AHP for Members

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FHLB Mission

Provide members with reliable funding to support housing finance, affordable housing and community investment, and assist with their balance sheet management through:

- Advances/Letters of Credit
- Mortgage Purchase Program
- Housing and Community Investment

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HCI Mission

Accomplished via the following programs:

- Affordable Housing Program (AHP)
- Disaster Reconstruction Program (DRP)
- Carol M. Peterson Housing Fund (CMPHF)
- Economic Development Program (EDP)
- Community Investment Program (CIP)
- Welcome Home Program (WHP)
- Zero Interest Fund (ZIF)
- Rise Up Program (RUP)
- Hundred Homes Initiative (HHI)

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Affordable Housing Program

- Provides direct grants and discounted advances to help develop housing for very low- to moderate-income households
  - Federally regulated
  - AHP Implementation Plan (IP) sets forth policies for administering the federal regulations
- Competitive application process; projects evaluated based on:
  - Eligibility and threshold requirements
  - Financial feasibility
  - Scoring criteria

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AHP Fills the Financial Gap

- AHP funds are used to complete a development's permanent funding or "fill the gap."
- AHP funds make the project more affordable by:
  - Reducing the amount of other funding required,
  - Reducing the amount of hard debt on a project, and
  - Reducing the Member's credit risk (lower loan-to-value) and therefore the project's required interest rate.

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AHP Participants

- **Members** are financial institutions and insurance companies.
  - All applications must have a Member; only a Member of FHLB Cincinnati can submit an AHP application
  - Projects receive more points in the AHP scoring system for higher levels of Member financial participation
- **Sponsors** are housing providers and developers.
  - May be non-profit organizations, for-profit entities, government agencies, or other types of organizations
  - Responsible for conceptualizing the AHP project and completing the majority of the application
- An AHP application can have up to two of each.

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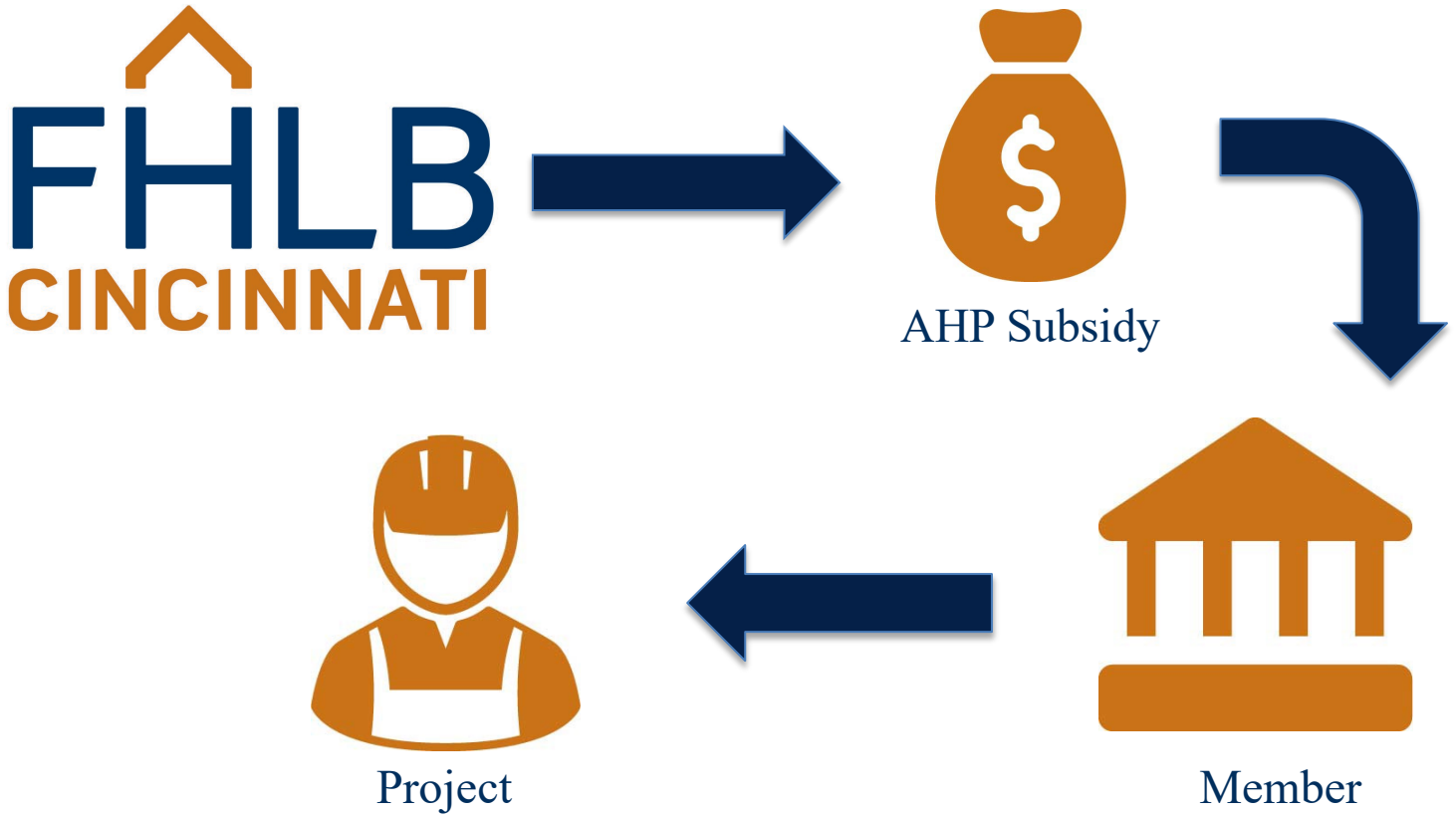
AHP Funds Flow



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Why support an AHP project?

- Increase CRA rating/receive CRA credit
- Improve the communities you serve
- Positive public relations
- Draw customers to other lines of business
- Attract business of affordable housing developers
- Profit from construction/permanent loans

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Member's Risk

- Risk factors associated with AHP funding for provision of a loan to the project:
  - Sponsor/project's ability to comply with program parameters
  - Accuracy of information contained in the AHP application
  - Interest rate risk for projects with an AHP Advance
- Projects with no debt subject the Member to minimal risk
- Rental projects have a 15-year compliance period, though Members are not responsible for the compliance

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AHP Eligible Uses

- Ownership or rental housing, including:
  - Traditional multi-family or single-family housing
  - Scattered or single sites
  - Manufactured housing
  - Group homes/special purpose housing
  - Shelter housing
- Costs directly related to housing development
  - Acquisition/purchase of land or buildings
  - New construction
  - Rehabilitation
  - Soft costs associated with the aforementioned

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Not Eligible for AHP

- Facilities that require a “Certificate of Need” or licensure as an ICF or ICF/MR
- Pre-development costs (only)
- Cash-out refinances
- Land banking
- Capitalized costs
- Operating costs
- Social service space
- Commercial or other non-residential space

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AHP Financial Thresholds

- There must be enough funds identified to cover all projected costs (no “TBD” funding sources).
- Expected project costs must be reasonable.
- Debt provided must comply with anti-predatory lending, fair lending, and HOEPA laws.
- AHP cannot be used to pay for capitalized costs.
- Units must be affordable to targeted households!

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More AHP Threshold Requirements

- Rental projects must reserve at least 20% of the units for households with incomes at or below 50% of AMI.
- All AHP units must be occupied by households with incomes at or below 80% of the AMI (though rental projects may have market-rate units that don't receive AHP funds).
- Projects must be appropriate for the population to be served and residential in nature.
- Projects must be affirmatively marketed and comply with all fair housing and accessibility laws.
- There must be market demand for the housing.

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Sponsor Capacity Requirements

- Development team must have the capacity to complete the project as evidenced by:
  - Experience developing similar projects;
  - Experience operating like projects (if managing);
  - Successfully completing previous AHP projects
    - As originally approved,
    - Without a significant amount of modifications,
    - Within set program timelines, and
    - With no current issues of noncompliance

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AHP Timing Thresholds

- The development team of rental projects must have site control in the form of a deed, lease, option, or purchase contract in order to apply.
- Projects cannot be complete prior to the AHP award.
- Projects must begin incurring AHP-eligible expenses within 12 months of the AHP award.
- Projects must be complete within 36 months of the AHP award.
- All funds must be disbursed within 48 months.

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AHP Feasibility Guidelines

• Hard Costs per Square Foot	See IP
• Total Project Cost/Bed	≤ $85,000
• Hard/Soft Costs Contingencies	≤ 10% - 20%
• Total Soft Costs	≤ 25% - 30%
• Total Contractor Costs	≤ 14%
• Developer Fee	≤ 5% - 20%
• AHP Subsidy/Unit	≤ $58,000
○ AHP Subsidy/Bed or Owner-occupied Unit	≤ $18,000
• Loan Points and Fees	≤ 1%
• Loan Rates	See IP
• Total AHP subsidy	$1,500,000 or 75% of Total Residential Costs*

*For all projects previously awarded, no more than 110% of previous award

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Operational Feasibility Guidelines

• Operating Cost/Traditional Unit	≥ $3,600
◦ Operating Cost/Bed	≥ $2,800
◦ Operating Cost/Permanent Supporting Housing Unit	≥ $4,600
• Debt Coverage Ratio (first 15 years of operations)	≥ 1.0
• Net Cash Flow (first 15 years of operations)	must be positive
• Annual Replacement Reserve/Unit	$250 - ≤ $450
◦ Annual Replacement Reserve/Bed	$150 - ≤ $250
• Vacancy Ratio	5% - ≤ 10%
• Capitalized Costs	12 – 15 months of expenses

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AHP Scoring Criteria (100-point system)

FHLB Cincinnati Priorities

- Member Participation (10)
- First-time Homebuyers (6)
- Projects in OH, KY& TN (5)
- AHP Subsidy per Unit (10)
- Opportunity for Disadvantaged Areas (3)
- High Volume Projects (1)

All FHLBs

- Donated Property (5)
- Sponsorship (9)
- Empowerment (5)
- Community Stability (8)
- Income Targeting (20)
- Underserved Communities and Populations (18)

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Member Participation Scoring

- Cash contribution of at least $2,000 (1 point)
- Permanent loan(s) (5 points/2.5 points)
  - Must have a term(s) of at least 15 years
  - Must close at least 51% of loans for ownership projects
  - Financial consortiums are eligible to receive all or partial points based on the percentage of FHLB Members comprising the consortium
  - Issuing bonds for a project also qualifies

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Member Participation Scoring (cont.)

- Construction/bridge loan (1 point/0.5 points)
- Servicing of loans made by the Sponsor (2 points)
  - Must be at no cost to Sponsor
  - Only applicable to ownership projects
- Reduction on loan rates of at least 0.5% below the Member's usual rate based on amount of discount
  - For construction/bridge loans (1 or 2 points) OR
  - For permanent loans (2 or 3 points)

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AHP Application Process

- Sponsor steps:
  - Register online for an account in OASYS,
  - Complete the online application and upload all required documents, and
  - Submit the application, including the Member certifications, to the Member electronically.
- Member steps:
  - Review the application,
  - Complete Member certifications, and
  - Submit the application electronically to FHLB Cincinnati.

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What Sponsors Need to Apply

- Sponsor plans the project including:
  - Project type (ownership, Habitat, owner-occupied rehab, or rental);
  - Project location (counties for ownership projects);
  - Income and occupancy targets (households with special needs, first-time homebuyers, homeless households, etc.);
  - Size and number of housing units or beds (floor plan);
  - Development costs (valid cost estimates);
  - Sources of funds for development (including AHP);
  - Rent or mortgage payment for targeted households; and,
  - Operating costs and source(s) of funds (if rental).
- Member should verify the project has a plan.

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What Members Need from Sponsors

- Meeting with Sponsor to review project plan;
- Determination of what type of contributions or concessions are requested for the project;
- Material to underwrite the Sponsor and project to the Member's specifications, if a loan is needed; and,
- The online application submission with enough time to allow the Member to obtain necessary approvals before FHLB's application deadline.

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Online Application for Members

- Members can access the AHP online application through the Members Only website or through the HCI Online Application System (OASYS) Log In.
- Members Only Username and Password is required for access to either website.
- Only the FHLB administrator at the Member institution can request creation of a new Members Only account.
  - Ask the FHLB administrator to complete the "Members Only User Authorization Form" in Members Only; or,
  - Call the FHLB ServiceDesk at (800) 781-3090.

