

Housing and Community Investment
Effective April 1, 2017

AHP EARLY DISBURSEMENT MANUAL





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SUMMARY

This AHP Early Disbursement Manual has been designed as a reference guide for Sponsors and Members (commercial banks, credit unions, thrifts, insurance companies, and CDFIs) that have been awarded Affordable Housing Program (AHP) funds by the Federal Home Loan Bank of Cincinnati (FHLB) in one of its competitive AHP offerings. Only projects that will provide rental housing are eligible to request an early disbursement of AHP funds. Projects that provide assistance to homebuyers or homeowners are not eligible to receive a disbursement of AHP funds prior to completion of work on any unit. This manual includes instructions on how to access AHP funds prior to the completion of work on a rental project; a similar process will be required once the completion of work has taken place in order to draw the balance of the AHP funds awarded.

Please review this manual and the most recently-recorded version of the Early Disbursements for Rental Projects webinar available at www.fhlbcin.com prior to submitting a request for funding. The project's Sponsor and Member must both complete an AHP Early Disbursement Request form ("Request Form") and submit the relevant required documentation to request AHP funds. Use the Request Form and this manual to identify acceptable documentation. Submitting documentation that is complete, consistent, and accurate will allow the request to be processed as expeditiously as possible. Please submit the request subsequent to securing all funding commitments but no more than six months after the project has closed its construction loan or secured all required work permits. Allow at least 30 days for FHLB to process the disbursement request.

For questions regarding funding, please contact the Affordable Housing Program Manager, whose contact information appears in the staff listing at the end of this manual. Please note that all terms in quotation marks in this document represent items specifically defined by Attachment E to FHLB's AHP Implementation Plan, which is available at www.fhlbcin.com.

DISBURSEMENT TIMELINE

Timeline for Disbursement of Funds

Once FHLB receives the Request Form with all supporting documentation, FHLB staff will analyze the information and will contact the Sponsor and the Member via e-mail or phone should additional information or clarification be required. Requested information should be submitted to FHLB within 30 days of the request. All disbursements and additional information will be processed in the order in which they are received.

Please allow at least 30 days for the processing of all submitted documentation. If FHLB receives incomplete or incorrect documentation, delays in the disbursement process will occur. For a timely receipt of funds, refer to the Frequently Asked Questions and Common Mistakes section of this manual for tips on how to avoid unnecessary delays.

Transfer of Funds

Once FHLB has approved the request for funds, the Member and Sponsor will receive a Confirmation of AHP Funds Disbursement via e-mail or fax confirming the amount disbursed for the project. **Within one business day**, FHLB will electronically deposit the approved funds into the Member's Demand Deposit Account at FHLB. If the Member does not receive the funds within this timeframe, please contact FHLB for assistance. The Member should credit the funds to the Sponsor or project within 60 days after disbursement of funds by FHLB has occurred.



DISBURSEMENT AVAILABILITY & SUBSIDY ADJUSTMENTS

FHLB will process disbursement requests in accordance with FHLB's procedures and guidelines for funding of subsidies and all applicable monitoring procedures, the latter of which are published on FHLB's website, www.fhlbcin.com.

Restricted Access to AHP Subsidy

FHLB reserves the right to deny or delay subsidy disbursement to a Member or Sponsor if:

1. Either the Member or Sponsor has failed to respond to a prior FHLB request for information regarding this or other AHP projects, or
2. The Member or the Sponsor has been asked by FHLB to cure a noncompliant situation and resolution is pending, or
3. The Sponsor currently has other older, open, and incomplete AHP projects that it must complete or make adequate progress towards completion.

Subsidy Adjustments

FHLB reserves the right to make reasonable adjustments to all disbursement requests at FHLB's discretion in accordance with FHLB's procedures and guidelines for funding of subsidies. The majority of subsidy adjustments occur if the project's funding sources have changed and there is no longer a need for the level of AHP subsidy previously requested, if the costs presented are not reasonable, if ineligible expenses are included as development or operating costs, if the project no longer meets the applicable scoring criteria as outlined in the AHP Agreement and AHP Application Scoring Sheet, or if the project does not meet feasibility guidelines.

