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Summary

This AHP Rental Disbursement Manual has been designed as a reference guide for Sponsors and Members (commercial banks, credit unions, insurance companies, thrifts, 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 rental projects that will not utilize equity from Historic or Low Income Housing Tax Credits or a HUD capital advance as a source of development funds should use this manual; the FHLB maintains separate manuals for other project types. Instructions for accessing AHP funds, checklists, and feasibility guidelines are included in this manual.

Please review this manual and the most recently-recorded versions of the AHP Disbursements for Rental Projects webinars available at www.fhlbcin.com prior to submitting a request for funding. The project’s Sponsor and Member must both complete an AHP Rental Disbursement Request form (“Request Form”) and submit the relevant required documentation to request 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 within 90 days of project completion (or as close to that time as is practicable) and allow at least 30 days for the FHLB to process the disbursement request.

For questions regarding funding, please contact the Housing and Community Investment Staff at 888-345-2246 or at AHPdisbursement@fhlbcin.com. Please note that all terms in quotation marks in this document represent items specifically defined in the FHLB’s AHP Implementation Plan, which is available at www.fhlbcin.com.

Disbursement Timeline

Timeline for Disbursement of Funds

Once the FHLB receives the Request Form with all supporting documentation, the FHLB staff will analyze the information and contact the Sponsor and the Member via e-mail or phone should additional information or clarification be required. Requested information should be submitted to the 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 30 days for the processing of all submitted documentation. If the 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, the FHLB will electronically deposit the approved funds into the Member’s Demand Deposit Account at the FHLB. If the Member does not receive the funds within this timeframe, please contact the FHLB for assistance. The Member should credit the funds to the Sponsor or project within 60 days after disbursement of funds by the FHLB has occurred.
Disbursement Availability & Subsidy Adjustments

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

Restricted Access to AHP Subsidy

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

1. Either the Member or the Sponsor has failed to respond to a prior the FHLB request for information regarding this or other AHP projects, or
2. If the Member or the Sponsor has been asked by the 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

The FHLB reserves the right to make reasonable adjustments to all disbursement requests at the FHLB’s discretion in accordance with the FHLB’s procedures and guidelines for funding of subsidies. The majority of subsidy adjustments occur if:

1. The project’s funding sources have changed and there is no longer a need for the level of AHP subsidy previously requested;
2. The costs presented are not reasonable if ineligible expenses are included as development or operating costs;
3. The project no longer meets the applicable scoring criteria as outlined in the AHP Agreement and AHP Application Scoring Sheet; or,
4. The project does not meet feasibility guidelines.

Disbursement Criteria

In processing disbursement requests, the 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. The 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. The 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 the FHLB must have documents in place in a form satisfactory to the FHLB to meet the requirements of the AHP regulation and must provide copies of such documents to the FHLB prior to FHLB’s disbursement of funds. Below is a detailed list of the required documents. 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 the FHLB’s funding requirements. Receipt of a disbursement does not guarantee compliance with AHP guidelines. The 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.

**Disbursement Feasibility**

Please refer to the AHP Implementation Plan available at [www.fhlbcin.com](http://www.fhlbcin.com) for current feasibility targets and parameters. Note that projects approved for AHP funds in offerings prior to the current offering may be subject to different feasibility guidelines. Projects that deviate from the parameters in place at the time of AHP award will undergo additional review and underwriting to determine the reason for, and the reasonableness of, the deviation. Projects that are outside any of the guidelines may not be able to receive AHP funds.

The 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 the 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 the 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.

**Reasonableness of Project Development Costs**

Reasonableness of project costs will be reviewed and assessed at time of application, at time of disbursement, and at any project modification (the requirements for which are guided by the FHLB’s modification procedures, available at [www.fhlbcin.com](http://www.fhlbcin.com)). The FHLB will determine the reasonableness of proposed or actual costs based on its experience with similar projects, similar locations, and similar populations being served. The FHLB’s determination will be final, and any costs determined not reasonable will be disallowed and will not be reimbursed with AHP funds.

**Initial Monitoring and Tenant File Information**

Nine months after final disbursement of AHP funds for the project, the FHLB will request that the Sponsor/owner and Member submit a completed Initial Owner’s/Member’s Certificate of Program Compliance and an occupancy report for all units in the project. The FHLB will use the information supplied on the occupancy report to initiate an Initial Audit. Details on the monitoring process can be found in the AHP Implementation Plan. In the meantime, please keep in mind that the project’s manager is expected to maintain a tenant file containing **all** of the following for each unit of the project:

1. Housing intake/tenant application form that includes:
   - Tenant name (head of household) or other tenant identification
   - Household size (total number of household members)
   - List of **all** household members’ names and ages
   - Annual household income by source for **all** household members
   - Signatures of the tenant(s) and the project owner representative/management company/property manager
   - Date of application for traditional “Units”
3. Date of occupancy/move-in date for “Shelter” projects
   - Unit number for “Shelter” projects
   - Unit size (“Bed”) for “Shelter” projects
   - Fair housing logo or wording
   - Unit transfer date, if applicable

2. Verification of income for each income source (not including assets) listed on the housing intake/tenant application form that is dated prior to the tenant or resident’s move-in date, but not more than 120 days prior to the move-in date. Income calculations and acceptable forms of verification can be found in the Income Eligibility Guide portion of AHP Implementation Plan, which may include:
   - Two consecutive pay stubs showing dates, employer name, and tenant name
   - Previous two years’ worth of signed tax returns for self-employment income
   - Verification of employment forms signed by the employer
   - Certifications of zero income, which are required for all adults 18 years of age and older who do not earn or receive any income
   - Social Security Administration benefits letters
   - Pay histories from child support enforcement agencies
   - Notarized statements from payer to payee for child support

3. Lease or rental agreement (which is not required for “Shelter” projects) that includes:
   - Tenant name (head of household)
   - Property address
   - Unit number
   - Unit size (bed, efficiency, one-bedroom, two-bedroom, etc.)
   - Lease date and term
   - Amount of rent to be paid by tenant
   - Total contract rent (tenant-paid rent plus any rental subsidy paid on behalf of the tenant)
   - Signatures of the tenant(s) and the project owner representative/management company/property manager
   - Fair housing logo or wording

4. Verification of the household’s “Special needs” if applicable to the project that is signed and dated prior to the tenant’s move-in date, but not more than 120 days prior to the move-in date
   - Third-party verification is required
   - See FHLB’s definition of “Special needs”

5. Verification of homeless status if applicable to the project that is signed and dated prior to the tenant’s or resident’s move-in date, but not more than 120 days prior to the move-in date
   - See FHLB sample form immediately below and FHLB’s definition of “Homeless household”
   - Third-party supporting verification is required
This is not an exhaustive list of required documents; see the most current AHP Initial and Long-term Monitoring webinar available at www.fhlbcin.com for additional details. It is the responsibility of the project owner to ensure that these items are being collected and maintained in the tenant file, as the owner will be liable for repaying FHLB funds if the documentation cannot be furnished to the satisfaction of FHLB when requested. The project manager should maintain this documentation in each tenant's file for at least seven years subsequent to the tenant's move-out or for the duration of the FHLB retention period, whichever comes first.
Document and Forms

AHP Rental Disbursement Request Instructions

Collaboration between the project’s Member and Sponsor 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, please contact the Housing and Community Investment Staff at 888-345-2246 or at AHPdisbursement@fhlbcin.com.