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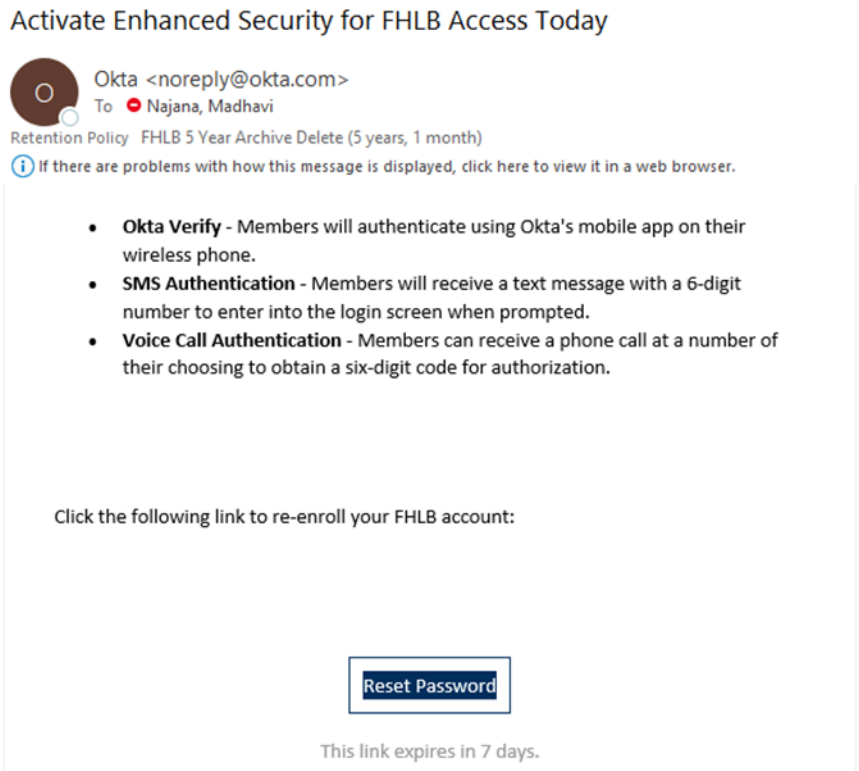
Setting Up Dual Factor Authentication



Activate Enhanced Security for FHLB Access Today

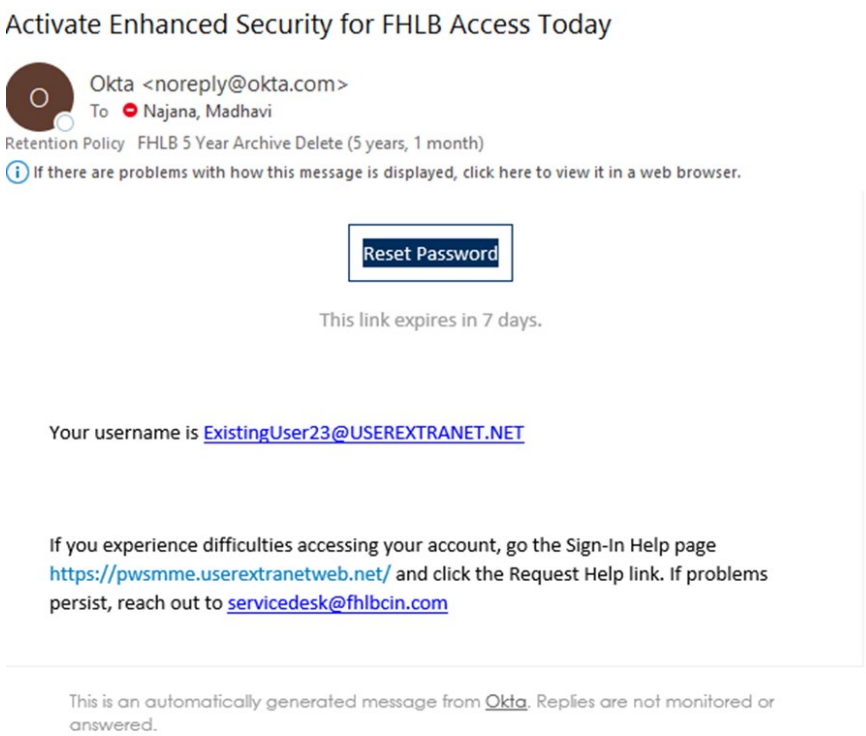
Okta <noreply@okta.com>
To Najana, Madhavi
Retention Policy FHLB 5 Year Archive Delete (5 years, 1 month)
If there are problems with how this message is displayed, click here to view it in a web browser.

- **Okta Verify** - Members will authenticate using Okta's mobile app on their wireless phone.
- **SMS Authentication** - Members will receive a text message with a 6-digit number to enter into the login screen when prompted.
- **Voice Call Authentication** - Members can receive a phone call at a number of their choosing to obtain a six-digit code for authorization.

Click the following link to re-enroll your FHLB account:

Reset Password

This link expires in 7 days.



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To Najana, Madhavi
Retention Policy FHLB 5 Year Archive Delete (5 years, 1 month)
If there are problems with how this message is displayed, click here to view it in a web browser.

Reset Password

This link expires in 7 days.

Your username is ExistingUser23@USEREXTRANET.NET

If you experience difficulties accessing your account, go the Sign-In Help page https://pwsmme.userextranetweb.net/ and click the Request Help link. If problems persist, reach out to servicedesk@fhlbcin.com

This is an automatically generated message from Okta. Replies are not monitored or answered.

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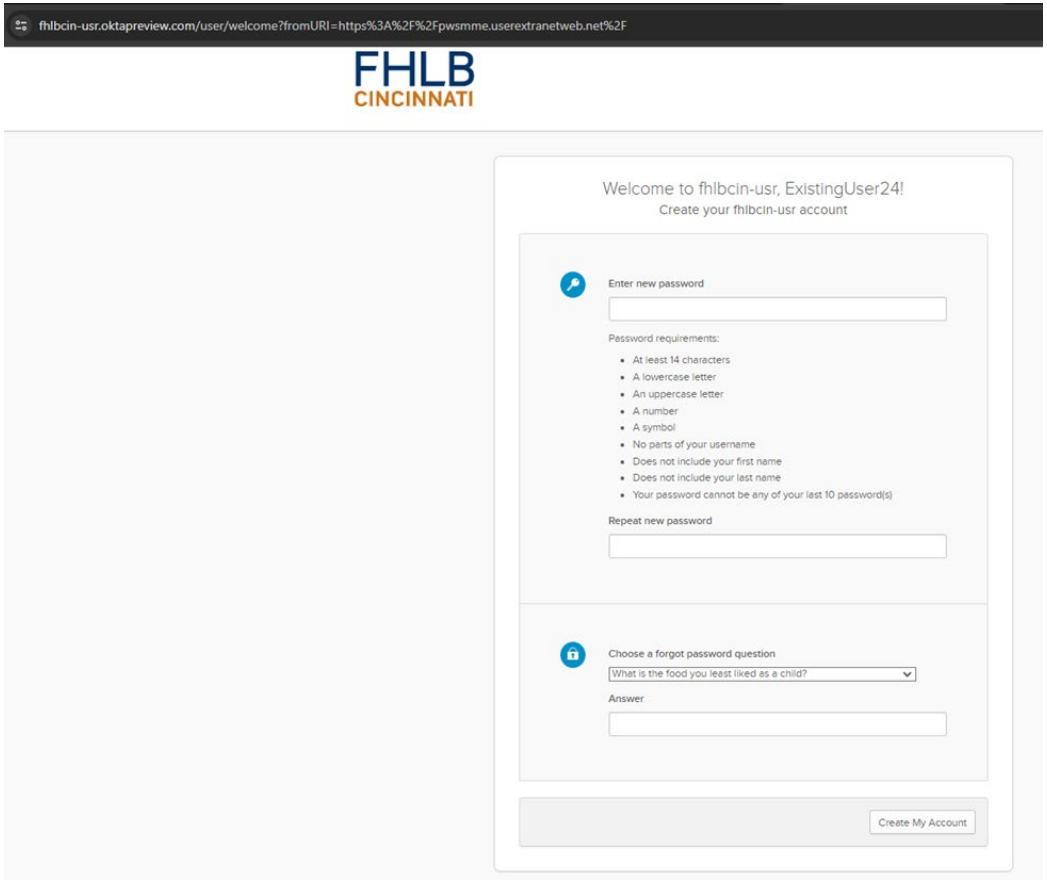
Log-in



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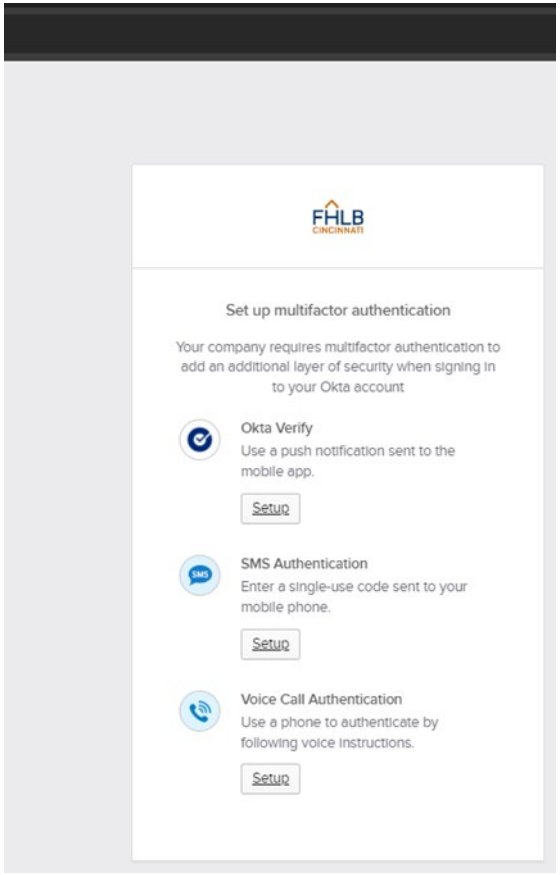
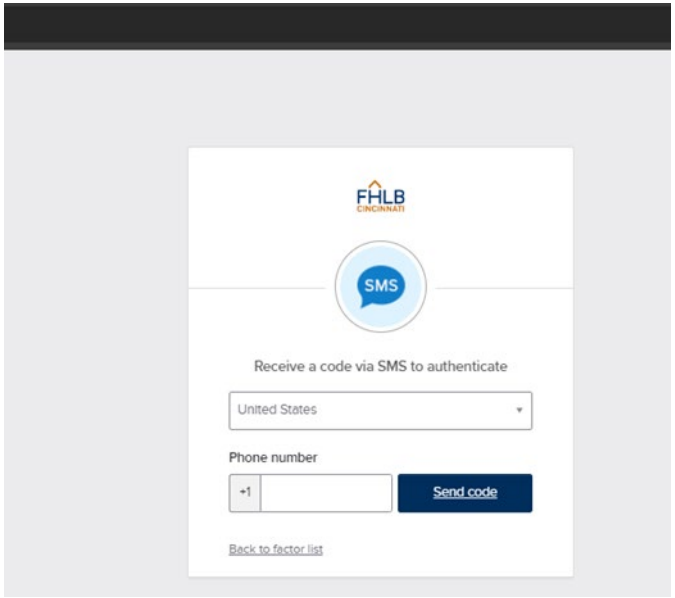
Set Up Dual Factor Authentication





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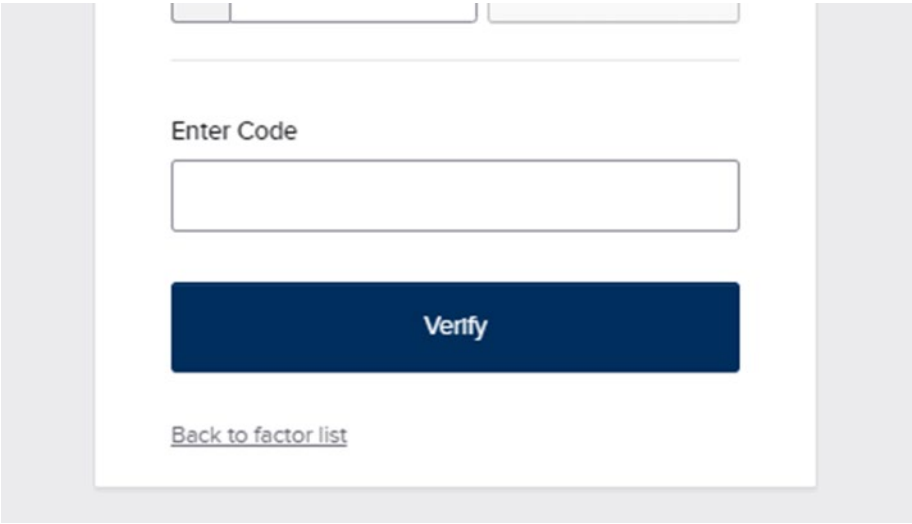
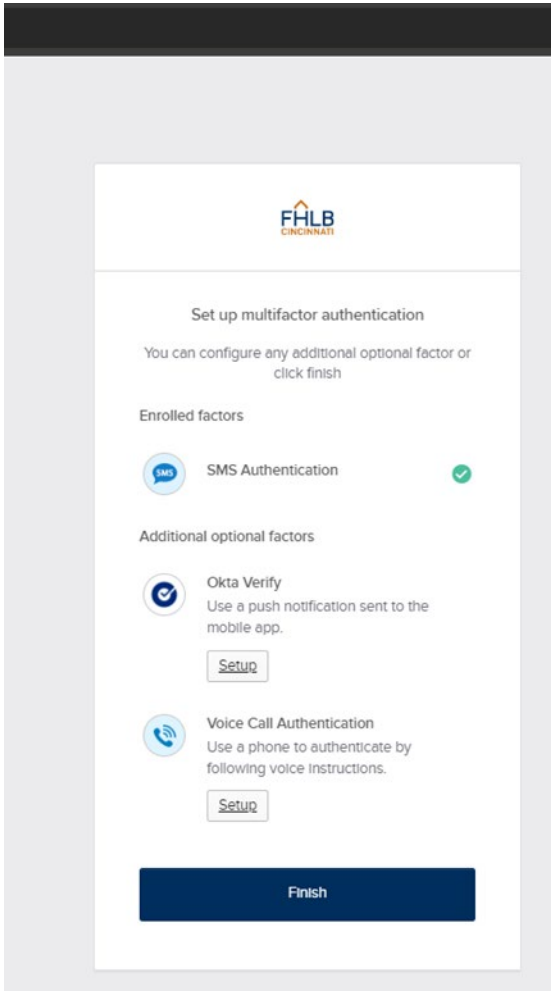
Multifactor Authentication