DISBURSEMENT CRITERIA

In processing disbursement requests, FHLB reviews the information submitted with the Request Form and other pertinent project information obtained from the Member and the Sponsor during the AHP application and review process. FHLB verifies that the project continues to qualify for the awarded subsidy based on the applicable threshold requirements and scoring criteria set forth in the AHP Implementation Plan in place when the project was awarded AHP funds and that the Member and the Sponsor have fulfilled the obligations to which they committed in the approved AHP application. FHLB re-evaluates the financial and operational feasibility of the project and verifies the project's continued need for subsidy.

Members and Sponsors requesting AHP funds from FHLB must have documents in place in a form satisfactory to FHLB to meet the requirements of the AHP Regulation and must provide copies of such documents to FHLB prior to FHLB's disbursement of funds. Below is a detailed list of the documents required for early disbursement processing. FHLB reserves the right to request further documentation as necessary or to request the amendment of documentation, including closing documentation, if it does not meet FHLB's requirements.

All AHP funds are subject to FHLB's funding requirements. Receipt of a disbursement does not guarantee compliance with AHP guidelines. FHLB reserves the right to reduce or recapture funds at any time, should the project be found out of compliance or no longer demonstrate the need for subsidy.

Rental projects can submit an AHP Early Disbursement Request, but the project must meet the following criteria:



1. The project must be approved for an AHP grant with no monies drawn;
2. All AHP agreements must be fully executed;
3. All funding sources for the project must be fully committed; and,
4. The project must have **Low or Moderate Disbursement Risk** (that is, Low or Moderate Sponsor Risk and either Low or Moderate Current Project Risk). FHLB will assess the disbursement risk upon receipt of the AHP Early Disbursement Request form and supporting documentation. Projects that do not have low or moderate disbursement risk may only receive a disbursement of AHP funds after project completion (see Exhibit 3).

Sponsor Risk (see Exhibit 1 immediately below)

Sponsor Risk represents an assessment based on the capacity of the project’s Sponsor and its prior/current performance on other projects that used or are using AHP funds. The risk reflects the likelihood that the project will not be completed or that AHP funds will have to be recaptured. The FHLB will use the project or projects that the Sponsor has completed or submitted for disbursement of AHP funds within the last five years to assess this risk.

1. **Sponsor capacity:** FHLB staff will consider the information provided about the Sponsor through the AHP application’s Sponsor Registration process and any notable news items to score the Sponsor’s capacity up to three points maximum;
2. **Project progress:** FHLB staff will consider historical and current AHP monitoring information to assess the status of projects the Sponsor has completed within the last five years and its currently active AHP projects to assign the project progress score; current projects that have been noncompliant or that have failed to meet timing benchmarks will not receive the full two points;
3. **Modifications:** FHLB staff will assign the modifications score based on the frequency of changes the Sponsor made to previous and current AHP projects using the following scale so that only Sponsors that do not rely on modifications to complete projects receive the full two-point score; points will be assigned based on the following:
 - Zero modifications within the last five years yields a score of two,
 - One to two modifications within the last five years yields a score of one, and
 - Three or more modifications result in a score of zero;
4. **Disbursements delays:** Sponsors that have not had significant documentation issues or frequent delays during the disbursement process on previous AHP projects will receive the full three points in this scoring category; projects that have encountered delays will receive a reduced score based on a sliding scale.

Exhibit 1: Sponsor Risk		
Sponsor capacity score	<u>Low capacity</u> 0	<u>Moderate capacity</u> 2
Project progress score	<u>Poor</u> 0	<u>Satisfactory</u> 1
Modifications score	<u>Frequently</u> 0	<u>Occasionally</u> 1
Disbursement delays score	<u>Frequently</u> 0	<u>Occasionally</u> 1
		<u>High capacity</u> 3
		<u>Good</u> 2
		<u>Never</u> 2
		<u>Never</u> 3



Sponsor Risk Key:	Total Score	Sponsor Risk
	0-4	High
	5-7	Moderate
	8-10	Low

Current Project Risk (see Exhibit 2 immediately below)

Current Project Risk represents an assessment based on the nature of the project. The risk reflects the likelihood that the project will not be completed or that AHP funds will have to be recaptured.