<table>
<thead>
<tr>
<th>Step 1: Complete the AHP Rental Disbursement Request Form</th>
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<tbody>
<tr>
<td>- Print the form from the Program Documents and Forms page at <a href="https://www.fhlbcin.com">https://www.fhlbcin.com</a>.</td>
</tr>
<tr>
<td>- Complete all sections of the form. Mark each of the Required Documents as “Already on file” (meaning that the documentation was provided during the AHP application or early disbursement process), “Enclosed,” or, if the item does not apply to the project, “N/A.”</td>
</tr>
<tr>
<td>- Attach additional sheets if any explanations are required.</td>
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<tr>
<th>Step 2: Gather Required Documents</th>
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<tbody>
<tr>
<td>- Collect anything marked “Enclosed” on the AHP Rental Disbursement Request form for inclusion in the request package for transmission to the FHLB. All documents that pertain to the project are required.</td>
</tr>
<tr>
<td>- Use the listings below to ensure that the documentation provided meets the FHLB’s needs.</td>
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</tbody>
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<table>
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<tr>
<th>Step 3: Obtain Required Signatures</th>
</tr>
</thead>
<tbody>
<tr>
<td>- The Sponsor contact listed on the AHP Rental Disbursement Request form must sign the form and then send the entire package to the Member contact for signature.</td>
</tr>
<tr>
<td>- The Member contact should review the materials and then sign the AHP Rental Disbursement Request form in the appropriate location on the fourth page.</td>
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<table>
<thead>
<tr>
<th>Step 4: Submit the AHP Rental Disbursement Request Form with All Required Documents</th>
</tr>
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<tbody>
<tr>
<td>Mail documents in the order in which they appear on the Request Form to:</td>
</tr>
<tr>
<td>Housing and Community Investment Department</td>
</tr>
<tr>
<td>Federal Home Loan Bank of Cincinnati</td>
</tr>
<tr>
<td>221 East Fourth St., Suite 600</td>
</tr>
<tr>
<td>Cincinnati, OH 45202</td>
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<tr>
<th>Step 5: Submit Additional Information as Requested (if applicable)</th>
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<tbody>
<tr>
<td>E-mail to: <a href="mailto:AHPDisbursement@fhlbcin.com">AHPDisbursement@fhlbcin.com</a> or the analyst who requested the additional information (include the project number in the subject line), or</td>
</tr>
<tr>
<td>Fax to: 513-852-7647</td>
</tr>
</tbody>
</table>
## Required Documents Descriptions

### AHP Rental Disbursement Request form

The Sponsor and Member contacts that will be long-term contacts for the project 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.

<table>
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<tr>
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<th>Dates of disbursement training completion</th>
<th>One representative of the Sponsor organization is required to participate in the FHLB’s training webinar for the pre-approval process prior to the submission of a pre-approval request of any household for AHP funds. This should ideally be the person who is assembling the pre-approval request package and cannot be a consultant or application preparer who is not employed by or a volunteer of the Sponsor organization. The representative can access the training at <a href="http://www.fhlbcin.com/community-investment/webinars-and-presentations/">www.fhlbcin.com/community-investment/webinars-and-presentations/</a>. Check Yes or No verifying the representative registered for and viewed the audio version (not the slides-only version) of the most current AHP Rental Disbursement Request webinar or attended the most current AHP Rental Disbursement Workshop. If the representative of the Sponsor organization has not completed the most current training, the Sponsor must complete the training again.</th>
</tr>
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</table>
| 1 | Evidence of completion (Certificate of Occupancy et al.) | Provide evidence of construction completion for all property addresses in the project by submitting one of the following (shown in preferred order):

1. A certificate of occupancy;
2. Certification by the project architect that the work is complete (through, for example, AIA document G704 Certificate of Substantial Completion);
3. Certification by the general contractor that the work is substantially complete and in compliance with the standards set forth in local code; or,
4. Certification from a certified/licensed multi-family inspector verifying that the work is complete and in compliance with the standards set forth in local code AND a copy of the inspector’s license.

The listing is in order of the FHLB preference. If the project did not require any of the forms listed above, submit an explanation of why they do not apply.

If the project did not entail construction or rehabilitation work (the Sponsor merely acquired the property and converted it to affordable housing), submit the settlement statement for the transaction. |
| 3 | Completed and executed AHP Sponsor Commitment Verification form (available at [www.fhlbcin.com](http://www.fhlbcin.com)) | Retrieve the AHP Sponsor Commitment Verification Form located at [https://www.fhlbcin.com/community-investment/program-documents-and-forms/](https://www.fhlbcin.com/community-investment/program-documents-and-forms/). Complete all portions of the form, checking off the activities the Sponsor completed. Describe the finished activities in the spaces provided and sign the form.

All activities that the Sponsor committed to provide in the approved AHP application must be checked. The Sponsor must have completed activities meeting the FHLB’s definitions of “Predevelopment activities” and/or “Contractor,” and the remainder of the documentation submitted in the disbursement request package must support the certification on this form (e.g. the construction contract).

All activities that the Sponsor committed to provide in the approved AHP application must be checked, but the form is not required if the Sponsor did not commit to providing any of the activities shown on the form.

| 4a | Cost certification executed by an independent auditor that documents all expended project costs OR AHP Rental Final Development Budget… along with the invoices and receipts to support the budget. | If the development work on the project can be documented with 50 invoices and receipts or less, submit all the final invoices and receipts along with the AHP Final Development Budget (required). The invoices/receipts should match the budget to the penny. If a receipt provided represents charges for an organizational cost that should not be counted as a project expense, indicate this in the receipt or invoice. For example, mention that the September 30 bill from We Are Architects contains $600 in costs for a different project and $500 in costs for the AHP project (only $500 of which should appear on the listing submitted to the FHLB).

If the work on the project cannot be documented with 50 or less invoices and receipts, the FHLB requires a cost certification, which should mirror the format of cost certifications prepared for projects receiving equity from Low Income Housing Tax Credits or contain the same categories as are listed on the AHP Development Budget submitted with the project’s approved AHP application. The cost certification must contain all of the following:

- The independent auditor/accountant’s signature
- The date for which the report was prepared
- A categorized list of all the project’s final costs

Continued...
If the cost certification contains a list of all permanent funding sources for the project, make sure that the list contains the Member’s and Sponsor’s cash contributions, if applicable.

A list included in the cost certification can take the place of a separate list of funding sources as requested with item #4b below. If a cost certification is submitted, DO NOT submit invoices or receipts for the project.

Please note that construction hard costs per unit must equal or exceed $10,000 for any units for which the project received points for substantial rehabilitation.

Neither the cost certification nor a cost listing can contain an item labeled “miscellaneous,” “additional,” “other,” or any similarly indefinite label. The FHLB must be able to clearly identify each of the project’s costs and will require a breakdown for any costs on a cost certification that it cannot clearly identify. The FHLB reserves the right to request backup documentation in the form of invoices and receipts for anything on a cost certification.

If the final cost listing contains costs that the FHLB deems ineligible development costs, the AHP grant may be reduced by the amount of the ineligible costs. Such costs include the following as well as those listed under item #6 below:

- Overpayments for land
- Sponsor operating expenses
- Sponsor/contractor capital expenditures not associated with real estate or real estate improvements
- Furnishings and appliances besides those listed below:

• For an SRO or permanent supportive housing unit:
  - Bed frame
  - Mattress/box spring
  - Chest of drawers
  - Chair
  - Kitchen table and chair(s)
  - Nightstand or bedside table
• For one or more bedrooms in housing that is not “Permanent supportive housing:”
  - None of the above
• Appliances:
  - Oven
  - Stove
  - Dishwasher
  - Refrigerator
  - Microwave

*Continued…*
| 4a (cont.) | • Residential and common areas:  
| | o Blinds  
| | o Security cameras and equipment  
| | o One television  
| | o One couch  
| | o Chairs  
| | o Tables  
| | o Normal signage  
| | • Laundry room  
| | o Washer  
| | o Dryer  
| | o Table  
| | • One management office  
| | o Desk  
| | o Chair  
| | o Credenza  
| | o Computer  
| | o Multi-function printer  

| 4b | List of all permanent development funding sources with Sponsor and Member contributions that matches the sum of project costs  
| | Provide a list of all permanent funding sources to the project, including Sponsor and Member cash contribution. The total of the listing must match the sum of all costs shown on the cost certification or cost listing provided for item #4a above. If the cost certification contains a list of all permanent funding sources for the project, no separate listing needs to be provided for this item.  
| | No funding sources on the list may be labeled “miscellaneous,” “additional,” “other,” or any similarly indefinite label. The FHLB will require a breakdown for any funding sources that it cannot clearly identify.  

| 4c | Construction contract(s) with all change orders, signed by all parties  
| | Submit an executed copy of all construction contracts for the project containing information on the scope of work and fully executed copies of all change orders associated with each contract. If the project required more than one contract, submit all of the contracts and all of the change orders for each contract. All contracts and change orders must be signed by all necessary parties. This item is not required for acquisition-only projects.  
| | If a cost listing was submitted for item #4a above instead of a cost certification, the sum of the construction contract(s) and all change orders must match the sum of the invoices and receipts submitted from the contractor. If they do not, explain why they do not.  

