

- **Details:** The employer explanation for the discrepancy is not sufficient or does not make sense
- **Solution:** Test the ICW using the information the employer provided for the discrepancy. Ensure the ICW is completed correctly.
- **Tip:** Overtime will never be the reason for a discrepancy. The same amount of overtime earnings are included in both calculations and annualized over the same period of time.
- **Resources:**
 - **AHP/TurnKey Income Calculation Guide**
 - Page 25: Income Calculation Discrepancies
 - Page 26: Employer Explanations/Verifications
 - Pages 10-14: Calculating Hourly and Salary Employment Income

ICW DISCREPANCY ERRORS

Please fill out the YTD Earnings, Base Wages, AND YTD Other sections below:

Year-to-Date Earnings:	
YTD Start Date:	12/21/25
Pay Period End Date:	02/14/26
YTD Total Income:	\$ 5,000.00
Base Wages:	
Salary Per Pay Period:	
Pay Frequency/Year:	
OR	
Regular Hourly Rate:	\$ 13.00
Hours/Week:	40.00
Weeks/Year:	52.0
Year-to-Date Other/Overtime/Bonus/Commission/Tips:	
YTD Other Income:	

Employer Verbal Verifications (if needed):	
Employer Contact Full Name:	
Employer Contact Title:	
Summary of Verification:	
Notes:	

CALCULATIONS

YTD Income Annualized:	\$	32,589.29	Total Base Wages + Other:	\$	27,040.00
------------------------	----	-----------	---------------------------	----	-----------

Highest Calculated Income (Employer #1): \$ 32,589.29 YTD Earnings Used to Qualify.

Correct income information based on Income Calculation Guidelines or provide an explanation from the employer for the discrepancy between the two calculations.

INCOME DOCUMENTATION REQUIRED DETAILS

CHALLENGE: PAY FREQUENCY IS UNKNOWN

- **Details:** The pay frequency (weekly, bi-weekly, semi-monthly, etc.) could not be determined with the income documentation submitted.
- **Solution:** If the pay frequency or pay period start date and pay period end date are not provided on the paystub, verify the pay frequency with the employer.
- **Tip:** If the pay frequency is not verified, the Hours/Week cannot be calculated.
- **Resources:**
 - **AHP/TurnKey Income Calculation Guide**
 - Pages 9 & 10: Hourly & Salary Employment Income Documentation Requirements
 - Page 11: Base Wages Calculation + YTD Other Income
 - Page 12: Pay Schedules/Frequency
 - Page 13: Calculating Hours Per Week
 - Page 26: Employer Explanations/Verifications

CHALLENGE: BREAKDOWN OF YTD EARNINGS

- **Details:** A breakdown of all YTD earnings was not submitted and/or YTD total earnings were not submitted.
- **Solution:** Ensure the paystub or VOE submitted includes a breakdown of ALL earnings and YTD total earnings.
- **Tip:** If a breakdown of all earnings is not provided, the ICW cannot be completed correctly, specifically, the YTD Other Income, which will most likely result in a large discrepancy error. Common for school districts, hospitals, USPS and Leave and Earnings Statements provided to US military members. In these cases, all paystubs YTD may have to be provided. Make notes in the ICW why all paystubs YTD were provided.
- **Resources:**
 - **AHP/TurnKey Income Calculation Guide**
 - Pages 9 & 10: Hourly & Salary Employment Income Documentation Requirements
 - Page 11 & 12: Base Wages Calculation + YTD Other Income

INCOME DOCUMENTATION TIMING GUIDELINES

CHALLENGE: DOCS NOT DATED W/IN 60 DAYS

- **Details:** The income documentation submitted (typically a paystub or VOE) was not dated within 60 days prior to the reservation submission date.
- **Solution:** Refer to the AHP/TurnKey Income Calculation Guide to ensure all submitted income documentation meets TurnKey requirements. For hourly and salary wage earners, the paystub or VOE must be dated within 60 days prior to the reservation submission date.
- **Resources:**
 - **AHP/TurnKey Income Calculation Guide**
 - Page 3: General Policy
 - Pages 9 & 10: Hourly & Salary Employment Income Documentation Requirements