1. If the Sponsor is the general contractor on the project or does not yet have the work under contract, the project is assumed to have an inherently greater risk than a project with a signed construction contract in place.
2. If the project has a government funding source that has already committed funds to the project, the project is assumed to have less risk than a project that does not have a committed government funding source.

Exhibit 2: Current Project Risk		
Executed construction contract is in place (and the Sponsor is not the general contractor) AND the project has a committed government funding source	Executed construction contract is in place (and the Sponsor is not the general contractor) OR the project has a committed government funding source	The Sponsor is the general contractor or the project does not have a construction contract in place AND the project does not have a committed government funding source
Low	Moderate	High

Disbursement Risk (see Exhibit 3 immediately below)

FHLB will disburse AHP grant funds prior to project completion only to projects with *Low or Moderate Disbursement Risk* (that is, Low or Moderate Sponsor Risk and either Low or Moderate Current Project Risk). Projects that do not have low or moderate disbursement risk may only receive a disbursement of AHP funds after project completion.

Exhibit 3: Disbursement Risk based on Sponsor and Current Project Risk				
		Sponsor Risk		
		Low	Moderate	High
Current Project Risk	Low	<i>Low</i>	<i>Low</i>	<i>High</i>
	Moderate	<i>Low</i>	<i>Moderate</i>	<i>High</i>
	High	<i>High</i>	<i>High</i>	<i>High</i>



DISBURSEMENT FEASIBILITY

The project must meet all feasibility requirements and guidelines outlined in the AHP Implementation Plan for the year in which the AHP application was approved, or FHLB must receive explanations satisfactory to FHLB in its sole discretion for any values outside the guidelines. If the costs or scope of the project has undergone any significant change subsequent to the time of AHP award, the project will undergo additional review and underwriting when an early disbursement is requested to ensure that the project still meets the FHLB's feasibility guidelines and to determine the reason for, and the reasonableness of, any deviation. Based on this review, FHLB staff may work with project Sponsors or owners to make adjustments to the financial information submitted to ensure that the information accurately reflects the nature and financial structure of the project. Sponsors may not submit revised financials during review of the disbursement request.

FHLB may allow reasonable deviations from the guidelines based on the nature, location, and type of project and based on explanations provided by the Sponsor to justify such deviations. However, the Sponsor or project owner is ultimately responsible for ensuring that financial information is correct and consistent and that the project's financial structure meets FHLB's guidelines, or that any deviations are adequately explained, justified, and documented. If justification for a deviation was submitted with the approved AHP application or an approved project modification, and the value that is outside FHLB's guideline has not changed from the value shown in the approved AHP application or approved project modification, as applicable, no further justification is necessary. Projects that no longer meet the FHLB's feasibility guidelines may no longer be eligible for AHP funds.

DOCUMENTS AND FORMS

AHP Early Disbursement Grant Request Instructions

Collaboration between the project's Member and Sponsor contacts is necessary to complete the Request Form and provide the required documentation. Please follow the steps below to request funds. If additional assistance is necessary, contact the Affordable Housing Program Manager.



Step 1: Complete the AHP Early Disbursement Request Form
<ul style="list-style-type: none">• Print the AHP Early Disbursement Request form from the Program Documents and Forms page at https://www.fhlbcin.com/community-investment/program-documents-and-forms/.• Complete all sections on the form. Mark each of the Required Documents as “Already on file” (meaning that the documentation was provided during the AHP application process), “Enclosed,” or, if the item does not apply to the project, “N/A.”• Attach additional sheets if any explanations are required.
Step 2: Gather Required Documents
<ul style="list-style-type: none">• Collect anything marked “Enclosed” on the Request Form for inclusion in the request package and transmission to FHLB. All documents that pertain to the project are required.• Use the listings in this manual below to ensure that the documentation provided meets FHLB’s needs.
Step 3: Obtain Required Signatures
<ul style="list-style-type: none">• The Sponsor contact listed on the Request Form must sign in the appropriate location on the form and then send the entire package to the Member contact for signature.• The Member contact should review the materials and then, if acceptable, sign the form in the appropriate location on its second page and send the entire package to FHLB.
Step 4: Submit the AHP Early Disbursement Request Form with All Required Documents
<ul style="list-style-type: none">• Mail to: Housing and Community Investment Department Federal Home Loan Bank of Cincinnati 221 E. 4th Street, Suite 600 Cincinnati, OH 45202
Step 5: Submit Additional Information as Requested (if applicable)
<ul style="list-style-type: none">• E-mail to: AHPDisbursement@fhlbcin.com (include the project number in the subject line), or• Fax to: 513-852-7647