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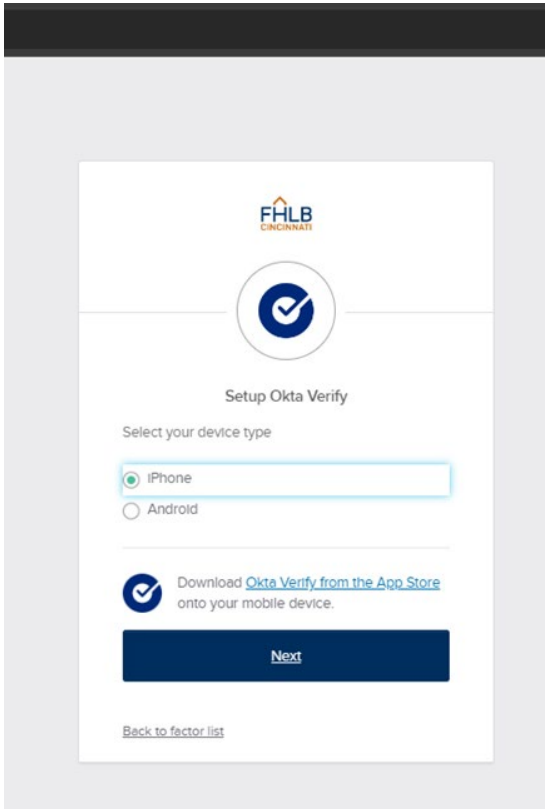
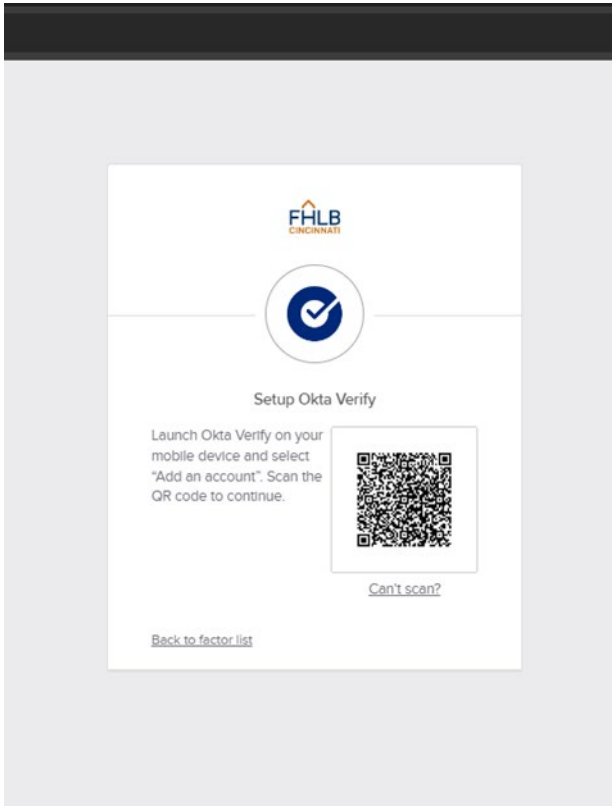
Okta Verify





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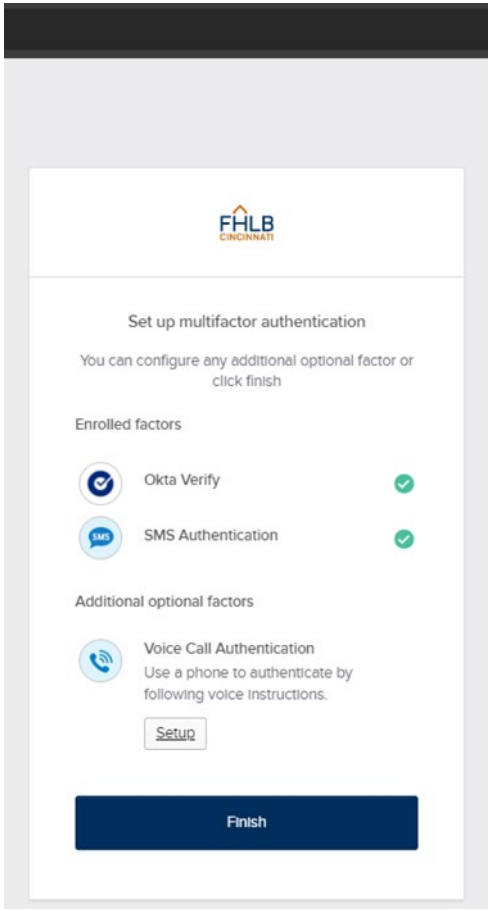
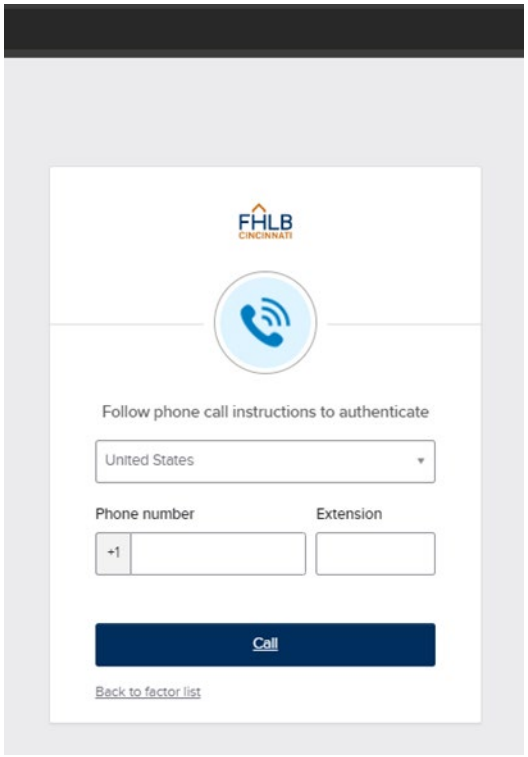
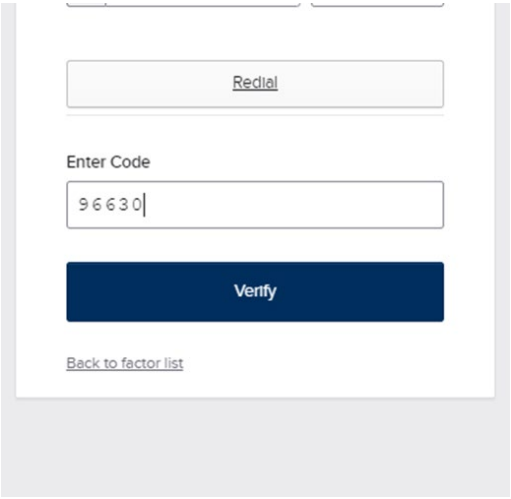
Voice Call Authentication







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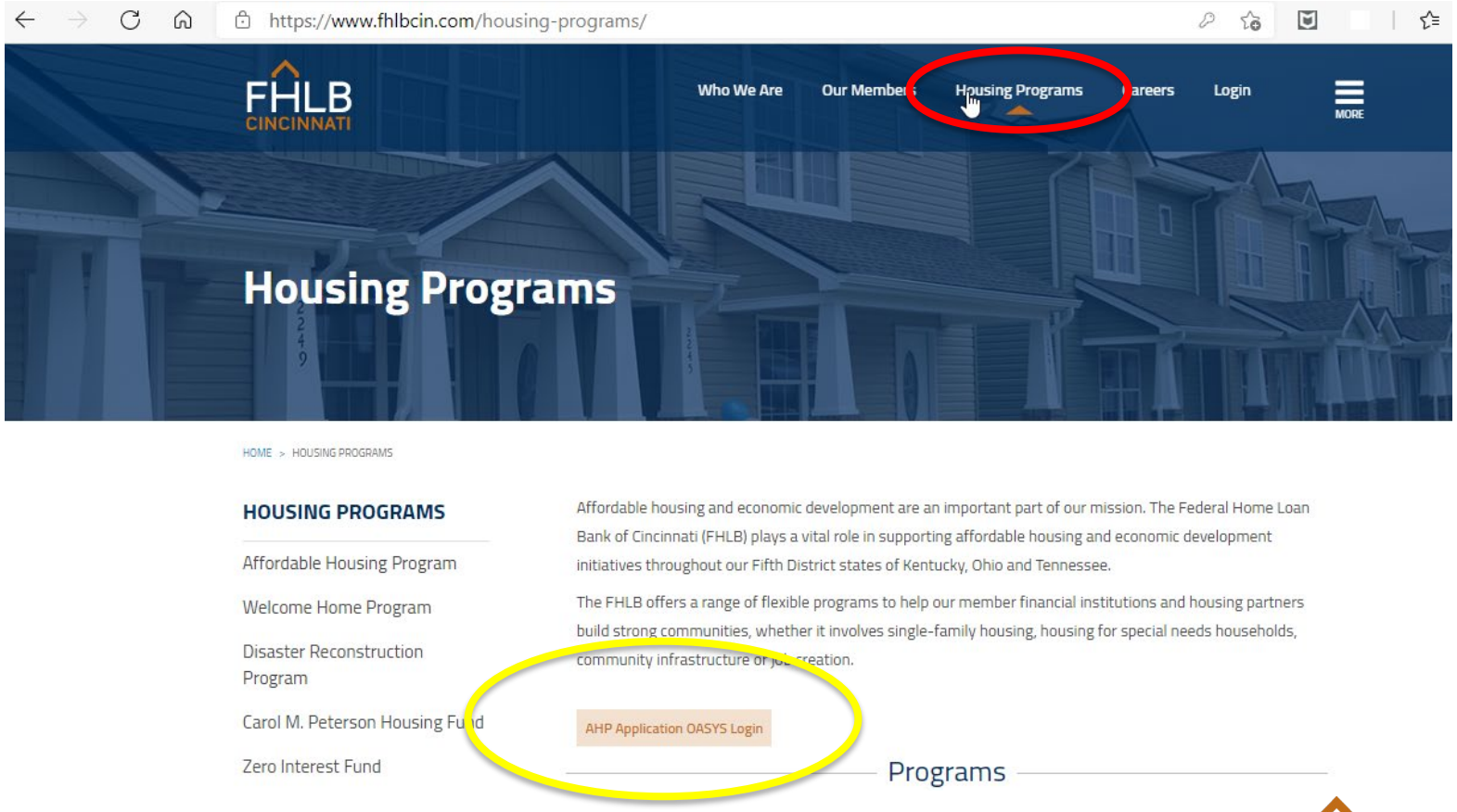
FHLB Public Website, fhlbcin.com