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<tr>
<td>4d</td>
<td>A current occupancy report for the project in FHLB’s format</td>
<td>Submit a current occupancy report, using the FHLB occupancy report form, for the project that lists the following for all units, even if they are vacant:</td>
</tr>
<tr>
<td></td>
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<td>- Unit number</td>
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<td>- Unit size (number of bedrooms)</td>
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<td></td>
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<td>- Current head of household name(s) (or household ID number if names are confidential)</td>
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<td></td>
<td></td>
<td>- Gross annual household income at time of move-in</td>
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<tr>
<td></td>
<td></td>
<td>- Household size at time of move-in</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Move-in date</td>
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<td></td>
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<td>- Contract rent amount (tenant rent payment plus any rental or operating subsidy paid on behalf of tenant)</td>
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<td>- Special needs/elderly status (if the project claimed points for serving households with “special needs” or “elderly”)</td>
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<td>- Whether or not the household met the FHLB’s definition of a “Homeless household” at move-in</td>
</tr>
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<td></td>
<td>The FHLB requires using the FHLB’s formatting for this item and can be found at <a href="http://www.fhlbcin.com">www.fhlbcin.com</a> under documents and forms (labeled Initial Monitoring Occupancy Report)</td>
</tr>
<tr>
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<td>The gross income and household size for tenants already living in the project at the time of AHP application should reflect the information for the year the project received an award of AHP funds. For example, if the Smith household has lived at the property since 2016 but the project did not receive an award of AHP funds until 2018, the household’s household size and gross annual household income as entered onto the occupancy report should reflect the household’s 2018 information, not the 2016 information or the current year’s data.</td>
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<td>The contract rent amount for each unit must not exceed 30 percent of the area median income for the appropriate household size, assuming 1.5 persons per bedroom (or one person per efficiency or SRO unit) unless the project was approved for an exception.</td>
</tr>
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</table>

| 4e | A current, itemized 15-year operating budget for the project (FHLB’s Operating Budget) | Submit the most up-to-date 15-year operating budget for the project that escalates income and expenses at rates that differ by at least one percent (the income must trend at a rate at least one percent lower than the expenses). Do not accelerate income by more than 3% per year or expenses by more than 4% per year, and be sure to break out income and expenses by category/type. |

*Continued...*
### 4e (cont.)

Do not include funding sources or expenses on the 15-year operating budget that relate to social services such as case management, transportation, or anything else that is not related to operations of the housing component of the project. Label any income sources besides rent specifically so that the FHLB can pinpoint where the project will get the funds.

The project should show positive cash flow for the entire 15 years. If the cash flow goes negative in year 12 or after, submit a detailed explanation of how the project will cover its expenses in the later years of operations. If the cash flow goes negative in year 11 or earlier, the project is not eligible for AHP funds.

### 5

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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<tbody>
<tr>
<td>Do the project’s financials meet the FHLB current feasibility guidelines or those that were in place at the time the AHP project was approved/modified?</td>
<td>If the project does not meet the FHLB current feasibility guidelines or those that were in place at the time the AHP project was approved and was not approved for an exception to the deviation at the time of AHP award or project modification, submit an explanation that justifies the project’s value. Projects that deviate from the parameters in place at the time of AHP award will undergo additional review and underwriting to determine the reason for, and the reasonableness of, any deviation.</td>
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### 6

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<tr>
<th>Question</th>
<th>Answer</th>
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| Are any costs that the FHLB deems ineligible included on the cost certification/development budget? Does the project contain non-residential costs or commercial costs? | The following are examples of costs that are ineligible for reimbursement by AHP but that the FHLB regards as legitimate expenses for inclusion on a cost certification/cost listing:  
  - Non-residential space (as defined below)  
  - Capitalized costs/reserves  
  - Specialized equipment for non-residential space such as workout equipment or office furnishings  
  - Unit furnishings and appliances, subject to the limitations mentioned in item #3a above  

The FHLB defines “Non-residential space” as any area beyond what is necessary to allow residents to enjoy normal housing amenities with an allowance for one manager’s office and one community room. For example, art rooms, social services program spaces, units reserved for case managers or social services counselors or providers, and other such spaces are considered non-residential space under the AHP, and AHP funds cannot be used to pay for these spaces.  

If the project’s cost certification or cost listing contains costs for non-residential or commercial spaces or other legitimate development costs that are ineligible for reimbursement by AHP, submit a breakdown of those costs AND evidence that a funding source is willing to pay for such costs from one of the funding sources documented with items #4b above and #8 below.  

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| 6 (cont.) | The following are examples of costs that are ineligible for reimbursement by AHP that the FHLB does NOT regard as legitimate expenses for inclusion on a cost certification or cost listing:  
- Maintenance costs incurred while the project is being rehabbed or other project operating costs  
- Sponsor operating costs such as volunteer or fundraising event expenses  
- Tenant turnover expenses  
- Construction tools  
- Lawn mowers, snow blowers, or other capital operating expenditures  
- Tenant personal items such as computers or dishware  
- Vehicles  

If the cost certification or cost listing includes such ineligible and illegitimate expenses, the FHLB may reduce the AHP grant by the amount associated with the ineligible cost. |
| 7a | Verification of property acquisition cost paid by Sponsor/owner |
|   | If the project’s Sponsor/owner did not pay a different amount to a third party for any portion of the project property than what was documented in the approved AHP application, check “No” for item #6 on the AHP Rental Disbursement Request form and see the paragraph beginning with the italicized text in this section below.  

If the project incurred more or less acquisition costs than what was documented in the approved AHP application (due to acquisition of additional parcels of land, for example), provide one of the following for each parcel that constitutes part of the AHP project that documents its acquisition cost:  
- A fully executed purchase contract,  
- A settlement statement or closing disclosure signed by both buyer and seller or settlement agent,  
- A signed letter from the grantor,  
- A signed copy of the foreclosure/sheriff’s sale document,  
- The executed note and mortgage and evidence from the lender of the loan balance at the time of payoff,  
- A Property Value Assessment showing a nominal sales price in the transaction history for the property (valid for donations ONLY), or  
- A signed warranty deed or lease with price indicated.  

Continued...
| 7a (cont.) | Property acquisition costs on the cost certification or cost listing must match the acquisition cost shown on the documents provided with the approved AHP application or the documents provided for this item as listed above.

Please note that the FHLB considers a project’s acquisition cost as the amount it cost the Sponsor or owner to acquire the property from a third party, not a cost established between the project’s Sponsor and itself or an entity in which the Sponsor has an ownership interest. The FHLB will not recognize the cost shown on a quit claim deed between the Sponsor and itself as documentation of acquisition cost.

If the project was approved with a commitment to produce a certain number of units on property that the federal government conveyed to the Sponsor/owner, the documentation submitted for this item must show that the Sponsor/owner acquired the property from the federal government or any agency or instrumentality thereof.

If the project was approved with a commitment to produce a certain number of units on property that was donated to the Sponsor/owner, the documentation submitted for this item must show that the Sponsor/owner acquired the project’s property from a third party without financial consideration, other than a nominal amount. Depending on the project’s commitments, the property may also have to have been donated from an unrelated party within five years of the AHP application deadline for the offering in which the project was approved. If the Sponsor paid any substantial acquisition costs, including back taxes or loan payoffs, the property does not meet the FHLB’s definition of “Donated property.” Also, conveying land or property for less than full value does not constitute a donation of that part of value for which compensation was not received. Part of a property cannot be considered “Donated property” unless that part is individually identified and conveyed separately from other parts. If the property was donated, the market value of the land can be shown as a source and a use on the cost certification or cost listing and list of development funding sources, but it does not have to appear there.