Required Documentation Descriptions

	AHP Early Disbursement Request form	The Sponsor and Member contacts that FHLB has on file as the project contacts must both sign the form, and all sections of the form must be complete. Check the boxes for “Already on file,” “Enclosed,” or “N/A” as instructed on the previous page. Be sure to notify FHLB in writing if one of the contacts that FHLB has on file should change, and include all contact information for the new contact.
1a	Construction loan closing date	Enter the date onto the Request Form upon which the project’s construction loan closing took place. If this date is more than six months prior to the date upon which the early disbursement request package will be submitted to FHLB, the project is not eligible for an early disbursement request.
1b	Issuance of work permits date	Enter the date onto the Request Form upon which the project secured its last required work permit. If this date is more than six months prior to the date upon which the early disbursement request package will be submitted to FHLB, the project is not eligible for an early disbursement request.
2	Date of disbursement training completion	One person from the Sponsor organization is required to participate in FHLB training for this disbursement type prior to disbursement of AHP funds. This person should ideally be the person who is assembling the AHP disbursement request package. Insert the date that this person attended the Early Disbursements for Rental Projects webinar on the AHP Early Disbursement Request form. If the Sponsor representative has yet to complete the training for this project type, s/he can access the webinar at https://www.fhlbcin.com/community-investment/webinars-and-presentations/ . Please note that FHLB will verify with WebEx that training for this project type was completed on or around the date entered on the Request Form, and FHLB will no longer be providing certificates of completion subsequent to webinar completion.
3	Proof that ALL funding sources aside from tax credits and cash contributions have been committed to the project via copies of executed grant agreements, notes and mortgages, etc.	<p>Document each of the project’s permanent funding sources as shown on the Attachment A: Sources and Uses (“development budget”) as submitted with the approved AHP application as well as any additional funding sources the project has received since the time of AHP application. Each type of funding source requires a specific type of documentation for FHLB purposes as outlined below. If the amount of the funding source as shown on this documentation does not match the amount of the corresponding funding source’s contribution to the project as shown on the development budget submitted with the approved AHP application, explain the discrepancy.</p> <ul style="list-style-type: none"> • Cash contributions, donations, and/or deferred developer fees need not be documented until submission of the project’s final disbursement request. <p style="text-align: right;"><i>Continued...</i></p>



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(cont.)

- Provide a signed copy of the grant agreement or award letter for each grant funding source (e.g. CDBG, HOME). Note that FHLB will require a signed copy of the grant agreement at the time of final disbursement of funds if an award letter is submitted with the early disbursement request package.
- Provide a signed note and mortgage (or deed of trust, trust indenture, or other security instrument) for each loan to the project. Construction-to-perm notes must clearly identify the terms of the permanent financing such as principal, rate, term, amortization, and payment amount. If the closing for the permanent debt has yet to take place, submit a signed letter from the debt provider indicating the principal, rate, term, amortization, and payment amount that this lender expects to provide at the time of permanent closing. The loan must have a term of at least 15 years if points were awarded in the approved AHP application for the Member providing permanent financing.

The debt service shown on the note for each source of hard debt must match the amount of debt service shown on the project's operating budget as submitted with the approved AHP application. Soft, forgivable debt should not appear on the operating budget. If the debt service amount differs from the amount identified in the approved AHP application, explain the discrepancy and provide a revised operating budget with item #7 below.

If a funding source(s) identified in the approved AHP application did not contribute funds to the project, provide an explanation indicating why the funding source did not fund the project along with the corresponding financials as mentioned in item #7 below. If the project did not receive an award from a funding source that it anticipated receiving at the time of AHP application, communicate that the Sponsor or project did not receive the award.