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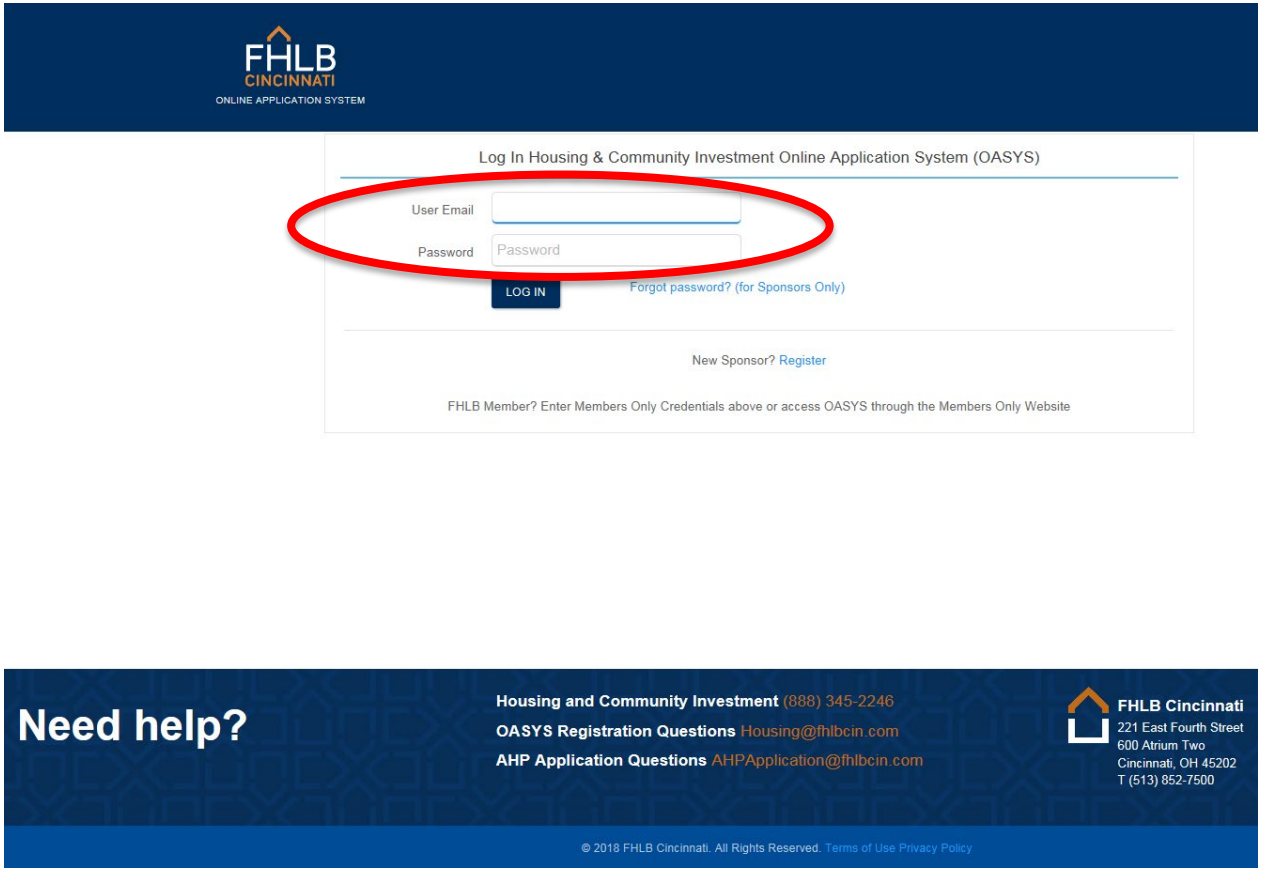
OASYS Login Screen



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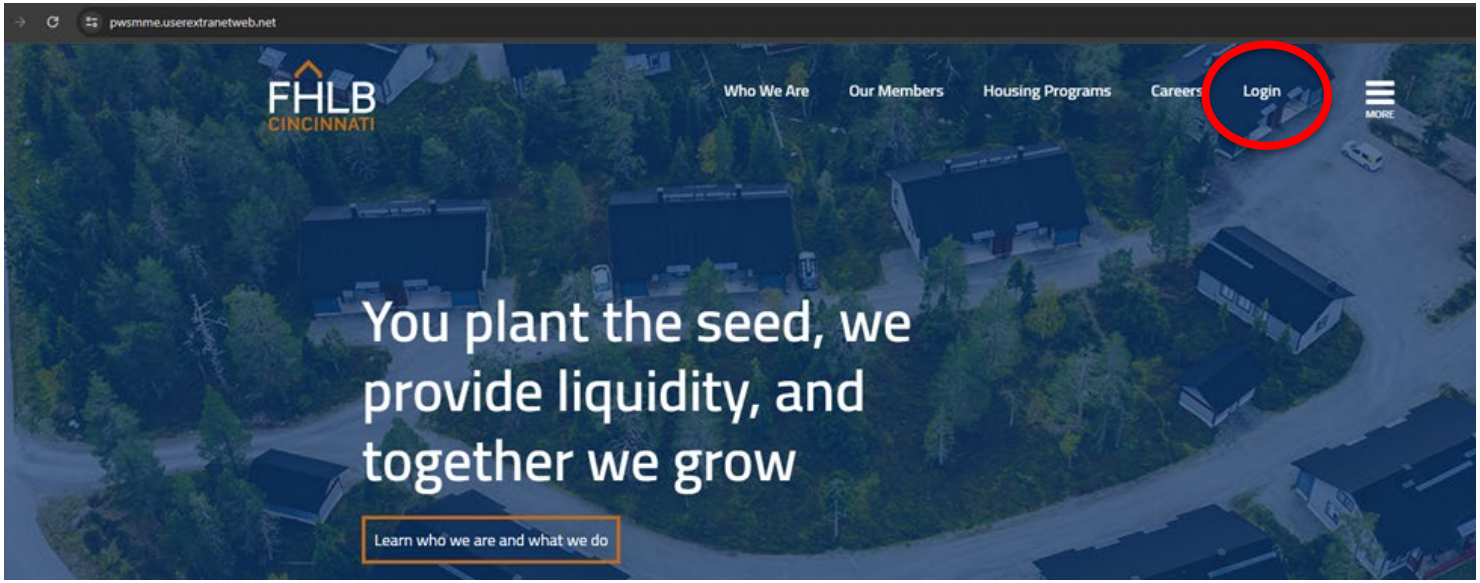
Members Only Login



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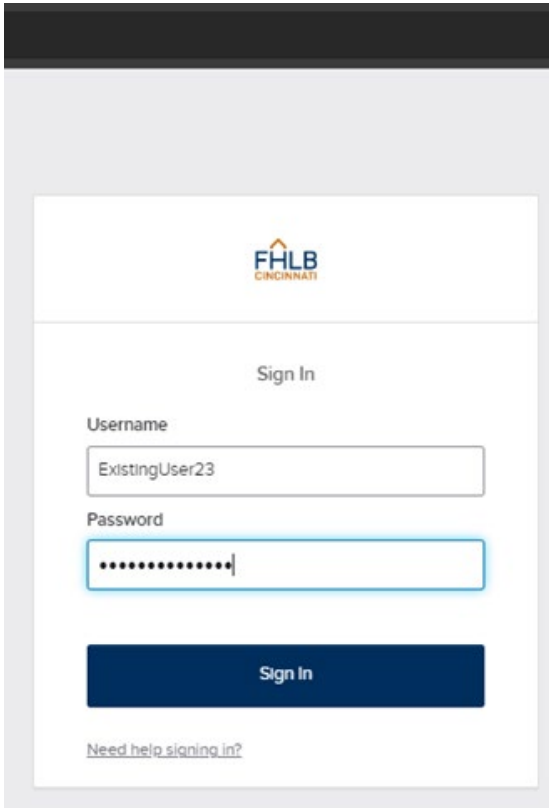

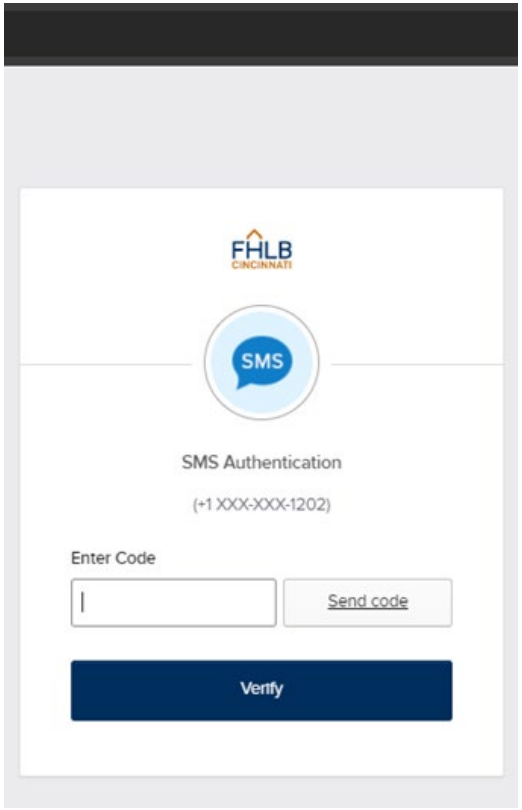

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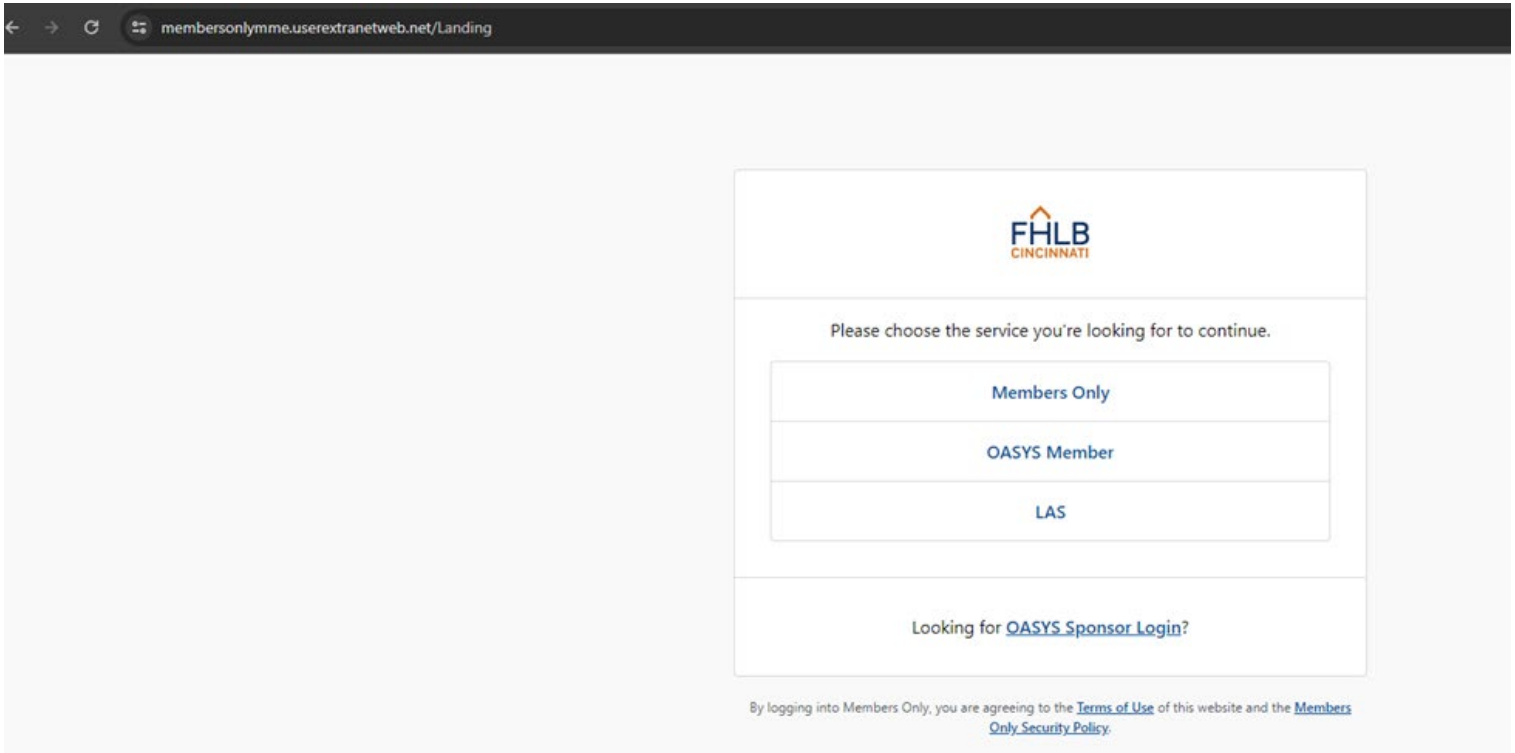
Log-In Successful