The FHLB does not consider loan assumptions acquisition costs but will require documentation of loan assumptions with item #8 below.

Rent payments on a lease agreement must match the operating budget submitted for item #4e above.  

*Continued*...
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<tr>
<th>7a (cont.)</th>
<th>Regardless of the answer to the question on the AHP LIHTC/HTC Disbursement Request form, compare the legal description of the project’s property as contained in its current warranty deed to the evidence of acquisition cost submitted for this item at the time of AHP application to ensure that the description matches the acquisition cost documentation submitted. If the description does not match (because, for example, the project consolidated parcels to create the project’s property), provide an explanation of the discrepancy and appropriate back-up documentation, such as evidence of consolidation of project parcels or omission of part of the property purchased from the project’s property.</th>
</tr>
</thead>
</table>
| 7b | **Appraisal or Property Value Assessment dated within six months of the date the Sponsor/owner acquired the property** If the project’s Sponsor/owner did not pay a different amount for any portion of the project property than what was documented in the approved AHP application, check “No” for item #7 on the AHP LIHTC/HTC Disbursement Request form and provide nothing further for item #7b. If the project incurred more acquisition costs than what was documented in the approved AHP application (due to acquisition of additional parcels of land, for example), provide an appraisal or Property Value Assessment (PVA) for each parcel to verify the market value of the purchased property. The documentation provided must be dated within the six months prior to the date the Sponsor/owner acquired the property from a third party. Appraisals must be signed by a state-licensed/certified appraiser and show the “as-is” value of the property. Related-party transactions require an independent appraisal instead of a PVA. Please see the definition of “Related party” in the AHP Implementation Plan, which is available at [www.fhlbcin.com](http://www.fhlbcin.com). If the project was approved with a commitment to produce a certain number of units on property that the Sponsor purchased for a price at least 50 percent below market, the PVA or appraisal must show that the property’s value at the time of acquisition by the Sponsor or owner was at least twice its purchase price. Depending on the project’s commitments, the property may also have to have been purchased from an unrelated party within five years of the AHP application deadline for the offering in which the project was approved to fulfill this commitment. Independent of any points awarded to the project, the appraisal or PVA must show a value that equals or exceeds the price to the Sponsor or owner, or the FHLB will reduce the AHP grant amount by the difference unless the AHP funds were reduced for this reason at the time of AHP award. *Continued...*
### Projects that do not include acquisition costs on their cost certifications or those that provided this documentation with the approved AHP application do not have to provide anything further for this item.

If the project incurred more acquisition costs than what was documented in the approved AHP application (due to acquisition of additional parcels of land, for example), provide an appraisal or Property Value Assessment (PVA) for each parcel to verify the market value of the purchased property. The documentation provided must be dated within the six months prior to the date the Sponsor/owner acquired the property from a third party. Appraisals must be signed by a state-licensed/certified appraiser and show the “as-is” value of the property.

Related-party transactions require an independent appraisal instead of a PVA. “Related party” means any party related by family, business, or personal interest to a Sponsor, Member, or other party directly involved in an AHP project. See the FHLB definition of related party in the current AHP Implementation Plan found on our website.

If the project was approved with a commitment to produce a certain number of units on property that the Sponsor purchased for a price at least 50 percent below market, the PVA or appraisal must show that the property’s value at the time of acquisition by the Sponsor or owner was at least twice its purchase price. Depending on the project’s commitments, the property may also have to have been purchased from an unrelated party within five years of the AHP application deadline for the offering in which the project was approved to fulfill this commitment.

Independent of any points awarded to the project, the appraisal or PVA must show a value that equals or exceeds the price to the Sponsor or owner, or the FHLB will reduce the AHP grant amount by the difference unless the AHP funds were reduced for this reason at the time of AHP award.

**Projects that do not include acquisition costs on their cost certification or cost listing or those that provided this documentation with the approved AHP application do not have to provide anything further for this item. Do not resubmit the documentation for this item if it was previously submitted with the approved AHP application.**
Evidence of ALL funding sources shown on the list provided for item #4b above, including copies of all executed grant agreements, notes and mortgages (deeds of trust), etc.

Document each of the project’s permanent funding sources as shown on the list of development funding sources for the project as well as any loan assumptions. Each type of funding source requires a specific type of documentation for the 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 list of permanent development funding sources for the project, provide an explanation of the discrepancy with the disbursement request package.

- Provide a signed cop of the grant agreement for each grant funding source (e.g. CDBG, HOME) with all exhibits and/or attachments,
- Provide signed copies of the note and mortgage (or deed of trust or trust indenture or other security instrument) for each loan to the project (whether new or assumed, even if the list of permanent development funding sources does not list the loan as a funding source to the project),
- Provide a signed copy of the assumption agreement for any assumed loan(s),
- For cash contributions, including Member and Sponsor cash contributions, provide a copy of the cancelled check or a letter signed by each contributor indicating the amount of cash contributed from each funding source, and/or,
- Provide a signed letter from the developer indicating the amount of any developer fee that this organization is willing to defer.

If the approved AHP application received a point in the AHP scoring system for the Sponsor’s provision of a financial contribution to the project, the total Sponsor cash contribution listed as a permanent development funding source for item #4b above (which cannot take the form of a loan) must be at least $500 in order for the project to retain the point.

The debt service shown on the note for each source of hard debt must match the amount of debt service from that source shown on the project’s operating budget as submitted for item #4e above. Soft, forgivable debt should not appear as debt service on the operating budget.

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<td>8 (cont.)</td>
<td>If a funding source identified in the approved AHP application did not contribute funds to the project, or the anticipated amount changed, submit an explanation indicating why the Sponsor or project did not use the funding source or why the amount is different than what it was at application.</td>
</tr>
<tr>
<td>9</td>
<td>Provide a current, fully executed rental subsidy agreement if project will receive project-based rental subsidies. Submit a current, executed rental subsidy agreement if the project will receive project-based rental subsidies. If the amount of subsidy verified by the agreement does not match the amount of income from this source shown on the operating budget submitted with item #4e above, provide an explanation for the discrepancy. This documentation need not be submitted with the disbursement request package if it was included in the approved AHP application.</td>
</tr>
<tr>
<td>10</td>
<td>Provide a current operating subsidy agreement if the project will receive operating subsidies aside from project-based vouchers. Submit a current, executed operating subsidy agreement if the project will receive operating subsidies independent of project-based vouchers. If the amount of subsidy verified by the agreement does not match the amount of income from this source shown on the operating budget submitted with item #4e above, provide an explanation for the discrepancy. This documentation need not be submitted with the disbursement request package if it was included in the approved AHP application.</td>
</tr>
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</table>
| 11 | Provide explanation of how tenants will pay rent if the project was approved with over 50% of the units targeted to homeless households or those with special needs and it is not receiving rental or operating subsidy. Submit an explanation of how the tenants in the project will be able to afford to pay rent if the project is not receiving project-based rental or operating subsidy and more than 50 percent of the project will house “Homeless households” or those with “Special needs.” If the explanation is that an organization is covering the rents with fundraising, also submit both of the following:  
- The most recent two previous years’ worth of audited financial statements from the organization providing the subsidy to verify that the organization generates enough annual income to operate the project; and,  
- A resolution adopted and signed by the organization’s Board of Directors acknowledging the amount of fundraising necessary to support the operations of the project (including the income inflation factor shown on the operating budget) and the organization’s willingness to provide this level of funding for the 15-year life of the project.  

The amount mentioned in the resolution must match any fundraising or cash contributions identified as income on the project’s operating budget as submitted for item #4e above.  