CHALLENGE: 28 DAYS YTD EARNINGS

- **Details:** The income documentation submitted did not include at least 28 days of YTD Earnings.
- **Solution:** Ensure the paystub or VOE submitted includes a minimum of 28 days of YTD earnings based on the reservation submission date.
- **Tip:** Providing 28 days of YTD earnings does **not** require two bi-weekly paystubs. For example, if the homebuyer is paid bi-weekly and has received two paychecks in January 2026, the second paystub already reflects 28 days of YTD earnings.
- **Resources:**
 - **AHP/TurnKey Income Calculation Guide**
 - Page 3: General Policy
 - Pages 9 & 10: Hourly & Salary Employment Income Documentation Requirements

NON-EMPLOYMENT INCOME DOCUMENTATION

CHALLENGE: SOCIAL SECURITY & SSI DOCUMENTATION

- **Details:** The **current** benefit letter or **all** pages of the benefit letter were not submitted.
- **Solution:** All pages of the current benefit letter for the current benefit year must be provided. Benefit letters are typically provided to recipients annually in December of the prior year due to cost-of-living increases. The benefit letter disclosing the benefits the homebuyer is currently receiving at the time of reservation submission must be provided. This should be the benefit letter the homebuyer received in December 2025 explaining the 2026 benefits.
- **Tips:** The gross benefit must be disclosed. Do not provide bank statements showing benefit deposits. Recipients can request copies of current benefits letters through their online Social Security account, by calling Social Security or making an appointment to visit a Social Security office.
- **Resource:**
 - AHP/TurnKey Income Calculation Guide
 - Page 21: Social Security

CHALLENGE: CHILD SUPPORT DOCUMENTATION

- **Details:** Child support income was entered in the ICW, but no child support documentation was submitted or the documentation submitted did not meet requirements.
- **Solution:** Double check to ensure the child support documentation is included in the PDF uploaded on the Household Income screen. Refer to the AHP/TurnKey Income Calculation Guide to ensure the documentation submitted meets requirements.
- **Tips:** The name of the household member receiving the benefit must be included on the documentation. Include all pages. If a court order is provided, ensure the recording information is included. Do not provide bank statements showing child support deposits.
- **Resource:**
 - AHP/TurnKey Income Calculation Guide
 - Page 21: Child Support/Alimony

ZERO INCOME CERTIFICATION

CHALLENGE: ZERO INCOME CERT. NOT PROVIDED

- **Details:** A signed AHP/TurnKey Zero Income Certification was not provided for non-income earning household members age 18+.
- **Solution:** Provide a signed AHP/TurnKey Zero Income Certification for all non-income earning household members age 18+. Upload the certification with all other household income documentation on the Household Income Screen.
- **Tips:** A red font message appears on the Household Summary tab of the ICW if a Zero Income Certification is needed. The Zero Income Certification must be signed by the non-income earning household member age 18+, not the head of household.
- **Resource:**
 - **AHP/TurnKey Income Calculation Guide**
 - Page 6: Zero Income Household Members
 - Page 24: New Employment Income Documentation Requirements

CHALLENGE: OUTDATED/WRONG VERSION

- **Details:** Outdated version or other program Zero Income Certifications were submitted for TurnKey Reservations.
- **Solution:** Submit the signed, AHP/TurnKey Zero Income Certification. Obtain the certification form from the Resources section of the TurnKey public website.
- **Best Practice:** Obtain a new Zero Income Certification from the Resources section of the TurnKey public website for each non-income earning household member. This will ensure the most recent version is utilized. DO NOT reuse forms for multiple households.
- **Resource:**
 - **AHP/TurnKey Income Calculation Guide**
 - Page 6: Zero Income Household Members
 - Page 24: New Employment Income Documentation Requirements

ZERO INCOME CERTIFICATION



TurnKey Programs | Effective February 1, 2026

Household Summary

Member Institution:

Homebuyer Name:

State:

County/MSA:

Household % AMI:

Program Enrollment Date:

Ensure income documentation submitted provides an accurate representation of the household's annual income.

SECTION 1: HOUSEHOLD COMPOSITION--List ALL household members.

Household Member Number	Name (First and Last)	Relationship to Head of Household	Date of Birth	Age at Program Enrollment Date	Income Earner?
1	Jane Smith	Head of Household	7/4/81	44	Yes
2	John Smith	Spouse	8/5/81	44	Yes
3	Jill Smith	Child	11/6/07	18	No
4	Jake Smith	Child	12/7/09	16	No
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					

Complete a Zero Income Certification for each household member age 18 and older who is not an income earner.