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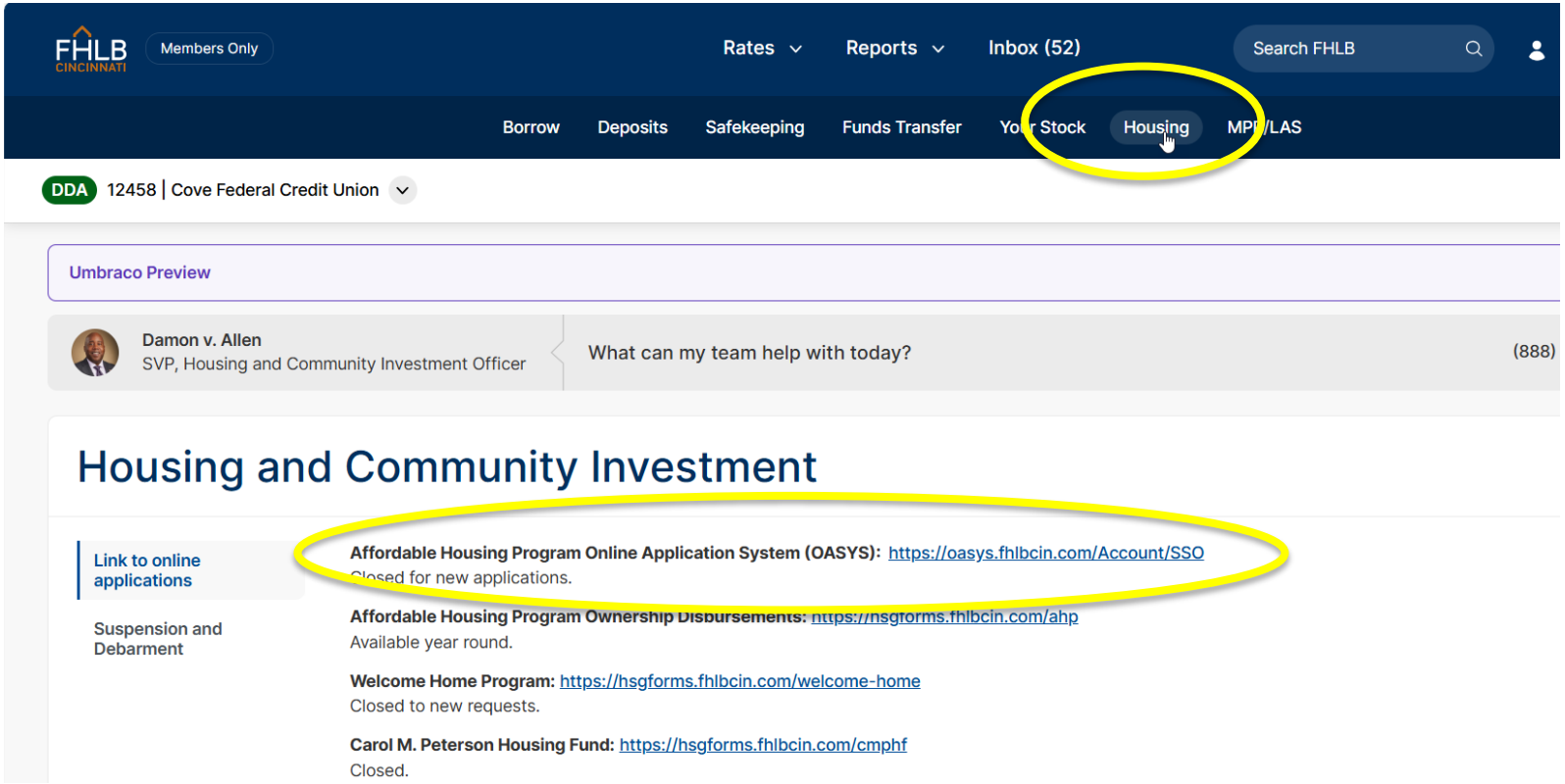
Accessing OASYS via Members Only



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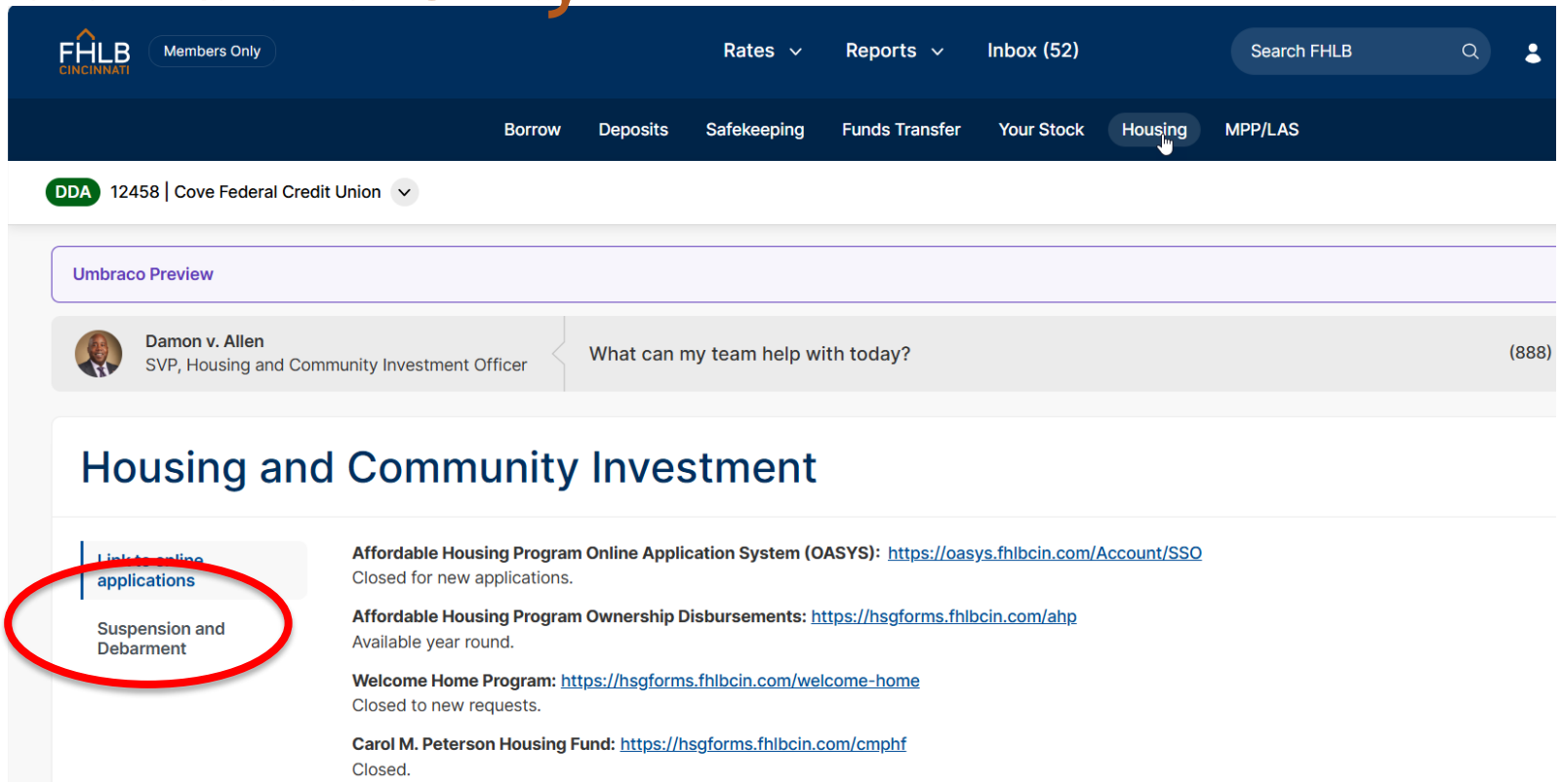
Suspension and Debarment within Members Only



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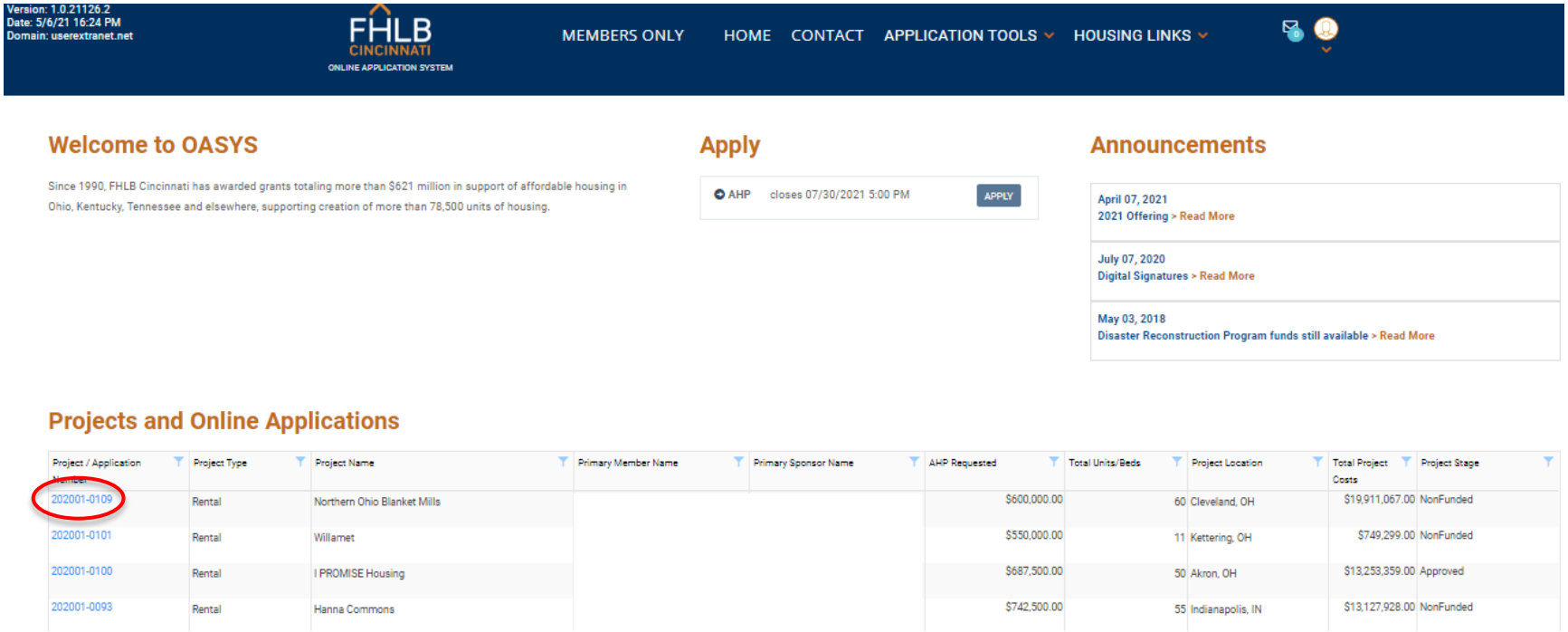
OASYS Member Dashboard

Click on the application number link to open the application.



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Communication from OASYS

- When a Member contact is identified in a newly started application, the application system will send an email notification to the contact identified.
- Add **AHPApplication@fhlbcin.com** to your email program's list of safe addresses to ensure emails do not go to the spam or junk folder.
- Members can access AHP applications at any time after Sponsors identify them in applications but can only make changes after a Sponsor has submitted an application to the Member.

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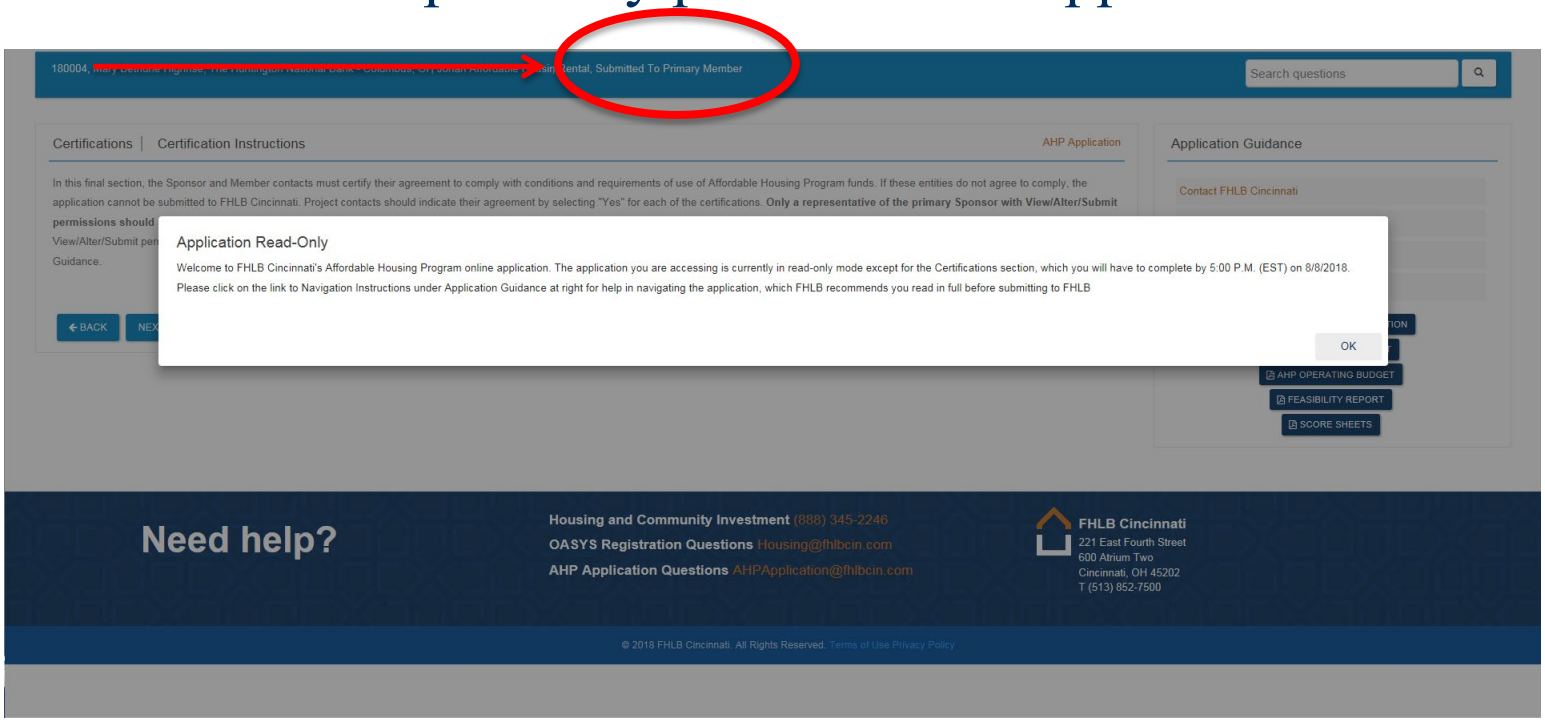
Initial Entry to AHP Application

The status shown in the blue header indicates whether or not a Member can complete any portion of the application.