Continued... |
<table>
<thead>
<tr>
<th>12a Housing intake/tenant application form</th>
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</thead>
<tbody>
<tr>
<td>Submit a blank copy of the housing intake/tenant application form that the project will use during regular operations. This form must contain <strong>all</strong> of the following to meet FHLB’s requirements:</td>
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<tr>
<td>- Tenant name (head of household) or other tenant identification</td>
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<td>- Household size (total number of household members)</td>
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<tr>
<td>- List of <strong>all</strong> household members’ names and ages</td>
</tr>
<tr>
<td>- Annual household income by source for <strong>all</strong> household members</td>
</tr>
<tr>
<td>- Signatures of the tenant(s) and the project owner representative/management company/property manager</td>
</tr>
<tr>
<td>- Date of application</td>
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<tr>
<td>- Fair housing logo or wording</td>
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<tr>
<td>- Unit transfer date, if applicable</td>
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</table>

The form must also contain **all** of the following if FHLB classifies the project as a shelter (non-shelter projects need not show these items on the housing intake/tenant application): |
| - Date of occupancy/move-in date |
| - Unit number |
| - Unit size (bed, efficiency, etc.) |

If the project does not capture all of the above information on one document, submit the housing intake/tenant application form PLUS whatever other documentation the project collects to verify the above items not captured on the intake/application form itself (tenant income certification, for example).
| 12b | Lease or rental agreement (not applicable to shelter projects) | Submit a blank copy of the lease or rental agreement that the project will use during regular operations. This form must contain all of the following to meet FHLB’s requirements:

- Tenant name (head of household)
- Property address
- Unit number
- Unit size (efficiency, two-bedroom, etc.)
- Lease date and term
- Amount of rent to be paid by tenant
- Total contract rent (tenant-paid rent plus any rental subsidy paid on behalf of the tenant)
- Signatures of the tenant(s) and the project owner representative/management company/property manager
- Fair housing logo or wording

Projects classified as shelters do not need to provide this item and should mark “N/A” for it on the Request Form.

If the project does not capture all of the above information on one document, submit the lease/rental agreement PLUS whatever other documentation the project collects to verify the above items not captured on the lease/rental agreement. |
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<tbody>
<tr>
<td>13a</td>
<td>Member’s permanent loan</td>
<td>If the project received points for the Member’s provision of first mortgage permanent financing for the project, the executed note submitted with item #8 above must show the Member as the lender. The debt must have a term of at least 15 years to be eligible for points in the AHP scoring system. If the project did not receive points for the Member’s provision of a permanent loan, nothing need be provided for this item.</td>
</tr>
<tr>
<td>13b</td>
<td>Member’s bridge or construction loan</td>
<td>If the project received points for the Member’s provision of a construction or bridge loan, submit signed copies of the note and mortgage (or deed of trust or other security instrument) associated with such loan showing the Member as the lender on the loan. If the project did not receive a point for the Member’s provision of such a loan, nothing need be provided for this item.</td>
</tr>
</tbody>
</table>
| 13c | Below-market rate on the permanent, construction, or bridge loan | If the project received a point(s) for the Member’s provision of a below-market rate on the permanent, construction, or bridge loan to the project, submit one of the following:

- A current, signed letter from the Member specifying the rate discount and which loan was discounted, or

Continued...
| 13c  | A copy of the Member’s standard rate sheet for loans of the same type, quality, and duration as the one that the Member made to the project that is dated within the time period that the loan was made.  

The Member must have made the loan at a rate that was at least 0.50% below its standard rates at the time the loan was made. Be sure to document that the discount was provided on the loan to which the Member pledged to make a discount (permanent, bridge, or construction loan) in the approved AHP application. If the project did not receive a point(s) for the Member’s provision of a discounted rate on a loan, nothing need be provided for this item. |
| 13d  | Member’s cash contribution  

Submit a copy of the Member’s cancelled check or a letter from the Member to verify that the Member made a cash contribution to the project of at least $500 if the project received a point in the AHP scoring system for the Member providing such a contribution. The full dollar amount of the contribution appearing on the check must be listed as a funding source for the project on the project’s listing of permanent funding sources as provided for item #4b above. If a cancelled check is unavailable, submit evidence of the Member’s deposit into an account controlled by the Sponsor or project owner. If the project did not receive a point for the Member’s provision of such a contribution, nothing need be provided for this item. |
| 13e  | FHLB loan/advance number for non-subsidized product  

Enter the loan or advance number onto the AHP Rental Disbursement Request form that 12. Documentation that was submitted with the approved AHP application was submitted again to verify that the project has met its scoring criteria. FHLB accepts documentation that was submitted with the AHP application for some items; see the “Already on file” column of the AHP Rental Disbursement Request form for examples of these items. For all other items, FHLB requires updated documentation. He FHLB assigned to the non-subsidized loan product that the Member used to finance the construction, bridge, or permanent loan to the project. |
| 14a  | 8 hours of voluntary landscaping labor from an unrelated community organization  

Document completion of this item with one of the following:  

- An e-mail that contains the contact’s name and organization and indicates that the organization which the contact represents provided at least eight hours of voluntary landscaping labor to the project and a description of the general nature of the work they completed (for example: planting shrubs, laying sod, etc.); or,  