Total Household Members: 4



INCOME CALCULATION WORKBOOK (ICW)

CHALLENGE: OUTDATED VERSION

- **Details:** Outdated versions of the TurnKey ICW were submitted.
- **Solution:** Provide the current, most recent version of the TurnKey ICW.
- **Best Practice:** Obtain a new TurnKey ICW from the Resources section of the TurnKey public website for each household. This will ensure the most recent version is utilized and information from other households does not inadvertently remain in the ICW. DO NOT reuse ICWs for multiple households. Do Not obtain ICWs from previous rounds in HSP Online prior to TurnKey opening as those are outdated versions.
- **Resource:**
 - TurnKey Income Calculation Workbook (ICW)

CHALLENGE: OTHER PROGRAM ICW

- **Details:** ICWs from other programs, such as FHLBank Topeka’s AHP, were submitted.
- **Solution:** Provide the current, most recent version of the TurnKey ICW.
- **Best Practice:** Obtain a new TurnKey ICW from the Resources section of the **TurnKey** public website for each household. Do not obtain ICWs from the AHP public website. Ensure the ICW is labeled “TurnKey Programs” on the Household Summary tab.
- **Resource:**
 - TurnKey Income Calculation Workbook (ICW)

INCOME CALCULATION WORKBOOK (ICW)



TurnKey Programs

Effective February 1, 2026

Household Summary

Member Institution:

Homebuyer Name:

State:

County/MSA:

Household % AMI: 0.0000%

Program Enrollment Date:

SECTION 1: HOUSEHOLD COMPOSITION—List ALL household members.

Household Member Number	Name (First and Last)	Relationship to Head of Household	Date of Birth	Age at Program Enrollment Date	Income Earner?
1		Head of Household			
2					
3					



SEASONAL INCOME

CHALLENGE: EMPLOYER VERIFICATION

- **Details:** The seasonal nature of employment was not verified with the employer.
- **Solution:** If the household member's employment meets FHLBank's definition of seasonal employment i.e. job does not require employee to work year-round, this must be verified with the employer. The verification must be provided at reservation submission.
- **Tip:** Seasonal employment always require verification from the employer regardless the type of income documentation provided. The verification can be obtained verbally and noted in the ICW but preferably obtained in writing.
- **Resource:**
 - **AHP/TurnKey Income Calculation Guide**
 - Page 15: Seasonal Employment Income Documentation Requirements
 - Page 15-16: Calculating Seasonal Employment Income

CHALLENGE: REQUIRED ADDT'L INFORMATION

- **Details:** The number of weeks worked per year and the number of weeks worked YTD were not verified with the employer and provided.
- **Solution:** For seasonal employment, verification of both the total number of weeks worked per year and the number of weeks worked YTD is always required. If the household member's income is seasonal in nature, ensure you are referring to the AHP/TurnKey Income Calculation Guide to determine what information is needed based on the documentation you are submitting.
- **Tip:** Part-time, year-round employment is **not** considered seasonal employment. Seasonal employment refers to work that includes unpaid periods during the year – for example, school para, individuals that only work during tax season, ski-season employees, summer lifeguards, or construction workers who do not work in the winter months, etc.
- **Resource:**
 - **AHP/TurnKey Income Calculation Guide**
 - Page 15: Seasonal Employment Income Documentation Requirements
 - Page 15-16: Calculating Seasonal Employment Income

EXCESSIVE INCOME DOCUMENTATION

CHALLENGE: EXCESSIVE INCOME DOCUMENTATION

- **Details:** Excessive, unnecessary income documentation was provided.
- **Solution:** Refer to the AHP/TurnKey Income Calculation Guide and only provide the required income documentation. If you have an unusual situation, contact us so we can provide guidance on what to provide.
- **Tips:**
 - For homebuyers that are paid hourly or a salary, only provide ONE paystub OR a VOE.
 - For homebuyers that are paid hourly or a salary, do not provide multiple paystubs unless the situation requires it, such as a YTD breakdown of earnings is not provided on each paystub. Note in the ICW why multiple paystubs were provided.
 - Do not provide tax returns for Hourly/Salary homebuyers.
 - For self-employed homebuyers, only the prior year, signed tax return is required. Do not provide multiple years of tax returns.
 - For self-employed homebuyers, a tax return OR P&L (dependent on their situation) is required. Do not provide both.
 - Never provide bank statements for any type of income.
 - Keep TurnKey income calculation/documentation guidelines and loan guidelines separate. They are different.
- **Resource:**
 - **AHP/TurnKey Income Calculation Guide**
 - Page 9-10: Hourly & Salary Employment Income Documentation Requirements
 - Page 15: Seasonal Employment Income Documentation Requirements
 - Page 16: Non-traditional Employment Income Documentation Requirements
 - Page 17: Self-employment Income Documentation Requirements
 - Page 19: Rental Income Documentation Requirements
 - Page 21: Non-employment Income Documentation Requirements
 - Page 24: New employment Income Documentation Requirements