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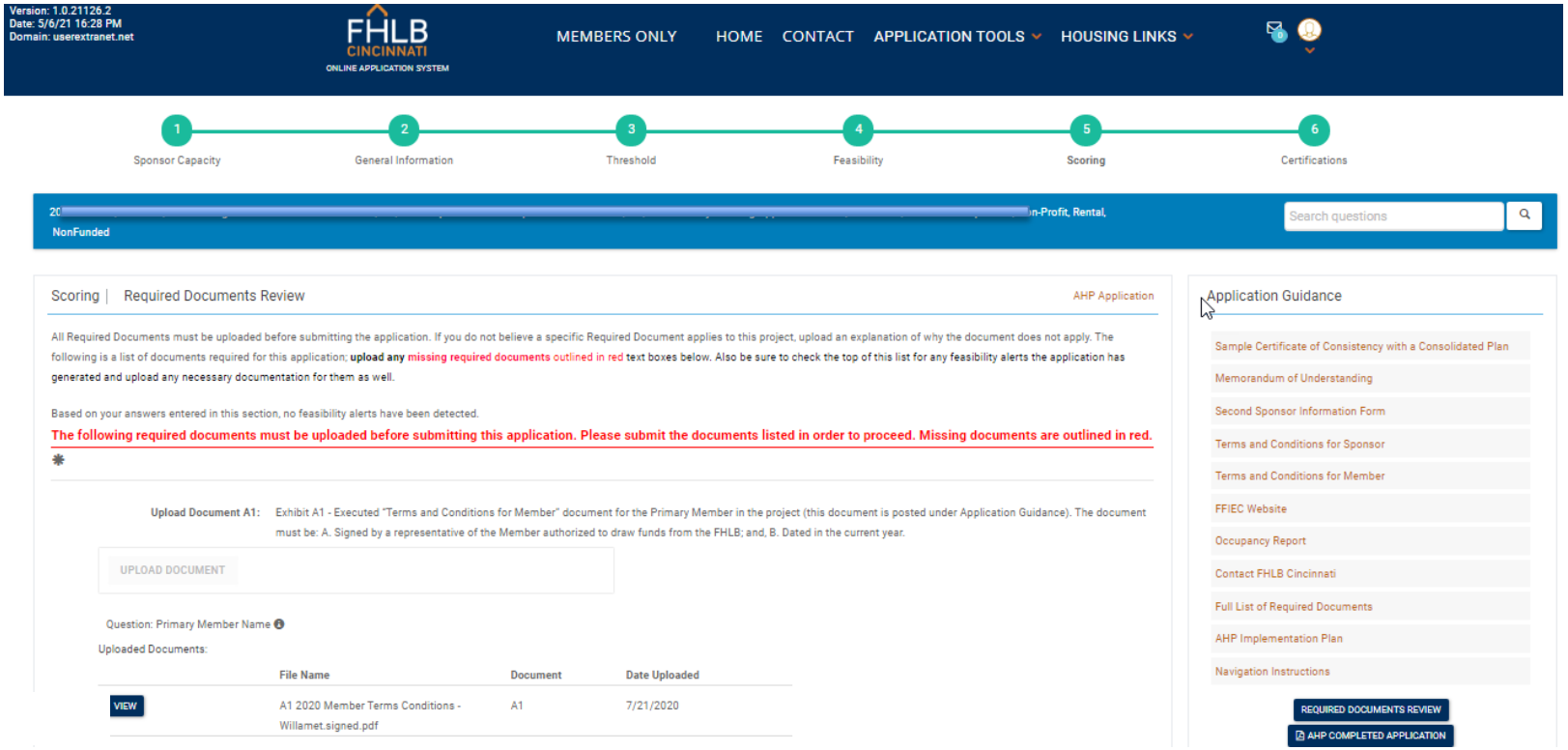
Required Documents



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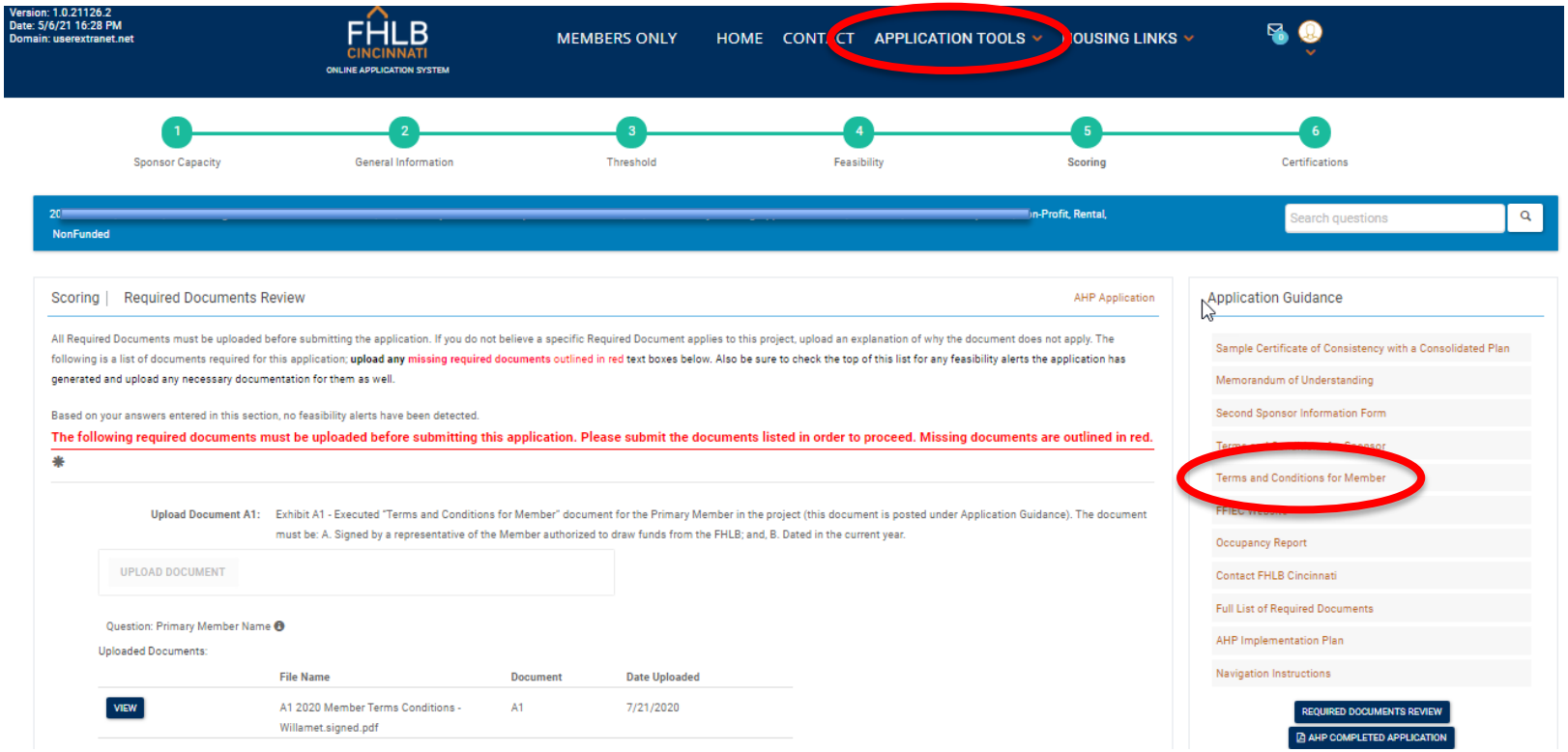
Accessing Terms and Conditions



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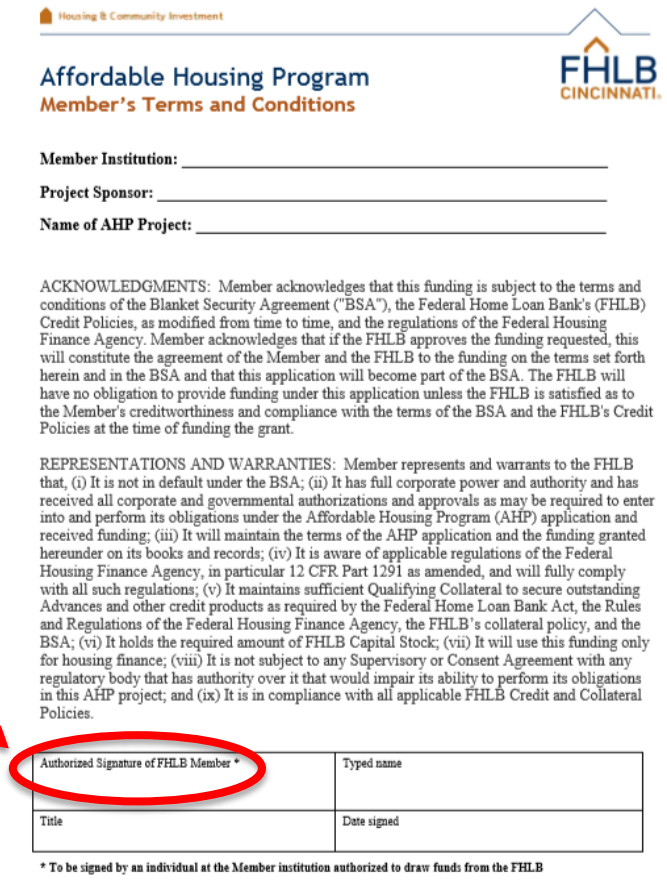
Terms and Conditions Document

Call Credit Services with your organization's Demand Deposit Account (DDA) number at (800) 828-4191 for a list of authorized signers.



Housing & Community Investment

Affordable Housing Program
Member's Terms and Conditions

FHLB CINCINNATI

Member Institution: _____

Project Sponsor: _____

Name of AHP Project: _____

ACKNOWLEDGMENTS: Member acknowledges that this funding is subject to the terms and conditions of the Blanket Security Agreement ("BSA"), the Federal Home Loan Bank's (FHLB) Credit Policies, as modified from time to time, and the regulations of the Federal Housing Finance Agency. Member acknowledges that if the FHLB approves the funding requested, this will constitute the agreement of the Member and the FHLB to the funding on the terms set forth herein and in the BSA and that this application will become part of the BSA. The FHLB will have no obligation to provide funding under this application unless the FHLB is satisfied as to the Member's creditworthiness and compliance with the terms of the BSA and the FHLB's Credit Policies at the time of funding the grant.

REPRESENTATIONS AND WARRANTIES: Member represents and warrants to the FHLB that, (i) It is not in default under the BSA; (ii) It has full corporate power and authority and has received all corporate and governmental authorizations and approvals as may be required to enter into and perform its obligations under the Affordable Housing Program (AHP) application and received funding; (iii) It will maintain the terms of the AHP application and the funding granted hereunder on its books and records; (iv) It is aware of applicable regulations of the Federal Housing Finance Agency, in particular 12 CFR Part 1291 as amended, and will fully comply with all such regulations; (v) It maintains sufficient Qualifying Collateral to secure outstanding Advances and other credit products as required by the Federal Home Loan Bank Act, the Rules and Regulations of the Federal Housing Finance Agency, the FHLB's collateral policy, and the BSA; (vi) It holds the required amount of FHLB Capital Stock; (vii) It will use this funding only for housing finance; (viii) It is not subject to any Supervisory or Consent Agreement with any regulatory body that has authority over it that would impair its ability to perform its obligations in this AHP project; and (ix) It is in compliance with all applicable FHLB Credit and Collateral Policies.

