

Housing & Community Investment

Pre-Approval Manual



Affordable Housing Program

Effective March 16, 2020

Contact:

Housing and Community Investment

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***Note**

The file paths found throughout this manual are correct as of the publication date.

Beginning May 1, 2020, you can find links to all FHLB Housing and Community Investment Programs by going to www.fhlbcin.com/housing-programs. Choose your program of interest from the list found on the left side of the screen to be directed to all documents and webinars pertaining to that program.



Summary and Purpose

This AHP Pre-approval Manual has been designed as a reference guide for Sponsors and Members (commercial banks, thrifts, credit unions, insurance companies, and CDFIs) that have been awarded Affordable Housing Program (AHP) funds by the Federal Home Loan Bank of Cincinnati (FHLB) in one of its competitive AHP offerings. **Sponsors providing rental housing should *not* use this manual. Effective August 1, 2019, all Sponsors who are using AHP funds to assist in the acquisition, creation, or rehabilitation of housing owned or to be owned by AHP-eligible households *now have the option to submit a pre-approval request at the time of your disbursement request or prior to the completion of the work on the home or the closing of the loan for each household.***

The purpose of a pre-approval request is to communicate to the FHLB whether or not the household meets the income and other targeting requirements to which the Sponsor and Member have committed in the approved AHP application and to provide the Sponsor and Member with the FHLB's income calculation and targeting determinations for the purposes of establishing the household's loan criteria and how much of the project's commitments have been fulfilled. This manual provides instructions for submitting a pre-approval request. Please review this manual and the most recently-recorded version of the AHP Pre-approval webinar available at www.fhlbcin.com prior to submitting a pre-approval request. One AHP Pre-approval Request form must be completed by the Sponsor for each household to be included in the AHP project. Use the form, this manual, and the [Income Eligibility Guide](#) to identify acceptable documentation for qualifying the household.

Timing of Request Submission

The AHP Sponsor must determine when it makes the most sense to submit a pre-approval request to the FHLB. Some **Sponsors may decide that they want to know as soon as a household has applied to their program if the household will qualify for AHP funds; other Sponsors may prefer to wait until closer to loan closing so that the household's income will be up-to-date when submitted to the FHLB.** Either way, the FHLB will require an intake form/loan application and supporting documentation dated within 180 days of the submission of the AHP Pre-approval Request form to the FHLB. **A household's pre-approval request may not be withdrawn and reinstated once it has been submitted to the FHLB.** The FHLB recommends submitting a pre-approval request as close to loan closing as is practical.

Once the FHLB receives the AHP Pre-approval Request form with all supporting documentation, the FHLB will analyze the information and will contact the Sponsor and the Member via e-mail or phone should additional information or clarification be required. All requests and additional information will be processed in the order in which they are received. **Please allow 30 days for the FHLB to process any materials submitted.**

Submitting documentation that is complete, accurate, and consistent will allow the request to be processed as expeditiously as possible. If the FHLB receives incomplete or incorrect documentation, delays in the process will occur. To avoid unnecessary delays, refer to the Frequently Asked Questions and Common Mistakes section of this manual.

Request Criteria

In processing pre-approval requests, the FHLB reviews the information submitted with the request and other pertinent project information obtained from the Member and Sponsor during the application and review process. The FHLB verifies that the project continues to qualify for the awarded subsidy based on the scoring criteria set forth in the AHP Implementation Plan in place when the project was awarded AHP funds. Sponsors must have documents in place in a form satisfactory to the FHLB to meet the requirements of the AHP Regulation prior to pre-approval of funds for any household. Below is a detailed list of documents required (see pages 7-14 for the



required document list) for pre-approval processing. The FHLB reserves the right to request further documentation as necessary or to request the amendment of documentation if it does not meet the FHLB's requirements.

Submit the following at any point after the project has received an award of AHP funds but no later than at the time of disbursement request:

- The complete AHP Pre-approval Request form signed by the Sponsor (form not required if submitting pre-approval request and disbursement request at the same time);
- The household's signed and dated application/intake form within 180 days of the submission of this pre-approval request;
- Marital status of the homebuyer/homeowner;
- Documentation of "Household" size if it's not indicated on the intake application;
- Third-party income documentation dated within 180 days of the submission of this pre-approval request for all income sources listed on the intake application;
- Third-party income documentation for all household members age 18 or older if their income source (or lack thereof) is not listed on the intake application;
- Verification of homeless, special needs, elderly, and/or first-time homebuyer status, if applicable to the project and/or the homebuyer/owner dated within 180 days of the submission of this pre-approval request;
- For projects approved in 2019 and prior, loan principal, term, and interest rate for all mortgages the household will be responsible for repaying, along with the anticipated insurance and tax amounts the household will have to pay monthly (estimated amounts if this information is not already known); and
- For projects approved in 2020 and forward, loan principal, term, tax amounts, homeowners association dues, lot rent, leasehold payments, and any other predetermined housing expenses (utilities excluded) the household will have to pay monthly (estimated amounts if this information is not already known).

Determining Income Eligibility

Verification of the household's gross annual income is required before a pre-approval can take place. Use the following guidelines to calculate household gross annual income to determine if the household will meet the project's income requirements.

Calculation of Income

The FHLB requires that all households meet the income targeting requirements outlined in their project's approved AHP application or approved project modification. The FHLB follows the income calculation guidelines found in the FHLB Income Eligibility Guide. The income of all household members age 18 or older must be documented along with any disability benefits or child support payments received for a child. The documentation must be **dated within 180 days of submission of the pre-approval request to the FHLB** in all cases except those noted on pages seven and eight. Please refer to the AHP Implementation Plan and the Income Eligibility Guide for a complete list of income inclusions and exclusions and for more information on calculating income.