HOUSEHOLD MEMBER DISCLOSURE

CHALLENGE: ALL HOUSEHOLD MEMBERS NOT DISCLOSED

- **Details:** All household members were not disclosed in the ICW at reservation submission.
- **Solution:** When interviewing the household for eligibility, ask who currently or will be occupying the residence and what are the sources of income. Disclose all borrowing adults, non-borrowing adults, minor and non-minor children in the ICW, even if they are not on the loan application.
- **Tips:**
 - Utilize the TurnKey Eligibility Questionnaire when interviewing the household.
 - Give examples of possible household members and income sources; the homebuyers do not know what information you need for eligibility, so you must ask questions.
 - Keep TurnKey and loan guidelines separate. The TurnKey approval is to ensure the household is low to moderate income, has a need for subsidy and the payment is affordable. The loan approval has a different purpose.
 - If the household is receiving other sources of funds, those guidelines do not supersede TurnKey guidelines. All guidelines for all programs must be met.
 - Review income documents for other possible household members. If not addressed by member at reservation submission, we will identify it during our review (see next slide for examples).
- **Resources:**
 - **AHP/TurnKey Income Calculation Guide**
 - Page 6: Household Member and Income Disclosure Requirements
 - Page 8: Income Inclusions and Exclusions
 - **HSP/HSP+ User Guide**
 - Page 14: Eligibility Certifications: Household
 - Page 17: Household Income Eligibility
 - Page 18: Income FAQs
 - **HOPE User Guide**
 - Page 15: Eligibility Certifications: Household
 - Page 18: Household Income Eligibility
 - Page 19: Income FAQs
 - **TurnKey Eligibility Questionnaire**

HOUSEHOLD MEMBER DISCLOSURE

Example 1

- The Deductions Section of the paystub shows deductions for Child Life and Child Support.

DEDUCTIONS	
Deduction	
Child Life	
Child Support 1	
Dental	
Group Term Life	
HSA ER Cont	
HSA Plan	
LTD	
Supp Life 3X	

Example 2

- The tax filing status on the paystub is “M” or “Married” and shows Exemptions or Allowances.