Authorized Signature of FHLB Member *	Typed name
Title	Date signed

*** To be signed by an individual at the Member institution authorized to draw funds from the FHLB**

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Member Commitment Letter

- Document commitments on Member letterhead.
- Letters must contain:
  - The current year's date,
  - The Application ID or project name, and
  - The signature of a Member representative.
- Commitments in the letter must contain the details specified in the AHP application, e.g.:
  - The percentage of bonds or tax credits the Member will purchase, or
  - The Member's commitment to issue bonds for the project.

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Example Commitment Letter

A BANK

07/01/2022

FHLB
Housing and Community Investment
Affordable Housing Program
P.O. Box 598
Cincinnati, OH 45201-0598

Dear FHLB AHP:

Please accept this as a letter of support for HCI Home I. A Bank makes the following commitment:

- Regarding Exhibit B10- A Bank is making a commitment to issue bonds for the project.

We look forward to working with HCI, Inc. and the FHLB Cincinnati on this much needed project.

Sincerely,

Chris Christopherson

Chris Christoperson

Vice President

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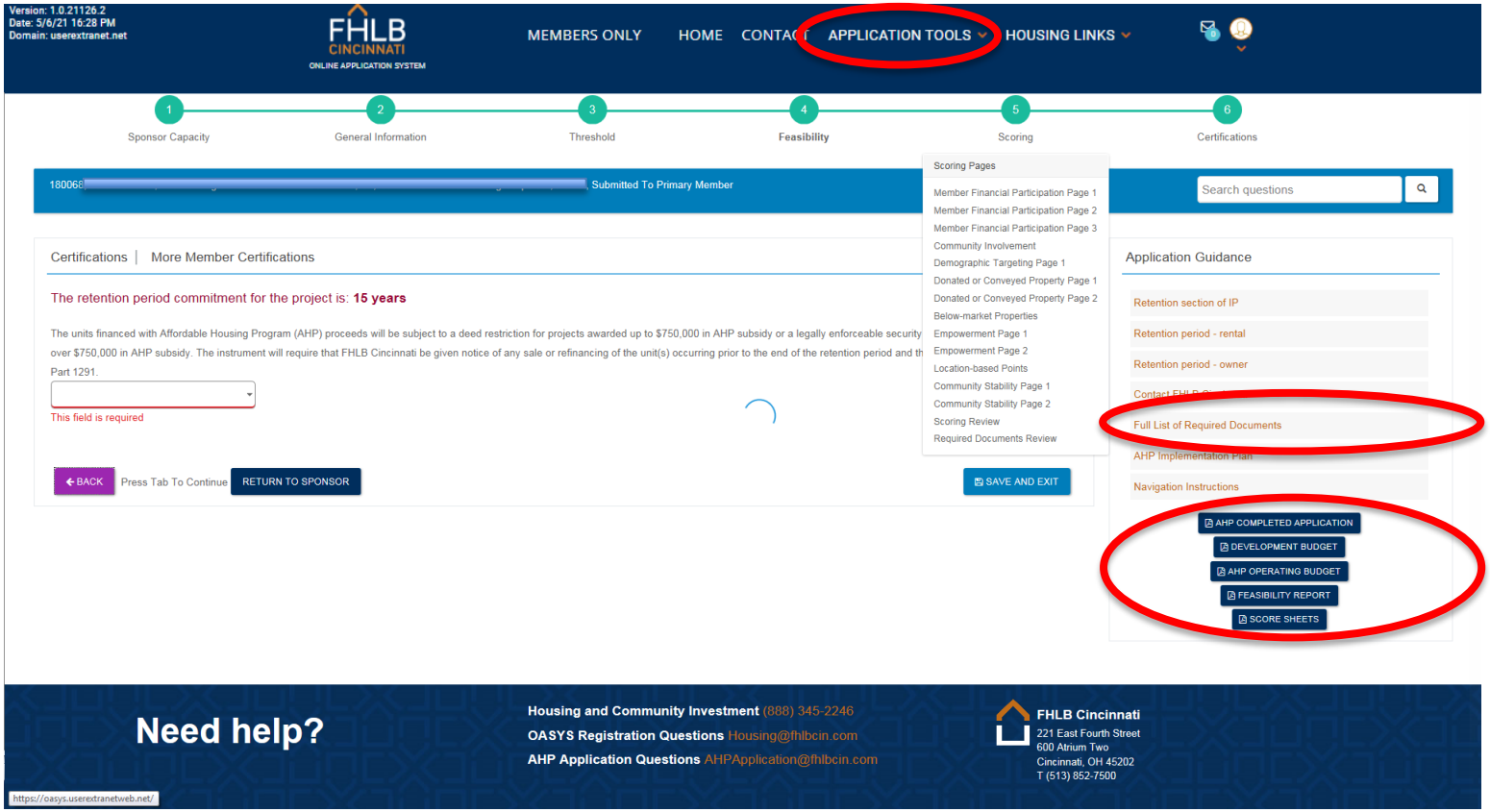
Application Guidance & Reports



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Reviewing an Application

- Inspect all reports, including:
  - AHP Completed Application,
  - Development Budget,
  - AHP Operating Budget (rental projects only),
  - Feasibility Report, and
  - Score Sheets.
- You may want to store the reports outside of OASYS.
- If desired, access the required documents via the Required Documents Review page at the end of the application's Scoring section.

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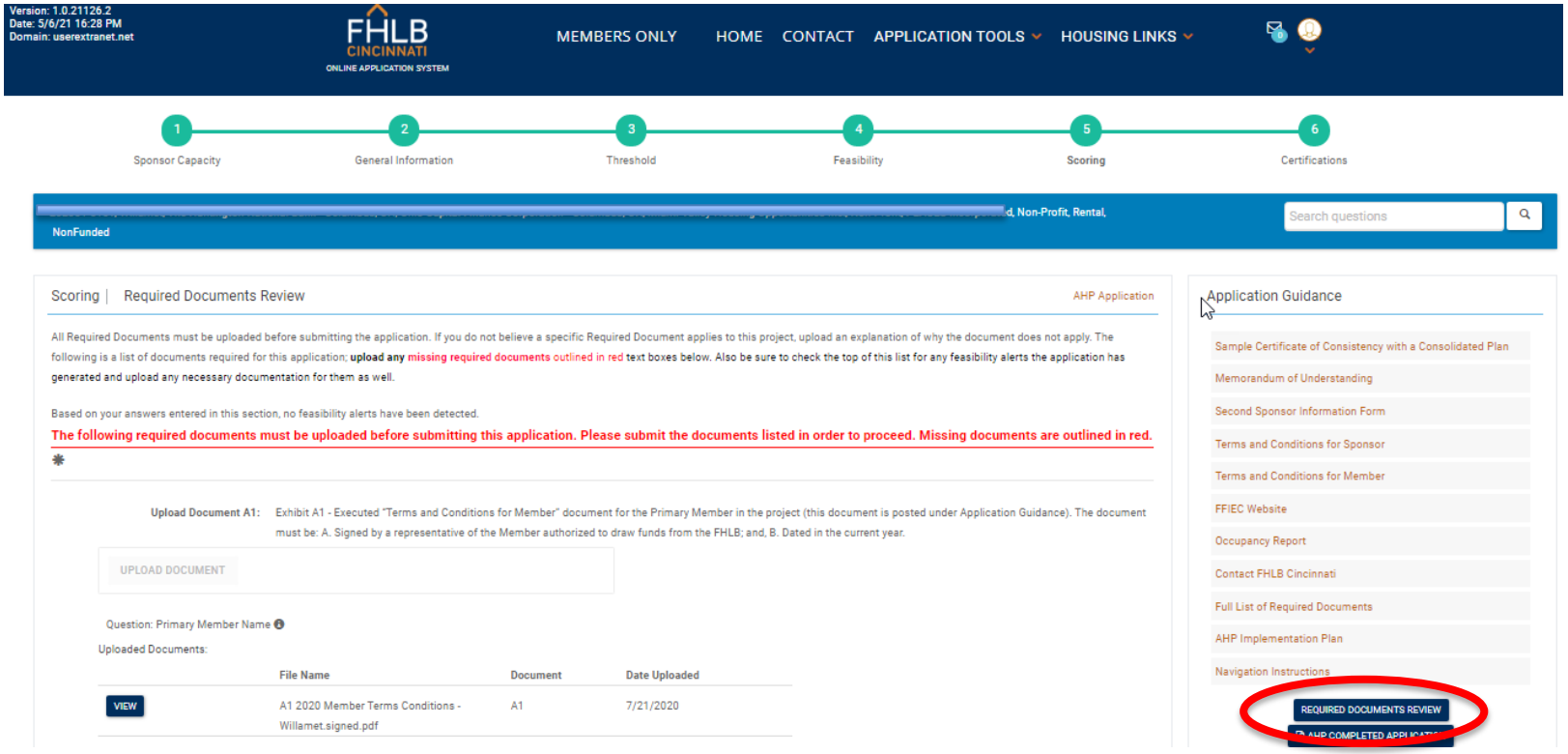
Navigating the AHP Application



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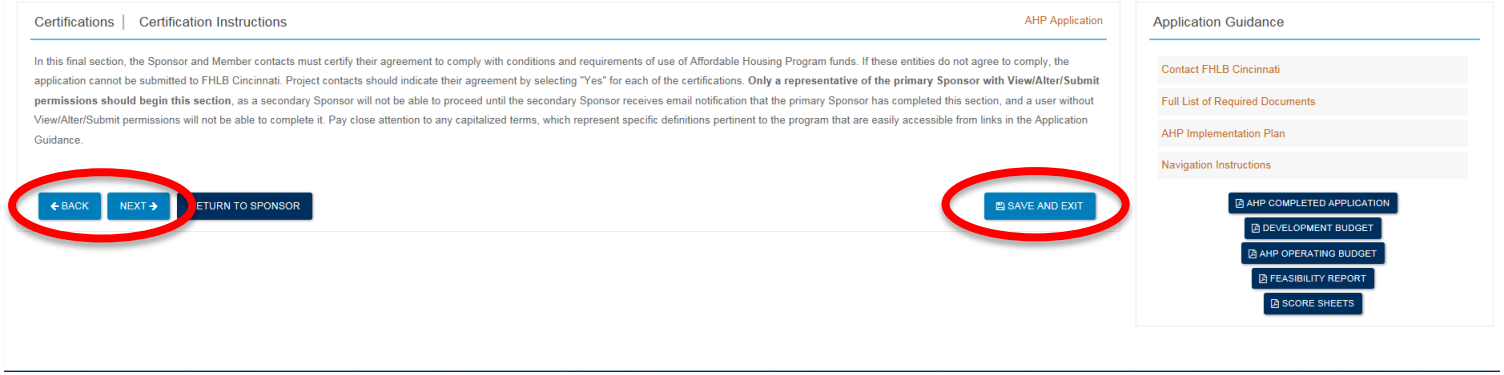
Member Certifications

- "NEXT" and "SAVE AND EXIT" buttons save data entry; the "BACK" button does not.
- The "NEXT" button will not appear until all questions have answers meeting formatting/logic requirements.