Continued…
| 14a (cont.) | A current, executed letter from the representative of a community organization indicating that the organization provided at least eight hours of voluntary landscaping labor to the project, a description of the general nature of the work completed (for example: planting shrubs, laying sod, etc.), and the date they completed them. The community organization submitting this verification cannot be the Sponsor, developer, contractor, or manager of the project or a party related to the Sponsor, developer, contractor, or manager of the project (see FHLB’s definition of “Related parties”). |
| 14b | Donation of at least $500 in goods or services by an unrelated party | Document completion of this item with one of the following:  
- An e-mail that contains the contact’s name and organization and indicates that the organization that the contact represents donated a good or service to the project that is worth at least $500,  
- A current, executed letter from the representative of a community organization indicating that the organization donated a good or service to the project that is worth at least $500, or  
- An invoice or receipt from a community organization that explicitly states an amount of goods or services that was donated to the project and the value of the donation, which must be at least $500.  
The donation must be for a cost that the FHLB deems eligible for AHP reimbursement, which excludes the costs shown in items #3a and #8 above. The community organization submitting this verification cannot be the Sponsor, developer, contractor, or manager of the project or a party related to the Sponsor, developer, contractor, or manager (see FHLB’s definition of “Related parties”). If the project did not receive a point for a commitment of donated goods or services, nothing need be provided for this item. |
| 14c | Fee waiver from the local government of at least $500 | Submit one of the following to verify that the project earned the point in this scoring category:  
- A current, executed letter from a representative of the local government indicating that the entity has waived a fee for the project and the value of the waiver, which must be at least $500, or  
- An e-mail that contains the contact’s name and position in the local government that verifies the government has waived a fee for the project and the value of the waiver, which must be at least $500.  
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<tr>
<th>14c (cont.)</th>
<th>Please note that tax deferrals or abatements, government grants to pay for items or fees, or utility equipment donations do not constitute fee waivers and will not satisfy FHLB’s requirements for this item. Do <strong>not</strong> submit the same document as was submitted with the approved AHP application for this project, as FHLB requires an updated letter verifying that the fee was waived.</th>
</tr>
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</table>
| 14d | Energy-efficient new construction | Submit one of the following for all of the project’s addresses (or as many units as the project committed to construct to these energy-efficiency standards):  
- LEED certification signed by an LEED AP (accredited professional);  
- Evidence from a HERS rater that the housing received a HERS rating of 85 or less;  
- Proof that the RESCheck calculation for the project exceeds the 2009 Model Energy code by 15 percent or better (projects approved 2017 or prior) or 2012 International Energy Code by 15 percent (projects approved 2018 forward);  
- Enterprise Green Communities Certification;  
- Passive House Certification;  
- Energy Star; or  
- Another certification with similar characteristics with prior approval of the FHLB |
| 15 | Recorded warranty deed or a copy of the project’s lease agreement | Submit a signed and recorded copy of the deed or memorandum 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 or for item #7a above. Additionally, provide the full lease agreement itself if the property is being leased from a third party. The term of the lease must be at least 15 years to satisfy FHLB requirements.  
Also provide a signed and recorded copy of the deed between the AHP Sponsor and the current project owner if the deed from the third party does not represent the property’s most current deed.  
Make sure that the property’s legal description as shown in the deed or lease matches the property documented for item #7a above or the 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 both the property acquisition documentation and the documentation for this item.  
Rent payments on a lease agreement must match the operating budget submitted for item #4e above. |
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<td>Formation documents or other verification of the Sponsor’s ownership interest in the project/property if not in the deed or lease</td>
<td>If the Sponsor is not identified as the owner directly by name on the documentation submitted for item #14 above, verify the Sponsor’s ownership interest via the articles of incorporation, bylaws, or other third-party evidence of the ownership structure for the entity identified as the owner/lessee. If the deed or lease identifies the Sponsor by name, nothing else need be submitted for this item.</td>
<td>Executed management agreement that commits the project to at least the following:</td>
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<td>All projects must insert the <em>most current</em> FHLB retention language, available at <a href="http://www.fhlbcin.com">www.fhlbcin.com</a>, into the deed provided for item #7a or #15 above.</td>
<td>Submit a management agreement or plan that is signed by both the property manager and the Sponsor, even if the AHP Sponsor is the manager of the project (see below for a sample agreement). The agreement or plan must contain all of the following, at minimum, to satisfy FHLB’s requirements:</td>
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<td>For the deed to satisfy this item, it must either contain the <em>most current</em> retention language in the body of the deed or contain a reference to the retention language if the language is attached to the deed as an exhibit, addendum, or restrictive covenant. The FHLB retention language should be recorded as close to the time of project completion as is practicable.</td>
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<td>If the retention languages specifies an ending date for the retention period, this date must correspond to 15 years after the “Completion” date of the project (<em>retention period</em>). FHLB discourages including an AHP grant amount in the deed or restrictive covenant. If the amount included differs from the final amount FHLB disbursed for the project, the deed or restrictive covenant may have to be revised and re-recorded to include an accurate amount.</td>
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<td>Make sure that the property’s legal description as shown in the deed or retention document matches the property documented for item #14 above. All parcels of the project must be subject to the retention language.</td>
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<td>Please note: the retention language changes periodically, and only the most current language will be accepted. You should only rely on the retention language found at <a href="http://www.fhlbcin.com">www.fhlbcin.com</a> for the most current retention language.</td>
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<td>18a</td>
<td>Fair housing policies</td>
<td>The agreement or plan must indicate that the project will abide by all fair housing policies that are required by law. Cite specific federal and local legislation with which the project will comply as well as what practices the property manager will use to ensure that the project abides by this legislation.</td>
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<td>18b</td>
<td>Tenant intake procedures</td>
<td>The agreement or plan must outline the procedures that the property manager will follow when conducting tenant intake at the property. At minimum, the procedures must include collection of a housing intake/tenant application form, third-party income documentation for all household income sources, and documentation verifying that the household meets FHLB’s definitions of “Special needs” and/or “Homeless household,” as applicable to the project.</td>
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<tr>
<td>18c</td>
<td>Rents charged for income-targeted units will not exceed 30 percent of the targeted monthly area median income (AMI)</td>
<td>The agreement or plan must indicate that the rents charged for income-targeted units will not exceed 30 percent of the monthly area median income (AMI) for the household, as adjusted for household size.</td>
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<tr>
<td>18d</td>
<td>Management fee if the project is NOT managed by the Sponsor</td>
<td>The agreement or plan must disclose the management fee that the project will pay to the property manager if the AHP Sponsor will not manage the property for the project. This fee must match the fee shown on the current operating budget as submitted for item #4e above.</td>
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<tr>
<td>18e</td>
<td>Income targeting matching the approved AHP application according to the number of units and the percentage of area median income targeted</td>
<td>The agreement or plan must indicate the property manager’s commitment to rent the units in the property to households at or below the income limits (as a percentage of area median income) set forth in the approved AHP application or approved project modification for the full number of units in the project. The gross incomes shown in item #4d above should not exceed the income limits mentioned in this item. If the project will have to adhere to a system(s) of income limits that is more restrictive than those in the approved AHP application or approved project modification, list both the AHP income limits and those of the other system(s) and the most restrictive that the project will have to follow. Units must be affordable for and occupied by tenants whose gross annual incomes are less than or equal to these limits.</td>
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</table>
| 18f | Housing the number of “Homeless households” shown in the approved AHP application, if applicable | The agreement or plan must indicate the property manager’s commitment to rent the number of units in the project to households that the approved AHP application sets aside for households meeting FHLB’s definition of “Homeless household” at the time of move-in to the project. The units that qualify under this criterion must meet the following FHLB definition:

“Homeless household” means a household made up of one or more individuals, who:

1. Resides in overcrowded housing; “overcrowded housing” means a housing unit occupied by more than one household or any housing unit with an average of more than two persons per sleeping area (including a living room as a sleeping area);
2. Is facing imminent loss of their home due to condemnation or eviction;
3. Lacks a fixed, regular, and adequate nighttime residence; Individuals aging out of foster care;
4. Individuals fleeing or attempting to flee domestic violence or other dangerous or life threatening situation; or,
5. Has a primary nighttime residence that is:
   a) A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
   b) An institution that provides a temporary residence for individuals intended to be institutionalized;
   c) A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings;
   d) A “mobile home” that does not meet the requirements of the National Manufactured Housing Construction and Safety Standards Act, Title VI, Public Law 93-383; 42 USC 5401, appearing at 24 CFR 3280, et seq., generally referred to as “pre-1976 mobile homes.” |
<table>
<thead>
<tr>
<th>18g</th>
<th>Housing the number of households who meet FHLB’s definition of “Special needs” or “Elderly” as shown in the approved AHP application, if applicable</th>
</tr>
</thead>
</table>
|  | The agreement or plan must indicate the property manager’s commitment to rent the number of units in the project to households that the approved AHP application sets aside for households meeting the FHLB’s definition of “Special needs” or “Elderly” at the time of move-in to the project. “Elderly” means any person aged 60 or older. These definitions are as follows:

“Special needs” means any person or household meeting one of the following definitions:

1. “Physically disabled” means any person: a) with a physical impairment that results in substantial functional limitations and who is receiving disability benefits from federal or state government; or b) who is deemed physically disabled by a licensed physician who attests that, by reason of this impairment, the person is unable to perform life roles in at least one of the major domains of living, working, learning, or socializing.

2. “Mentally disabled” means any person: a) who is diagnosed with a psychiatric disorder and is receiving disability benefits from federal or state government; or b) who is deemed to have a comparable long-term mentally disabling condition by a qualified professional, such as a licensed psychiatrist, psychologist, or clinical social worker, who attests that, by reason of this impairment, the person is unable to perform life roles in at least one of the major domains of living, working, learning, or socializing.

3. “Developmentally disabled” means any person: a) with a severe, chronic developmental disability who has been diagnosed with mental retardation and is receiving disability benefits from federal or state government; or b) who is deemed developmentally disabled by a licensed physician who attests that, by reason of this impairment, the person is unable to perform life roles in at least one of the major domains of living, working, learning, or socializing.

4. “Co-occurring disabled” means any person: a) diagnosed as having both a psychiatric disorder as well as a substance abuse/dependency (co-occurring issues) who is receiving disability benefits from federal or state government; or b) who is deemed to have a comparable long-term co-occurring condition by a licensed psychiatrist, psychologist, or clinical social worker, who attests that, by reason of this impairment, the person is unable to perform life roles in at least one of the major domains of living, working, learning, or socializing.

5. “Physically or emotionally abused” means any person who is or will be residing in a place protecting such person from such physical or emotional abuse.
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<tr>
<th>18g (cont.)</th>
<th>6. “Chemically dependent” means any person with a history of substance abuse/dependency who is receiving treatment for the abuse/dependency from a licensed physician, psychiatrist, psychologist, or clinical social worker, or is receiving treatment in a recognized therapeutic program. “Persons with AIDS” means any person with a medical diagnosis of Acquired Immune Deficiency Syndrome or any person who is medically diagnosed as HIV positive who is receiving medical care for the condition diagnosed.</th>
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<tbody>
<tr>
<td>18h</td>
<td>The property manager’s requirement to comply with FHLB requests for reports and audits</td>
</tr>
<tr>
<td>18i</td>
<td>Management’s making empowerment services available as committed in the approved AHP application, if applicable</td>
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</table>
ARTICLE I: PARTIES AND TERMS

ABC, Inc. (“Sponsor”) and ABC Management (Management Company) enter into this Property Management Agreement for a Rental project, effective November 4, 2016, which sets forth the respective duties and obligations of the Sponsor and Management Company with regard to Hope Apartment Homes located at 1234 Hope St. This agreement will have a term of fifteen (15) years, beginning on November 4, 2016. This agreement will be binding upon the above parties and any successors in interest to the parties.

