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NewsLine

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TO ALL MEMBERS:

AFFORDABLE HOUSING PROGRAM IMPLEMENTATION PLAN SUMMARY OF CHANGES AND AVAILABILITY OF OTHER FHLB PROGRAMS

The Federal Home Loan Bank of Cincinnati's (the FHLB) Board of Directors has approved changes to the Affordable Housing Program (AHP) Implementation Plan for 2022. The following lists material changes for the 2022 AHP competitive offering. For detailed program requirements, please see a complete copy of the 2022 AHP Implementation Plan that will be made available on the FHLB website by December 18. FHLB will also cover these changes in the AHP trainings to be held in 2022.

Main Body of Implementation Plan

- Specified that at least half of the units in a project must meet FHLB's definition of "Rural" for the project to use the national non-metropolitan median income
- Changed language suggesting that an FHLB retention mechanism is not required for owner-occupied rehabilitation projects to language explicitly prohibiting the inclusion of an FHLB retention mechanism on owner-occupied rehabilitation projects
- Eliminated the threshold requirement pertaining to the member's provision of first mortgage permanent financing
- Increased the maximum interest rate to 7.00 percent
- Set the AHP online application opening date as May 31 and the closing date as July 29
- Reduced the maximum AHP subsidy per project that can be requested from \$1,000,000 to \$400,000

Scoring Criteria

- **Member Financial Participation** – Increased the maximum points in this category from 6 to 10 and the minimum cash contribution from \$500 to \$750
- **Community Involvement** – Eliminated points for landscaping and fee waivers
- **Outside Funding Commitments** – Specified that loan purchase programs are not eligible for points in this scoring category and reduced the points in each subcategory by 1 point

- **AHP Leverage** – Reduced the points in each subcategory by 2 points
- **Income Targeting** – Raised point values within the scales in this category without changing the category’s overall points
- **Community Stability** – Removed the point for consistency with a neighborhood stabilization plan and increased points for owner-occupied rehabilitation above \$5,000 from 5 to 7

Definitions

- Modified the definitions of “Integrally involved” and “Sponsor”
- Added new definitions for “Daily care” and “Workforce housing”

Project Feasibility Guidelines

- Increased the maximum total project costs per unit from \$215,000 to \$250,000 for project types besides “Shelters,” “Group homes,” and “Special purpose housing”
- Increased the maximum total project costs per bed from \$60,000 to \$70,000 for “Shelters,” “Group homes,” and “Special purpose housing”
- Increased the maximum operating cost per unit from \$5,500 to \$5,600 and from \$6,000 to \$6,100 for permanent supportive housing projects
- Increased the maximum operating cost per bed from \$4,000 to \$4,100
- Reduced the maximum AHP subsidy per project from \$1,000,000 to \$400,000

Welcome Home Program

- Reduced the maximum amount of subsidy a member can receive from \$200,000 to \$50,000
- Increased the maximum first mortgage interest rate to 7.00 percent, and
- Established a start date for submitting a Request for Payment of Reserved Funding to June 1, 2022

Other Housing and Community Investment Programs

In addition to the AHP, the FHLB will continue to offer the following programs in 2022:

Welcome Home Program

The Welcome Home Program offers grants up to \$5,000 (\$7,500 for military households) for down payment and closing cost assistance to low- and moderate-income homebuyers. The program will begin accepting reservations on March 1, 2022.



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. The program is currently accepting applications.

Carol M. Peterson Housing Fund

The Carol M. Peterson Housing Fund provides grants up to \$7,500 for accessibility rehabilitation and emergency repairs for elderly households and those with special needs. The program will begin accepting applications on June 1, 2022.

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 accepting applications.

Economic Development Program

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

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 accepting applications.

For information, please see the [Housing Programs](#) section of the FHLB's website or contact the Housing and Community Investment Department at 888-345-2246 with any questions.

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