Extra W/H
FED M/02+\$.00
ST S/02+\$.00

Taxable Marital Status:
Federal: Married
Exemptions/Allowances:
Federal: 3

Example 3

- The Deductions Section of the paystub shows “Family” insurance

*** DEDUCTIONS ***
401(k)
Due from EE
Ins EE/Family
Union Dues

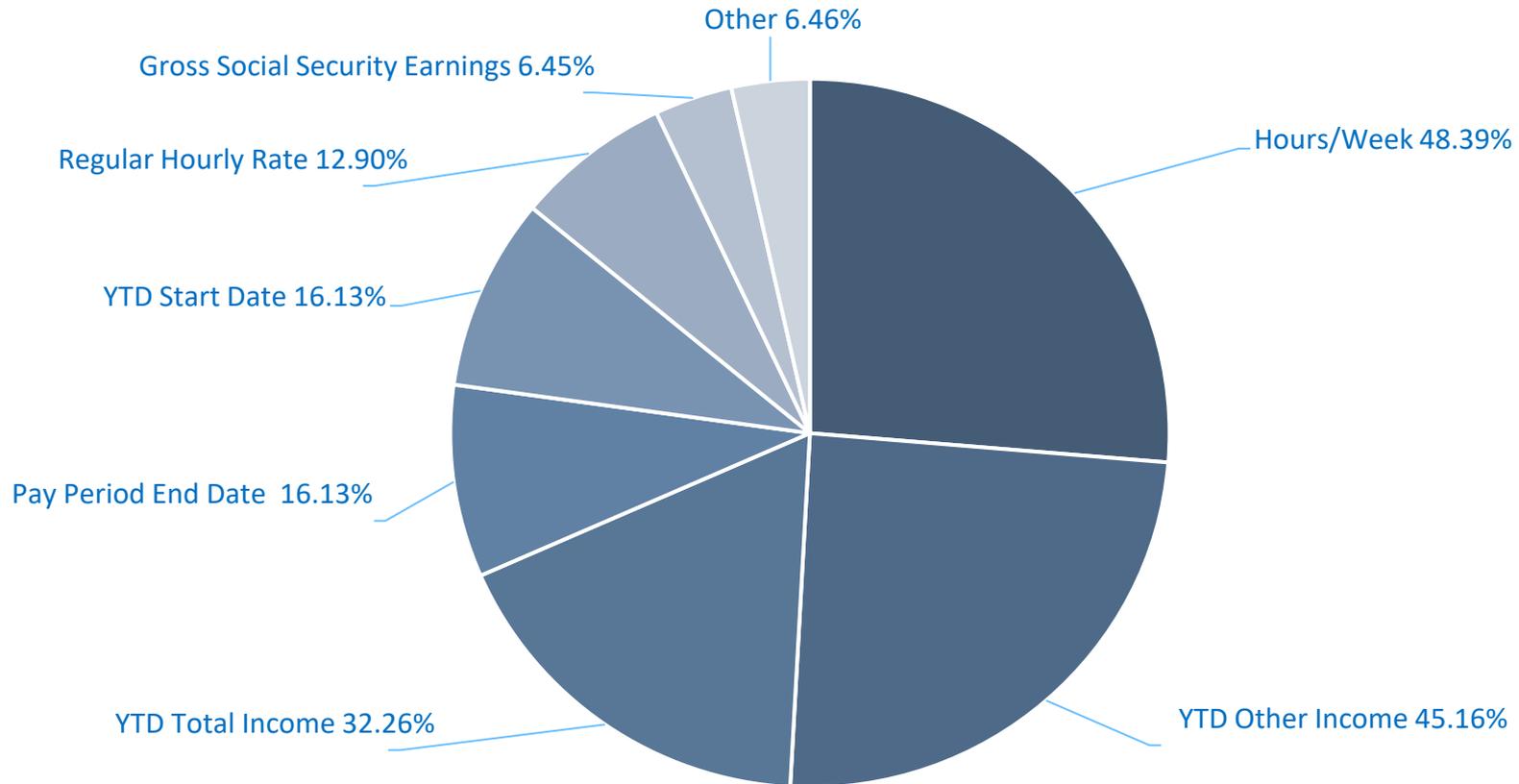
HOUSEHOLD INCOME EXCEEDS GUIDELINE

CHALLENGE: ICW WAS COMPLETED INCORRECTLY

- **Details:** The ICW was completed incorrectly by the member. Upon submission, corrections were made by FHLBank and the household was deemed ineligible due to the household income exceeding the maximum AMI guideline.
- **Solution:** When completing the ICW refer to the AHP/TurnKey Income Calculation Guide to ensure the ICW is being completed correctly.
- **Tips:**
 - All entries in the ICW must be verified with the documentation provided. Complete the ICW with the documentation provided.
 - Utilize the AHP/TurnKey Income Calculation Guide. Specifically pages 10-14 (see next slides).
 - Provide a paystub that accurately represents a typical pay period.
 - If you have questions about income, email TurnKey@fhlbtopeka.com. DO NOT email ICWs or income documentation. Email is not secure and the ICWs and income documentation contain Personally Identifiable Information (PII). HCD will answer questions but cannot and will not complete entire income calculations for members prior to submission.
- **Resource:**
 - **AHP/TurnKey Income Calculation Guide**
 - Pages 10-14: Calculating Hourly & Salary Employment Income

HOUSEHOLD INCOME EXCEEDS GUIDELINE

MOST COMMON ICW ERROR SUBMISSIONS



HOUSEHOLD INCOME EXCEEDS GUIDELINE

ICW ERROR: HOURS/WEEK NOT COMPLETED CORRECTLY

- Use the **AHP/TurnKey Income Calculation Guide** to determine the correct pay frequency and calculate hours per week.
- Refer to **pages 12–13** for definitions and examples of common pay frequencies:
 - **Bi-weekly:** every two weeks
 - **Semi-monthly:** twice per month
 - **Monthly:** once per month
- Enter Hours/Week in the ICW based on the income documentation provided.
- **Tip:** A bi-weekly pay period always contains **14 days**. If the pay period includes any number of days other than 14, it is **not** bi-weekly.
- Do not divide hours by two unless the pay frequency is confirmed to be bi-weekly. Pay periods with 12, 13, 15, or 16 days are typically semi-monthly and require a different calculation. **See page 13: Calculating Hours Per Week** for guidance.

HOUSEHOLD INCOME EXCEEDS GUIDELINE

HOURS/WEEK EXAMPLE

- The homebuyer is paid **bi-weekly**. Hours/Week should be entered as **40.30**.