ARTICLE II: PROJECT

Hope Apartment Homes is made up of 50 apartment units with wraparound case management and mental health services for homeless individuals with mental, physical, or co-occurring disabilities. Credit counseling/budgeting services will also be offered to the tenants.

ARTICLE III: FAIR HOUSING

ABC Management agrees to comply with fair housing laws, which prohibit discrimination in housing because of race, color, national origin, religion, familial status, gender, or disability. ABC Management agrees to develop and follow a plan for vacancies, to train staff on compliance with this plan, and to follow the intake procedures described herein.

ARTICLE IV: DETERMINATION AND TENANT SELECTION

Eligibility for this property will be based on income, homeless status, and special needs status.

Homeless status: Applicants applying for the 50 units will need to have their homeless status and history verified, and verification of homelessness will be retained in the tenant file.

Special needs status: Applicants will have their special needs status verified as part of the enrollment process, and that verification will be retained in the tenant file.

Tenant Selection: Tenants will be selected by ABC Management. Selections of tenants for Hope Apartment Homes will not rely solely on traditional property management standards, but standards that reflect a commitment to housing very low-income and homeless persons.
ARTICLE V: TENANT INTAKE

Intake will be conducted by ABC Management and will include verification of income, homelessness, and special needs status. Completed Application Forms and verifications will be retained by ABC Management on-site in locked storage and available for Federal Home Loan Bank review.

ARTICLE VI: TENANT RENTS

The rents charged to these households will not exceed 30% of the area median income targeted.

ARTICLE VII: INCOME TARGETING

The project will provide all 50 units in the project to households earning 50% or less of the area median income. A total of 43 units will be rented to tenants meeting the special needs definition of the FHLB, and 50 units will be rented to tenants meeting the homeless definition of the FHLB.

ARTICLE VII: REPORTING

ABC Management will maintain records, including rent rolls, lease applications, income verification, evidence of household size, and leases. All documents will be available to the FHLB for review by request.

Each party acknowledges that this Agreement represents the complete and exclusive agreement between the Sponsor and Management Company. This Property Management Agreement may be amended only in writing as authorized by the designated representative of ABC, Inc. If amended, a copy of the revised Agreement will be forwarded to the FHLB of Cincinnati.

The parties accept the terms and conditions of the agreement.

____________________________________  _________________
ABC, Inc. (Sponsor)                   Date

____________________________________  _________________
ABC Management                       Date
AHP Rental Disbursement Request Form

Effective February 19, 2020

<table>
<thead>
<tr>
<th>Project Name:</th>
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<tbody>
<tr>
<td>Project Address(es):</td>
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<tr>
<td>Primary Member Name:</td>
<td></td>
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<tr>
<td>Secondary Member Name:</td>
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<td>Sponsor Name:</td>
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<td>Project Number:</td>
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<tr>
<td>Total Initially Awarded:</td>
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<td>Final Amount Requested:</td>
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<td>Primary Member Draw:</td>
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<td>Secondary Member Draw:</td>
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Refer to the AHP Rental Disbursement Manual for acceptable forms of required documentation. Documents that do not meet FHLB’s requirements as listed in the manual will be required to be amended or replaced prior to disbursement of AHP funds.

<table>
<thead>
<tr>
<th>Required Documents</th>
<th>Already on file</th>
<th>Enclosed</th>
<th>N/A</th>
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<tbody>
<tr>
<td>1. The Sponsor certifies they have completed disbursement training</td>
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<td>YES □ NO □</td>
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<tr>
<td>2. Evidence of completion (Certificate of Occupancy et al.)</td>
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<td>3. Completed and executed AHP Sponsor Commitment Verification form (available at <a href="http://www.fhlbcin.com">www.fhlbcin.com</a>)</td>
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<td>4. Financial documentation</td>
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<tr>
<td>a. Cost certification executed by an independent auditor that documents all</td>
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<tr>
<td>expended project costs OR a completed AHP Rental Final Development Budget</td>
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<td>along with the invoices and receipts to support all cost (a cost</td>
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<td>certification is required if the project has more than 50 receipts/invoices to</td>
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<td>submit)</td>
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<tr>
<td>b. List of all permanent development funding sources with Sponsor and Member</td>
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<td>contributions that matches the sum of project costs</td>
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<td>c. Construction contract with all change orders, signed by all parties</td>
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<td>d. A current occupancy report for the project in FHLB’s format</td>
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<td>e. A current, itemized 15-year operating budget for the project (FHLB’s AHP</td>
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<tr>
<td>Operating Budget)</td>
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<td>5. Do the project’s financials meet the current FHLB feasibility guidelines?</td>
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<td>YES □ NO □ If “No,” provide justification.</td>
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<td>6. Are any costs that FHLB deems ineligible included on the cost</td>
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<tr>
<td>certification/development budget? Does the project contain non-residential or</td>
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<td>commercial costs? Yes □ No □ If “Yes,” provide a list of such costs, the</td>
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<td>amount of each, and evidence that another of the project’s funding sources is</td>
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<tr>
<td>willing to pay for these costs.</td>
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</table>
### Required Documents:

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<tr>
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<th>Already on file</th>
<th>Enclosed</th>
<th>N/A</th>
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<tr>
<td>7. Property acquisition information: Did the Sponsor/owner pay a different amount for any portion of the project property than what was documented in the approved AHP application? Yes [ ] No [ ] If “Yes,” provide the following: a. Verification of property acquisition cost paid by Sponsor/owner b. Appraisal or Property Value Assessment dated within six months of the date the Sponsor/owner acquired the property</td>
<td>[ ]</td>
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<td>8. Evidence of ALL funding sources shown on the list provided for item #3b above, including copies of all executed grant agreements, notes and mortgages (deeds of trust), etc.</td>
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<td>[ ]</td>
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<td>9. If the project will receive project-based rental subsidies, provide a current, fully executed rental subsidy agreement.</td>
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<tr>
<td>10. Provide a current operating subsidy agreement, if the project will receive operating subsidies aside from project-based vouchers.</td>
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<tr>
<td>11. If the project was approved with over 50% of the units targeted to homeless households or those with special needs and it is not receiving rental or operating subsidy, explain how the tenants will be able to pay their rent. If fundraising will be used to cover rents, submit the two previous years’ audited financial statements from the organization providing the subsidy and a resolution from the organization’s Board of Directors indicating the organization’s willingness to cover the rent payments.</td>
<td>[ ]</td>
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<td>12. Blank copies of the following forms that meet the FHLB’s requirements that the project will use during regular operations: a. Housing intake/tenant application form b. Lease or rental agreement (not applicable to shelter projects)</td>
<td>[ ]</td>
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<tr>
<td>13. Evidence that the project meets following Member commitments as indicated in the approved AHP application, if applicable: a. Member’s permanent loan b. Member’s bridge or construction loan c. Below market rate on the permanent, construction, or bridge loan d. Member’s cash contribution e. FHLB loan/advance number for non-subsidized product:</td>
<td>[ ]</td>
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<td>14. Evidence that the project meets the following commitments as made in the approved AHP application, if applicable: a. 8 hours of voluntary landscaping labor from a community organization b. Donation of at least $500 in goods/services c. Fee waiver from the local government of at least $500 d. Energy-efficient new construction</td>
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<tr>
<td>Required Documents:</td>
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<tr>
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<td>Already on file</td>
<td>Enclosed</td>
<td>N/A</td>
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<tr>
<td>15. Recorded deed showing the property is in the name of the Sponsor/owner or a copy of the project’s lease that transfers the rights to the property to the project Sponsor/owner.</td>
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<tr>
<td>16. Formation documents or other verification of the Sponsor’s ownership interest in the project/property, if not in the deed or lease.</td>
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<tr>
<td>17. Verification that the project is subject to the most current version of the FHBL retention language for a rental project using a legal instrument inserted into or referring to the deed/lease.</td>
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<tr>
<td>18. Executed management agreement that commits the project to at least the following: a. Fair housing policies b. Tenant intake procedures c. Rents charged for income-targeted units will not exceed 30 percent of the targeted monthly area median income (AMI) d. Management fee if the project is NOT managed by the Sponsor e. Income targeting matching the approved AHP application/modification according to the number of units and the percentage of area median income targeted f. Housing the number of “Homeless households” shown in the approved AHP application, if applicable g. Housing the number of households who meet FHBL’s definition of “Special needs” or “Elderly” as shown in the approved AHP application, if applicable h. The property manager’s requirement to comply with FHBL requests for reports and audits i. Management’s making empowerment services available as committed in the approved AHP application.</td>
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**Authorized Signatures and Contact Information:**