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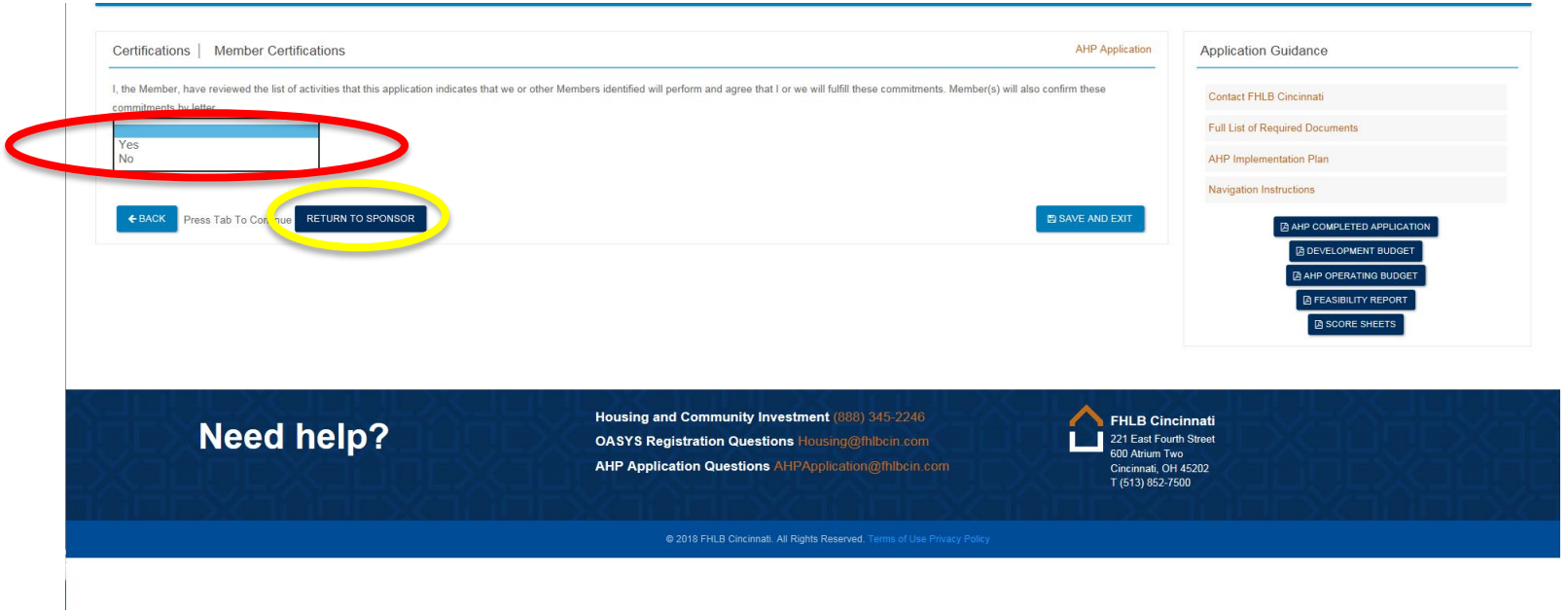
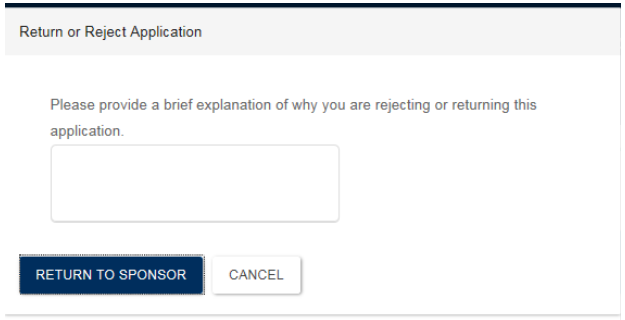
Responding to Certifications





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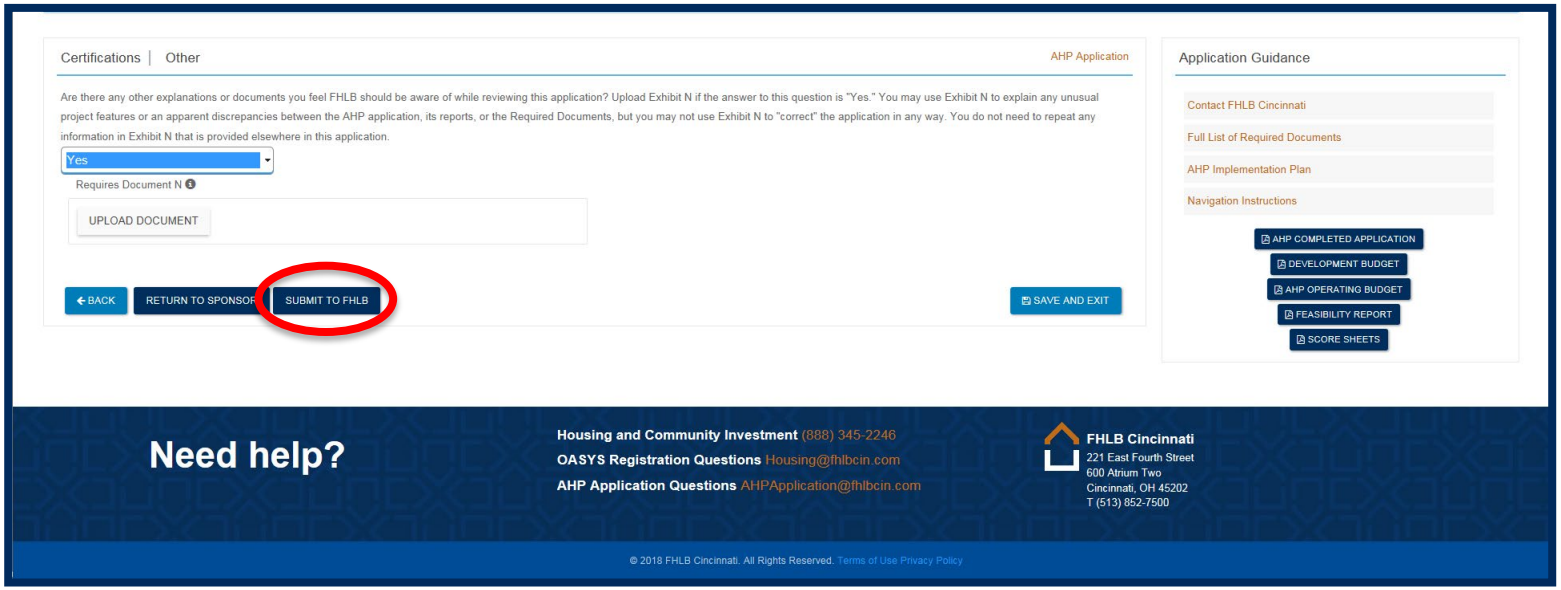
Submitting to Secondary/FHLB



Primary Sponsor → Secondary Sponsor → Primary Member → Secondary Member → FHLB → AHP Reviewers

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Application Completion

- Members and Sponsors receive notification by email when applications have been submitted.
- The AHP online application system assigns a project number in lieu of the Application ID number; **retain the project number** for all future correspondence with FHLB.
- AHP applications must be submitted to FHLB no later than 5:00 P.M. Eastern on Monday, July 7, 2025.

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FHLB Application Review Process

- FHLB will review the application and supporting documents to:
  - Determine if the project meets threshold requirements,
  - Verify financial feasibility, and
  - Perform scoring and ranking of all eligible and feasible applications.
- FHLB will announce awardees after the Board of Directors makes final selections on November 20, 2025.

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Member Limit on AHP Subsidy

- 2025 AHP project subsidy award limit:

- The maximum AHP subsidy per Member limit is $10,000,000.
- There is no limit on the number of applications a Member may submit.

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Next Steps

- Project contacts for awardees will receive emails containing the following documents, which must be signed/returned within designated timeframes:
  - Affordable Housing Program Agreement (AHP Agreement)
  - Affordable Housing Direct Subsidy Agreement (DSA)
  - AHP Final Application Review and Acceptance Form (if FHLB made corrections to the application)
- Projects not awarded funds will receive a denial letter via email.

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Applications Approved for Funding

- Sponsors and Members with applications approved for funding may receive a Notice of Changes email with an AHP Final Application Review and Acceptance form.
  - The email will contain copies of all application reports impacted by the change(s) FHLB made.
  - The email will contain an Application Evaluation report that details the commitments the project must fulfill and the changes FHLB made.
  - The AHP Final Application Review and Acceptance form must be signed and dated by the Member and Sponsor to accept the application as modified.

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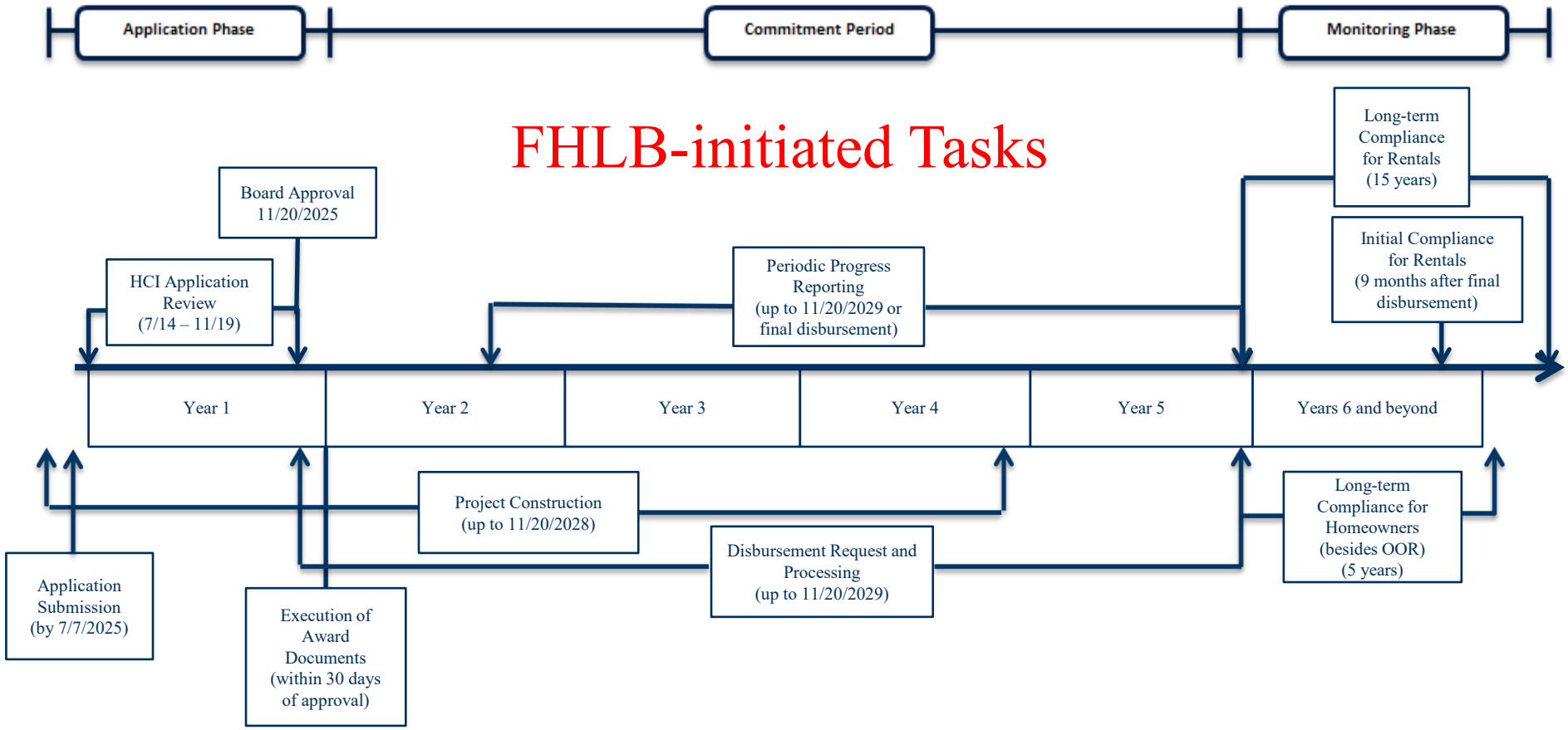
AHP Timeline



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Compliance and Reporting

- All approved AHP projects are subject to FHLB compliance monitoring through:
  - Semi-annual periodic progress reports (until completion and final funding),
  - Initial audit (includes documentation submission nine months after final funding for rental projects), and
  - Long-term compliance (15 years for rental projects).
- Rental projects must maintain affordability for the full 15-year retention period.
- The frequency that FHLB audits rental projects depends on FHLB-assigned risk level.

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AHP Retention and Recapture

- AHP-assisted units are subject to a deed restriction requiring FHLB be given notice of any sale, refinancing, foreclosure, deed in lieu of foreclosure, or other transfer of the property within five (5) years for ownership projects and within fifteen (15) years for rental projects.
  - This is enforced by adding restrictive language (provided by FHLB) to the property's deed.
  - This does not apply to projects involving only the rehabilitation of housing for its current owners.
  - Members usually are not involved in the rare occurrence of FHLB pursuit of recapture of disbursed AHP funds.

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Contact us

Federal Home Loan Bank of Cincinnati

221 East Fourth Street, Suite 600

P.O. Box 598

Cincinnati, OH 45201-0598

Toll free: (888) 345-2246

Fax: (513) 852-7647

E-mail: **AHPApplication@fhlbcin.com**

Website: **www.fhlbcin.com**

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TELL YOUR STORY.

WE CAN HELP!

DO YOU WANT TO ANNOUNCE YOUR FHLB CINCINNATI GRANT BUT ARE UNSURE WHERE TO START? EMAIL US AT GAFFINLM@FHLBCIN.COM OR CALL 877-925-3453.

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Get the latest news, events and updates at FHLB Cincinnati by connecting with us on social media.

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federal-home-loan-bank-of-Cincinnati

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Thank You

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