PTO (8) + Regular Pay (72.6) = 80.6/2 = 40.3

Regular Hourly Rate:	\$	18.91
Hours/Week:		40.30
Weeks/Year:		52.0

		Earnings	
Description	Dates	Hours	Rate
FLSA Overtime (1.503/16/2025 - 03/22/2025)		0.5	28.745
PTO	03/16/2025 - 03/29/2025	8	18.91
Regular Pay	03/16/2025 - 03/29/2025	72.6	18.91
Shift Differential	03/16/2025 - 03/29/2025	40.85	1.5
Taxable Life Insurar	03/16/2025 - 03/29/2025	0	0
Weekend Shift Diffe	03/16/2025 - 03/29/2025	6.5	1.5

- Do NOT** enter **36.30**. The eight hours of PTO must be included in the Hours/Week calculation.

Regular Hourly Rate:	\$	18.91
Hours/Week:		36.30
Weeks/Year:		52.0

- Do NOT** enter **40**, even if the homebuyer typically works a 40-hour week. The ICW must reflect **exactly what the submitted paystub shows**.

- If the homebuyer normally works 40 hours per week, a paystub that reflects that schedule should be submitted, and the ICW should then be completed based on that documentation.

Regular Hourly Rate:	\$	18.91
Hours/Week:		40.00
Weeks/Year:		52.0

HOUSEHOLD INCOME EXCEEDS GUIDELINE

ICW ERROR: YTD OTHER INCOME NOT COMPLETED CORRECTLY

- Complete **YTD Other Income** using earnings paid **in addition to** regular wages, such as overtime, tips, commissions, bonuses, shift differential, per diem, and similar income types.
- Do **not** include earnings such as holiday, sick, vacation, or bereavement pay. These supplement regular wages and are **not** considered additional income.
- **Tip:** YTD Other Income is part of the **Base Wages calculation**. Entering YTD Other Income and including those earnings in the **YTD Total Income** is **not** double counting.
 - The ICW includes **two separate calculations**: the **YTD Earnings Calculation** and the **Base Wages Calculation**.
 - The **higher** of the two calculations becomes the qualifying income.
- Refer to **pages 11–12** of the AHP/TurnKey Income Calculation Guide for detailed instructions.

HOUSEHOLD INCOME EXCEEDS GUIDELINE

YTD OTHER INCOME EXAMPLE

- Overtime is the only income paid in addition to regular wages, \$1,520.35 is entered as YTD Other Income.**
- Holiday, PTO, and Sick pay supplement regular wages and should not be included in YTD Other Income.**
- All earnings (\$12,220.52) must be entered in the YTD Total Income field.**
- Compare the YTD Earnings annualized amount with the Base Wages + YTD Other Income annualized amount.**
 - The higher value, **YTD Earnings (\$70,801.43)**, is the qualifying calculation.

Earnings	Rate	Hours	Amount	YTD
Holiday				450.72
Overtime	42.26	6.67	281.84	1,520.35
PTO				225.36
Regular	28.17	39.99	1,126.54	9,348.01
Sick				676.08
Gross Earnings		46.66	1,408.38	12,220.52

Year-to-Date Earnings: YTD Start Date: 12/23/25 Pay Period End Date: 02/23/26 YTD Total Income: \$ 12,220.52		Employer Verbal Verifications (if needed): Employer Contact Full Name: Employer Contact Title: Summary of Verification: Notes:	
Base Wages: Salary Per Pay Period: Pay Frequency/Year: Regular Hourly Rate: \$ 28.17 Hours/Week: 39.99 Weeks/Year: 52.0		OR	
Year-to-Date Other/Overtime/Bonus/Commission/Tips: YTD Other Income: \$ 1,520.35			
CALCULATIONS			
YTD Income Annualized:	\$ 70,801.43	Total Base Wages + Other:	\$ 67,387.33
Highest Calculated Income (Employer #1): \$ 70,801.43		YTD Earnings Used to Qualify:	

HOUSEHOLD INCOME EXCEEDS GUIDELINE

ICW ERROR: YTD TOTAL INCOME NOT COMPLETED CORRECTLY

- Enter **all earnings YTD** in the YTD Total Income field.
- **Do not exclude** any earnings from this total.
- Refer to **page 11** of the AHP/TurnKey Income Calculation Guide for detailed instructions.