4	Verification of Sponsor's ownership/ leasehold interest	<p>Submit a signed and recorded copy of the deed or recorded memo of lease that transfers the rights to the property from a third party to the Sponsor or owner of the project if this item was not provided with the approved AHP application. Also submit a copy of the full lease agreement if the property is being leased from a third party. The document must verify that the AHP Sponsor has the ownership interest or rights to the property described in the approved AHP application. If the Sponsor is not identified as the owner directly by name on the documentation submitted for this item, verify the Sponsor's ownership interest via the articles of incorporation or bylaws or other third-party evidence of the ownership structure for the entity identified as the owner/lessee. This is needed for all project parcels and addresses. Please note that the term of any lease must be at least 15 years to satisfy FHLB requirements.</p> <p>Make sure that the property's legal description as shown in the deed or lease matches the property documentation submitted with the approved AHP application. If it does not, submit consolidation or lot split documentation such as surveys or plats to show how the project's property as it currently appears came to be. All parcels of the project must be represented in the documentation for this item.</p> <p>Rent payments on a lease agreement must match any on the operating budget.</p>
5	Executed construction contract that includes a scope of work if the Sponsor is not the general contractor	<p>Submit a signed copy of all construction contracts for the project containing information on the scope of work. The scope of work must be consistent with the work described in the approved AHP application, and the costs shown on the contract(s) should not be vastly different than the hard costs shown on the approved AHP application's development budget. If the Sponsor will complete the construction work on the project, nothing need be submitted for this item.</p>
6a	Evidence of the firm commitment from the tax credit allocating agency	<p>Projects receiving 9% Low Income Housing Tax Credits must submit an award letter or Carryover Allocation signed by the tax credit allocating entity verifying the amount of tax credits the project will receive. The annual amount of tax credits awarded as shown on this document should match the amount entered in the approved AHP application for the project.</p> <p>Projects receiving 4% Low Income Housing Tax Credits must submit an executed copy of the letter of eligibility for an allocation of housing credits.</p> <p style="text-align: right;"><i>Continued...</i></p>



6a (cont.)		<p>Projects receiving federal Historic Tax Credits must provide copies of the Parts 1 and 2 signed by the National Park Service to verify that the project will meet the standards for receiving the credits. If the project received a conditional approval, please submit the conditions and any amendments submitted to the National Park Service to rectify the conditional approval.</p> <p>Projects receiving state tax credits must provide documentation similar to that listed above that is executed by a representative of the tax credit allocating agency or state historic preservation office showing an award amount or that the project will meet the standards for receiving the credits as applicable.</p> <p>Projects that are not relying on tax credits as a funding source for the project do not need to provide anything for this item.</p>
6b	Executed copy of the partnership/operating agreement	<p>Submit the final partnership or operating agreement with the signatures of all partners and all attachments. If the agreement has been modified since initial execution, submit the amended and restated version or signed copies of the amendments along with the original agreement. The following items in the agreement should match the like items of the development budget submitted with the approved AHP application:</p> <ul style="list-style-type: none"> • Developer fee, • Capitalized reserves and costs (including operating, lease-up, and replacement reserves on the development budget, as well as asset management fees and any other operating costs that will be paid up front instead of during operations), • Management fees and replacement reserves paid during project operations, and • Capital contributions of each partner. <p>The agreement must contain the equity pay-in schedule.</p> <p>Projects that are not relying on tax credits as a funding source for the project do not need to provide anything for this item.</p>
7	Has the projected total project cost or operating net cash flow changed more than 10%, or has the project's financial structure changed from the approved AHP application?	<p>If the answer to either of these questions is "Yes," provide an explanation of the change(s) and submit revised copies of the development budget, the rent and unit schedule, and/or the 15-year operating budget, as applicable, to show the changes. For a blank copy of any of FHLB's versions for these forms in Excel format, please contact FHLB. Any changes to the project's financials that impact threshold or feasibility requirements must be reported to and approved by FHLB and may jeopardize the project's ability to draw AHP funds.</p>