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 Rental Disbursement Manual. The Sponsor and Member further certify that they have taken the steps necessary to determine that the information provided is true and accurate, that they are not requesting reimbursement for costs that FHBL deems ineligible, and they understand that the FHBL of Cincinnati has a duty to invoke sanctions pursuant to the Federal Housing Finance Agency’s Affordable Housing Program regulation in the event of non-compliance with the terms of the approved AHP application and any subsequent modifications as approved by the FHBL of Cincinnati. Any changes to the project that may affect scoring criteria or feasibility must be reported to and approved by the FHBL.

As the project Sponsor, I hereby certify that our organization meets the project sponsor qualifications criteria established by the FHBL and has not engaged in, and is not engaging in, fraud, embezzlement, theft, conversion, forgery, bribery, perjury, making false statements or claims, tax evasion, obstruction of justice, or any similar offense, in each case in connection with a mortgage, mortgage business, mortgage securities or other lending product (FHFA’s Suspended Counterparty Program regulation 12 CFR part 1227).
<table>
<thead>
<tr>
<th>Housing &amp; Community Investment</th>
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### PRIMARY MEMBER REPRESENTATIVE:
- **Printed Name:**
- **Company:**
- **Title:**
- **E-mail:**
- **Address:**
- **City, State, ZIP Code:**
- **Phone Number:**
- **Fax Number:**
- **Signature:**
- **Date:**

### SECONDARY MEMBER REPRESENTATIVE:
- **Printed Name:**
- **Company:**
- **Title:**
- **E-mail:**
- **Address:**
- **City, State, ZIP Code:**
- **Phone Number:**
- **Fax Number:**
- **Signature:**
- **Date:**

### SPONSOR REPRESENTATIVE:
- **Printed Name:**
- **Company:**
- **Title:**
- **E-mail:**
- **Address:**
- **City, State, ZIP Code:**
- **Phone Number:**
- **Fax Number:**
- **Signature:**
- **Date:**

### OWNER REPRESENTATIVE: If the Sponsor is the Owner, check this box:
- **Printed Name:**
- **Owner Name:**
- **Title:**
- **E-mail:**
- **Address:**
- **City, State, ZIP Code:**
- **Phone Number:**
- **Fax Number:**
- **Signature:**
- **Date:**

### MANAGEMENT CONTACT: If the Sponsor is the Manager, check this box:
- **Printed Name:**
- **Company:**
- **Title:**
- **E-mail:**
- **Address:**
- **City, State, ZIP Code:**
- **Phone Number:**
- **Fax Number:**
- **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 the FHLB require documentation before releasing funds?
A. The 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, the 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. Is it possible to obtain funds prior to completion of the project?
A. See the AHP Early Disbursement Manual and AHP Early Disbursement Request form available on the FHLB’s website at www.fhlbcin.com. This is only available to rental projects approved for an AHP grant that have not drawn any funds and have a committed government funding source or an executed construction contract in place. The Sponsor and project must qualify for the early disbursement based on a risk assessment.

Q. Does the FHLB have a standard retention document?
A. Yes. The retention language is a part of the Affordable Housing Program Implementation Plan, which is available at https://www.fhlbcin.com/community-investment/program-documents-and-forms/. The retention requirement is different for rental and ownership so be sure to pull the correct version from the website.

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 the hard debt and/or lender), be sure to request a modification to the project via the AHP Modification Request Form, which is available at https://www.fhlbcin.com/community-investment/program-documents-and-forms/.

Q. How will I know if a submitted request is approved?
A. A Confirmation of AHP Funds Disbursement will be e-mailed or faxed to the Member and Sponsor contacts to confirm deposit of the AHP funds into the Member’s Demand Deposit Account at the FHLB.

Q. How long does it take to receive funding once FHLB has received a completed AHP LIHTC/HTC Disbursement Request and all supporting documentation?
A. Typically, the FHLB will require up to 30 days for review of the disbursement request and provision of the funds. If information besides what is included in the submitted disbursement request package is required, it will take longer.

Q. How will the Member institution receive the AHP funds after a request for funds has been approved?
A. The FHLB will credit the Member’s Demand Deposit Account at the FHLB for the amount approved.

Q. My project involves the renovation of an occupied building. Do the residents have to comply with the income restrictions outlined in my approved AHP application, or are the income restrictions only applicable to new tenants?
A. The AHP regulations require that all tenants meet the income qualifications at the time the application for AHP funds is submitted. Tenants who occupy the facility at the time the renovations are complete must meet the targeting levels outlined in the project’s approved AHP application or approved project modification. The initial Owner’s/Member’s Certificate of Program Compliance sent out nine months after disbursement of AHP funds will request an occupancy report so that the FHLB can verify that the project is in compliance with the targeting levels outlined in its approved AHP application or approved project modification.

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 two Disbursements for Tax Credit Projects webinars at https://www.fhlbcin.com/community-investment/webinars-and-presentations/ and review this manual. You may also contact a member of the FHLB staff for questions by sending a message to AHPDisbursement@fhlbcin.com. Also, be sure to notify the FHLB of staffing changes so that we may update our records.

Q. Will HOME or other funding source retention documents be accepted as evidence of long-term FHLB retention?
A. No. See item #16 above for further instructions on how to properly convey this restriction.

Q. If I received approval for an AHP grant, why do I need to send updated financial information when I request a disbursement of AHP funds?
A. The award of AHP funds for your project is a commitment to fill the financial gap that you have identified. The FHLB is required to analyze a project’s final financial structure prior to disbursing AHP funds in order to determine that AHP subsidy is still needed and the level of that need. The FHLB also needs to ensure that costs are reasonable. In most cases, our analysis process should not be cause for undue concern, since the great majority of projects continue to demonstrate the need for the full amount of the AHP award.

Q. Can AHP funds be loaned to the project?
A. Yes, but the FHLB has certain provisions for the promissory note to the project. See item #3i above.

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 disbursement requests.

1. The AHP Rental Disbursement Request 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 the FHLB’s requirements or the commitments the project made in its approved AHP application. See this manual or the two AHP Disbursements for Rental Projects webinars to familiarize yourself with the FHLB’s requirements. Contact the FHLB using the contact 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.

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. The operating budget has not been updated or is not the final budget.
5. 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. The FHLB requires an explanatory narrative to justify any material change to the project’s financing, which it will only accept at the FHLB’s discretion.

6. All receipts, invoices, construction contracts, change orders, grant agreements, etc., were not provided with the disbursement request, or what was provided does not match the cost and funding source listings.

7. Required documentation does not contain the required signatures.

8. The Sponsor or Member is delinquent with regard to additional information submission or reporting/monitoring requirements of the FHLB for the project being submitted or others.

9. The project’s property has changed since the time of AHP application.

10. All of the funding sources included on the listing of permanent development funding sources were not documented with executed grant agreements, notes and mortgages or deeds of trust, or equity letters. See item #8 above for assistance with collecting the required documentation.

11. The management agreement or plan does not contain all of the information required or does not match the approved AHP application or approved project modification with regard to the project’s requirements.

12. Documentation that was submitted with the approved AHP application was submitted again to verify that the project has met its scoring criteria. The FHLB accepts documentation that was submitted with the AHP application for some items; see the “Already on file” column of the AHP Rental Disbursement Request form for examples of these items. For all other items, the FHLB requires updated documentation.