



Affordable Housing Program Implementation Plan Summary of Changes and Availability of Other FHLB Programs

AHP Implementation Plan Summary of Changes

The Federal Home Loan Bank of Cincinnati's (the "FHLB") Board of Directors has approved changes to the Affordable Housing Program ("AHP") Implementation Plan ("the IP") for 2021. The following lists material changes for the 2021 AHP competitive offering. Please see a complete copy of the 2021 AHP Implementation Plan that will be made available on the FHLB website for detailed program requirements. FHLB will also cover these changes in the AHP trainings to be held in 2021.

Main Body of Implementation Plan

- Established the AHP online application opening date as May 31 and the closing date as July 30
- Specified that the value of any donation listed as a cost to a project must be offset by a funding source of the same amount for any project type
- Reduced the maximum interest rate to 6.50 percent
- Established a proxy that FHLB will use to determine whether or not repayment of subsidy is required from homeowners who are selling, refinancing, or otherwise transferring interest in their homes

Scoring Criteria

- **Member Financial Participation** - Removed the scoring criterion pertaining to utilization of a non-subsidized AHP advance, the cap on the amount of points that a project can earn in this scoring category, and the reference to the Member's commitment letter, which will not be required in the future
- **First-Time Homebuyers** - Increased the points available in this scoring category from five to six
- **Donated or Conveyed Property** - Eliminated the one-point scoring criterion for related parties
- **Empowerment** - Removed the scoring criterion pertaining to a tenant position on the Sponsor's Board of Directors altogether and the exclusions relating to HeadStart, preschool, and after-school programs that previously applied to the Daycare Services scoring criterion
- **Project Sponsorship** - Increased the cap on the amount of points that a project can earn in this scoring category to seven

- **Community Stability** - Removed the scoring criteria pertaining to economic diversity, adaptive reuse, utilization of vacant and foreclosed property, and preservation of affordable rental units

Compliance Requirements/Suspension and Debarment

- Ceased to establish a specific “satisfactory occupancy” level for projects monitored by FHLB
- Added language noting that an individual or entity’s appearance on the Federal Housing Finance Agency’s Suspended Counterparties list prohibits that individual or entity from participation in any of the FHLB’s Housing & Community Investment programs

Definitions

- Removed the requirement that a pre-approval be submitted to FHLB within 180 days of the Sponsor taking application from a household within the definition of “Application intake date”
- Added new definitions for “Credit counseling” and “Financial literacy”
- Indicated that relocation plans must meet FHLB’s requirements regardless of the requirements of any federal source for such plans

Project Feasibility Guidelines

- Added a requirement that a Sponsor funding source cover acquisition costs when the current owner will retain part of the ownership interest in a property
- Removed language regarding separate treatment for HUD or USDA debt in a project’s acquisition costs
- Increased the limit for total project costs per unit from \$200,000 to \$215,000 for project types besides “Shelters,” “Group homes,” and “Special purpose housing,”
- Increased the limit for total project costs per bed from \$55,000 to \$60,000
- Increased the developer fee for which owner-occupied rehabilitation projects are eligible from 10 percent to 15 percent
- Removed the reference to “bad debt” as a line item that is ineligible to be included on the AHP operating budget

Other Housing and Community Investment Programs

The FHLB will continue to offer the following programs in 2021. For complete information on any of these programs, please see the [Community Investment](#) section of the FHLB’s website.

Welcome Home Program

The Welcome Home Program offers grants up to \$5,000 and up to \$7,500 for military households for down payment and closing cost assistance to low- and moderate-income homebuyers. Eligibility is determined by total household income relative to limits adopted by the appropriate state housing finance agency, adjusted for family size. The program will open for reservations on March 1, 2021. Funds are reserved on a first-come, first-served, basis as long as funds are available. Changes to this program for 2021 include:

- Decreasing the maximum first mortgage interest rate to 6.50 percent, and
- Using a proxy to determine whether or not repayment of subsidy is required from homeowners who are selling, refinancing, or otherwise transferring interest in their homes.

Disaster Reconstruction Program

The Disaster Reconstruction Program provides grants up to \$20,000 for homeowners and renters who suffered a loss due to a federal- or state-declared disaster. Applicants must have been residing in their primary residence at the time of the disaster and apply for the grant within 24 months. Eligibility is determined by total household income relative to limits adopted by the appropriate state housing finance agency, adjusted for family size. Funds are reserved on a first-come, first-served, basis as long as funds are available. This program is currently open.

Community Investment Program

The Community Investment Program offers discounted advances to Members to finance the purchase, construction, or rehabilitation of housing and economic development projects in areas with qualifying income or demographic factors. This program is currently open.

Economic Development Program

The Economic Development Program offers discounted advances to finance commercial, industrial, agricultural, small business, public facilities, day care, and infrastructure projects in areas with qualifying income or demographic measures. This program is currently open.

Zero Interest Fund

The Zero Interest Fund is a revolving \$2 million fund offering loans of up to \$100,000 to finance upfront infrastructure and acquisition costs in an effort to promote housing and economic development. This program is currently open.

Please contact the Housing and Community Investment Department at 888-345-2246 with any questions.

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