8	<p>Have any of the following project characteristics changed? Check all that apply:</p> <ul style="list-style-type: none">• Sponsor or Member Role• Project targeting (income, special needs, homeless, etc.)• Number of units or unit mix• Project location• Any other change	<p>If the answer to this question is “Yes,” provide an explanation of the change(s) along with a signed modification request in the format prescribed in FHLB’s Modification Policy (Attachment D of the AHP Implementation Plan located at www.fhlbcin.com) along with a signed copy of the AHP Modification Request Form (available at https://www.fhlbcin.com/community-investment/program-documents-and-forms/). Any changes to the project that may affect scoring criteria or feasibility must be reported to and approved by FHLB and may jeopardize the project’s ability to draw AHP funds. Projects that are outside any of the feasibility guidelines will not be able to receive AHP funds without adequate justification of the deviated value.</p>
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AHP Early Disbursement Request

(Rental Projects Only)
Effective April 1, 2017

Projects Name:			
Project Address(es):			
Member Name:			
Sponsor Name:			
Project Number:			
Total Initially Awarded:	\$	Amount Requested:*	\$

*NOTE: Early grant disbursement requests are limited to 25% of the total grant initially awarded.

Refer to the AHP Early Disbursement Manual for acceptable forms of required documentation. Documents that do not meet FHLB requirements as listed in the manual will require amendment prior to disbursement of AHP funds, if viable, or will result in denial of the disbursement request.

Required Documents:	Already on file	Enclosed	N/A
1. Project dates: a. Construction loan closing: ___/___/___ b. Issuance of work permits: ___/___/___		←	
2. Date of disbursement training completion: ___/___/___		←	
3. Proof that ALL funding sources aside from tax credits and cash contributions have been committed to the project via copies of executed grant agreements, notes and mortgages, etc.	<input type="checkbox"/>	<input type="checkbox"/>	
4. Verification of Sponsor's ownership/leasehold interest	<input type="checkbox"/>	<input type="checkbox"/>	
5. Executed construction contract that includes a scope of work if the Sponsor is not the general contractor		<input type="checkbox"/>	<input type="checkbox"/>
6. For tax credit projects only: a. Evidence of the firm commitment from the tax credit allocating agency b. Executed copy of the partnership/operating agreement	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
7. Has the projected total project cost or operating net cash flow changed more than 10%, or has the project's financial structure changed from the approved AHP application? Yes <input type="checkbox"/> No <input type="checkbox"/> If "Yes," submit the following: i. Updated sources and uses of funds/development budget ii. Updated rent and unit schedule iii. Updated 15-year operating budget		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	No change <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>



Required Documents:	Already on file	Enclosed	N/A
8. Have any of the following project characteristics changed? Yes No If “Yes,” check all that apply: <input type="checkbox"/> Sponsor or Member role <input type="checkbox"/> Project targeting (income, special needs, homeless, etc.) <input type="checkbox"/> Number of units or unit mix <input type="checkbox"/> Project location <input type="checkbox"/> Any other change If “Yes,” provide an explanation of the change(s) along with a completed copy of the AHP Modification Request Form located at www.fhlbcin.com).		<input type="checkbox"/>	No change <input type="checkbox"/>

Authorized Signatures:

The individuals signing this request certify that they are authorized to make such requests and representations contained herein on behalf of the project Member and Sponsor identified and have read and understand the requirements for the program mentioned in the AHP Early Disbursement Manual. The Sponsor and Member further certify that they have taken the steps necessary to determine that the information provided herein is true and accurate, that they are not requesting reimbursement for costs that FHLB deems ineligible, and they understand that FHLB has a duty to invoke sanctions pursuant to the Federal Housing Finance Agency’s AHP regulation in the event of noncompliance with the terms of the approved AHP application and any subsequent modifications approved by FHLB. Any changes to the project that may affect scoring criteria or feasibility must be reported to and approved by FHLB.

By signing below, you agree that the project will be subject to a deed restriction that will be submitted with the final disbursement request and that will meet the requirements of the AHP regulation.

MEMBER REPRESENTATIVE

Printed Name:	Telephone Number:
Title:	E-mail:
Signature:	Date:

SPONSOR REPRESENTATIVE

Printed Name:	Telephone Number:
Title:	E-mail:
Signature:	Date:



FREQUENTLY ASKED QUESTIONS AND COMMON MISTAKES

Below is a list of frequently asked questions and common mistakes that often occur when requesting a disbursement of funds. They are being provided in an attempt to assist Members and Sponsors in expediting the disbursement process.