Year-to-Date Earnings:	
YTD Start Date:	12/21/25
Pay Period End Date:	02/14/26
YTD Total Income:	\$ 9,563.33

HOUSEHOLD INCOME EXCEEDS GUIDELINE

ICW ERROR: YTD START DATE/PAY PERIOD END DATE INCOME NOT COMPLETED CORRECTLY

- Complete the Pay Period End Date in the ICW with the Pay Period End Date shown on the Income Document.
- **Tip:** Do not use the pay date to complete the Pay Period End Date in the ICW.
- Many VOEs do not provide the Pay Period End Date; paystub preferred.
- The YTD Start Date is the pay period start date for the first paycheck of the year. Typically, this is a date in the prior year, not January 1 of the current year.
- Back into the YTD Start Date using the Pay Period Start Date, Pay Period End Date and Pay Date.

HOUSEHOLD INCOME EXCEEDS GUIDELINE

YTD START DATE EXAMPLE

- The homebuyer is paid **bi-weekly**.
- Pay periods run **Sunday–Saturday**.
- Pay dates fall on the **following Friday**.
- The provided paystub shows payment on **1/30/26** for the **1/11–1/24** pay period.
- **Using this information:**
 1. Count back every other Friday from **1/30/26** to find the first pay date of the year: **1/2/26**.
 2. The pay period ends the Saturday before the pay date; for 1/2/26, that is **12/27/25**.
 3. Pay periods are two weeks long and begin on Mondays, so the start date is **12/14/25**.
 4. This start date becomes the **YTD Start Date**.
 5. Enter **12/14/25** as the YTD Start Date in the ICW because the YTD Total Income reflects earnings from **12/14/25–1/30/26**.

December 2025						
SU	MO	TU	WE	TH	FR	SA
30	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

January 2026						
SU	MO	TU	WE	TH	FR	SA
28	29	30	31	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

HOUSEHOLD INCOME EXCEEDS GUIDELINE

ICW ERRORS: MISCELLANEOUS

- Complete the ICW with the **gross social security** benefit figure.
- Provide **all pages** of the social security benefit letter.
- Ensure the documentation is legible.
- Complete the Regular Hourly Rate field in the ICW with the rate shown on the income documentation.
 - If the income documentation does not provide a regular hourly rate, it must be verified in writing with the employer and uploaded with the other income documents in HSP Online.
- Refer to the AHP/TurnKey Income Calculation Guide for all income documentation/calculation requirements. FHLBank does **not** utilize Fannie/Freddie income guidelines.
- Select the state and county on the Household Summary Tab of the ICW. This will allow the AMI% to calculate and a message will populate if the household income exceeds the AMI% guideline.

GUIDELINE REMINDERS

PROGRAM COMPLIANCE REQUIREMENTS

- **Non-housing debt payoffs** (car loans, credit cards, collections, etc.) are **not permitted**, regardless of who contributes funds.
 - *Resources:*
 - HSP/HSP+ User Guide: pp. 14, 24, 24, 33
 - HOPE User Guide: pp. 14, 24, 32, 42
- **Cash back over \$250 is not allowed** before, during, or after closing.
 - *Resources:*
 - HSP/HSP+ User Guide: pp. 13, 23, 24, 33
 - HOPE User Guide: pp. 15, 24, 32
- **HOPE: Loan-to-Value (LTV) may not be less than 80%.**
 - LTV is reviewed at **reservation** and **disbursement**.
 - *Resources:* HOPE User Guide: pp. 14, 17, 41
- The Front Ratio (FR) must meet FHLBank Topeka guidelines:
 - **38%** for HSP & HOPE/**44%** for HSP+
 - FR is reviewed at **reservation** and **disbursement**.
 - Calculate FR **before closing** using qualifying income in HSP Online.
 - *Resources:*
 - HSP/HSP+ User Guide: pp. 10, 15, 24, 29, 30, 33, 42
 - HOPE User Guide: pp. 16, 24, 28, 29, 32, 41
- **HSP/HSP+: Use FHLBank's first-time homebuyer definition** when qualifying households.
 - *Resources:* HSP/HSP+ User Guide: pp. 12, 24, 41
- Keep **loan guidelines** and **TurnKey guidelines** separate; one does **not** override the other.