Frequently Asked Questions

- Q. Why does FHLB require documentation before releasing funds?
- A. *FHLB cannot disburse AHP funds until it can determine through the documentation provided that the funds are necessary, that the project is financially and economically feasible, and that it is in compliance with the terms of the approved AHP application. By withholding funds until assessments from all of these perspectives have taken place, FHLB reduces the potential for recapture of funds. Documentation is necessary to ensure compliance with the federal regulations that govern the Affordable Housing Program.*
- Q. One of my proposed funding sources was not approved. Will my AHP award be cancelled?
- A. *If other financing or additional fundraising/cash contributions can be secured within a reasonable timeframe, the AHP award will not be cancelled. The project must have at least one other funding commitment in place within 12 months of AHP award and receive all other funding commitments within 18 months of AHP award. If a change in the project's funding sources significantly changes the financing structure of the project (especially as it pertains to lender), be sure to request a modification to the project in the format mentioned in Attachment D to the Affordable Housing Program Implementation Plan available at https://www.fhlbcin.com/media/1296/2016-ahp-implementation-plan-final-website-version_rev20160304.pdf.*
- Q. How will I know if a submitted request is approved?
- A. *A Confirmation of AHP Funds Disbursement will be e-mailed to the Member and Sponsor to confirm deposit of the AHP funds into the Member's Demand Deposit Account here at FHLB.*
- Q. How long does it take to receive funding once the FHLB has received a completed AHP Early Disbursement Request and all supporting documentation?
- A. *Typically, FHLB will require up to 30 days for reviewing the disbursement request and providing the funds. If additional information is required, it will take longer.*
- Q. How will the Member institution receive funding after a request for funds has been approved?
- A. *FHLB will credit the Member's Demand Deposit Account at FHLB for the amount approved.*
- Q. We have had significant turnover within the organization since our application for AHP funds was approved. Are there any resources to improve our familiarity with the program and the approval process?
- A. *See the Early Disbursement for Rental Projects and other applicable webinars on FHLB's website at <https://www.fhlbcin.com/community-investment/webinars-and-presentations/> and review this manual. You may also contact a member of FHLB staff for questions (see the listing below). Also, be sure to notify FHLB of staffing changes so that we may update our records.*



- Q. Can AHP funds be loaned to the project?
- A. *Yes, but FHLB has certain provisions for the promissory note to the project. See the appropriate rental disbursement manual at <https://www.fhlbcin.com/community-investment/program-documents-and-forms/>.*

Common Mistakes

In order to assist our Members and Sponsors with receiving funds in a timely manner, we have included a list of common mistakes that often delay the processing of AHP Early Disbursement Requests.

1. The AHP Early Disbursement Request form is incomplete or unsigned by one or both parties. All questions should be answered. If a question is not applicable to your project's type or the project was not awarded points for a particular scoring criterion, check the "N/A" box in the space provided. If an N/A box is not available for that particular item, submit an explanation indicating why you believe the item doesn't pertain to your project.
2. The person(s) assembling the Required Documents for the disbursement request package is not familiar with FHLB's requirements or the commitments the project made in its approved AHP application. See this manual or the Early Disbursement for Rental Projects webinar to familiarize yourself with FHLB's requirements. Contact FHLB using the information listed below for a copy of the project's AHP Application Scoring Sheet and/or the approved AHP application if you do not have one for the project.
3. The disbursement package contains documentation that contradicts other documentation included in the disbursement request package or documentation submitted with the approved AHP application or approved project modification.
4. There are significant differences between the project's financials as submitted with the approved AHP application and those submitted in the disbursement request documents that create conflicts with FHLB's underwriting parameters. FHLB requires an explanatory narrative to justify any material change to the project's financing, which it will only accept at FHLB's discretion.
5. Required documents do not contain the required signatures.
6. The AHP Sponsor or Member is delinquent with regard to additional information submission or reporting/monitoring requirements of FHLB for the project being submitted or others.
7. All of the funding sources shown in the approved AHP application were not documented with executed grant agreements, notes and mortgages or deeds of trust, etc. See items #3 and #6 above for assistance with collecting the required documentation.
8. The project closed on its construction loan or received all permits more than six months ago or is in the high risk category...these projects are not eligible.



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** Early Disbursement Reviewers