COMMON QUESTIONS

HELPFUL GUIDANCE

- Look up the ZIP+4 prior to the day of submission. Start with www.usps.com; if the information is not available there, try www.unitedstateszipcodes.org.
 - *Resources:*
 - HSP/HSP+ User Guide: page 28
 - HOPE User Guide: page 27
 - Help Text on the Site Selection screen
- After a disbursement request has been initiated, the disbursement screens cannot be accessed from the Reservation Home screen. To continue working on the disbursement, select the **disbursement number** from the Dashboard.
 - *Resources:*
 - HSP/HSP+ User Guide: pages 31, 35, 62, 69, 71, 73
 - HOPE User Guide: pages 30, 34, 61, 68, 70, 72
- Understand **HSP Online statuses** and review all **automated emails**.
 - *Resources:*
 - HSP/HSP+ User Guide: pages 14, 26, 27, 31, 35, 36
 - HOPE User Guide: pages 15, 25, 26, 30, 32, 34, 35
- Adhere to the **30-day turn time** and **no expedited processing** is available.
 - *Resources:*
 - HSP/HSP+ User Guide: page 26
 - HOPE User Guide: page 25
- **Use only TurnKey guides, income limits, forms, documents.** Do not rely on Fannie Mae/Freddie Mac or other external program/loan guidelines as they differ from TurnKey guidelines.

RESOURCES

TURNKEY RESOURCES – www.fhlbtopeka.com/TurnKey

- HSP/HSP+ User Guide & HOPE User Guide
- TurnKey Eligibility Questionnaire
- TurnKey Closing Checklist
- TurnKey Product Matrix
- TurnKey Program Decision Tree
- Real Estate Retention Agreement | **Rev. 2.1.25**
- Sample Real Estate Retention Agreement
- Affordable Housing Program Implementation Plan
- Targeted Community Lending Plan

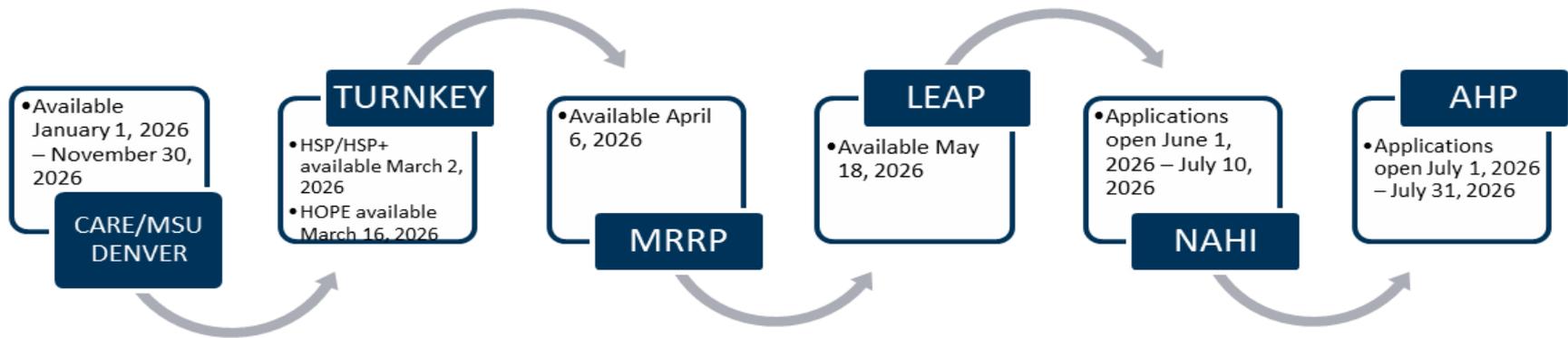
INCOME RESOURCES

- AHP/TurnKey Income Calculation Guide
- TurnKey Income Calculation Workbook (ICW) | **Rev. 2.1.26**
- TurnKey Self-employment Decision Tree
- 2026 TurnKey Income Limits | **Eff. 2.1.26**
- AHP/TurnKey Zero Income Certification Form | **Rev. January 2024**
- AHP/TurnKey Verification of Employment
- AHP/TurnKey Profit & Loss Statement | **Rev. January 2026**
- Income Training Videos

LOOKING AHEAD

TRAINING AND OTHER HCD PROGRAMS

- **Podcast:** Lance Liby, SVP, Chief Business Officer and Kylie Mergen, FVP, CIO, Director of HCD discuss the restructure of HOPE
- **HSP/HSP+ training videos** focused on eligibility guidelines will be posted on the TurnKey public website.
- **Watch for opportunities to participate in other HCD Programs throughout 2026!**



CONTACT US

- TurnKey Email Address

TurnKey@fhlbtopeka.com

- HCD Phone Number

1.866.571.8155