Determining Percentage of Area Median Income

Once the FHLB has calculated gross annual income for all sources of household income, we then compare the total income figure to the area median income for the appropriate "Household" size given in HUD's MTSP data



set for the county in which the AHP-assisted home is or will be located and the year that the pre-approval request is submitted. The household's percentage of the area median income must be less than or equal to the income target percentages to which the project committed in the approved AHP application (or approved project modification). Please reference the MTSP income limits at <http://www.huduser.org/portal/datasets/mtsp.html>.

FHLB Aids for Calculating Income

For a summary of the income calculation methods the FHLB uses, please visit www.fhlbcin.com/community-investment/webinars-and-presentations/ and view the webinar entitled "Welcome Home Program Determining Income." Although this webinar is geared toward the FHLB's Welcome Home Program, the calculation methods the FHLB uses are the same for both programs.

For additional assistance, please reference the FHLB Income and Affordability Workbook in the Affordable Housing Program web-part at www.fhlbcin.com/community-investment/program-documents-and-forms.

Household Affordability Analysis

The FHLB calculates a housing expense ratio for each household by dividing the annual housing-related costs (as defined below) by the gross annual income of the household **as calculated by the FHLB**. This ratio must fall within the required range applicable to the project as outlined below for all ownership housing except owner-occupied rehab.

For projects approved in 2019 and prior, the numerator of the housing expense ratio includes annual payable principal, interest, real estate taxes, and homeowner's insurance. Utilities may not be included in the housing expenses under any circumstances.

For projects approved in 2020 and forward, the numerator of the housing expense ratio includes annual payable principal, interest, real estate taxes, homeowner's insurance, homeowner's association dues, lot rent, leasehold payments, mortgage insurance premiums, and any other predetermined housing expenses. Utilities may not be included in the housing expenses under any circumstances.

The housing expenses must not exceed 31 percent of the household's annual gross income as calculated by the FHLB.

If the payment percentage exceeds the required range, the FHLB deems the home unaffordable to the household and will not disburse AHP funds. For assistance with assessing affordability, please see the FHLB Income and Affordability Workbook in the Affordable Housing Program web-part at www.fhlbcin.com/community-investment/program-documents-and-forms.

Please note that, if the household receives Section 8 to Homeownership Assistance or other comparable income, the home is deemed affordable to the household, and this calculation is not performed as long as acceptable documentation of the income source is submitted. Owner-occupied rehab projects will not undergo an affordability assessment.

Submission of Pre-Approval Requests to FHLB

Effective April 13, 2020, the Member contact will be required to submit each pre-approval request through the Member's Only portal available at www.fhlbcin.com. The Sponsor contact will be responsible for gathering all of the required documentation and signing the AHP Pre-approval Request Form. Once all documentation is collected, the Sponsor will email the AHP Pre-approval Request Form with ALL required documents as ONE inclusive PDF or TIF attachment to their Member contact for submission to the FHLB. See page 17 for instructions for how the Member contacts will complete this process.



After a Pre-Approval Request Has Been Submitted

Once a Sponsor has submitted a pre-approval request to the FHLB, it will receive one of three possible responses from the FHLB within 30 days.

One of the possible responses is a pre-approval letter containing the FHLB's conclusions regarding the household's total annual gross income, the income as a percentage of area median income, and whether or not the household meets the FHLB's definitions of "Special needs," "Homeless household," and/or "First-time homebuyer." Although this letter indicates that the household is eligible for AHP funds, the Sponsor will NOT receive a disbursement of AHP funds at the time that the household is pre-approved. In order to receive a disbursement of AHP funds, the Sponsor and AHP Member must complete and submit the disbursement request form and all supporting documentation for the appropriate project type after the work on the home has been completed and the household has taken possession of the home. Access the disbursement request forms and their corresponding manuals in the Affordable Housing Program web-part at www.fhlbcin.com/community-investment/program-documents-and-forms. If the Sponsor receives a pre-approval letter with no prior information to the contrary regarding affordability, the Sponsor may assume that the FHLB deemed the loan terms acceptable based on the information provided. **If loan terms change between the time of pre-approval and the closing of the loan, the Sponsor must reassess if the household still meets the FHLB's affordability requirements using the information presented above**, as the FHLB is not liable for changes made outside of the pre-approval process.

The second response is a request for additional information. If the FHLB requests additional information, please provide all requested materials at one time to the FHLB analyst who requested the additional information within 30 days of the receipt of the request. Submitting documentation that is complete, accurate, and consistent will allow the request to be processed as expeditiously as possible. Please allow 30 days for the FHLB to process any materials submitted.

The third type of response the Sponsor may receive to a pre-approval request is notification that the household does not qualify for AHP funds. If the request is denied because the household's income exceeds the income limits for the project as established in the approved AHP application (or approved project modification), the Sponsor will receive a letter containing the FHLB's conclusions about the household's total annual gross income and the household's income as a percentage of area median income. If the Sponsor would like to contest the denial, they may provide additional income documentation dated within 180 of the original submission of the pre-approval request to the FHLB. Income documentation that is not dated within that time period will not be considered, and **a household's pre-approval request may not be withdrawn and reinstated once it has been submitted to the FHLB**. If the request is denied because the household does not meet the project's commitment(s) for serving households with special needs, first-time homebuyers, and/or homeless households, the request will be denied via e-mail and the Sponsor will be given the opportunity to provide documentation verifying the household meets the required commitment(s).



AHP Pre-Approval Request Instructions

Please follow the steps below to request a pre-approval for any household. If additional assistance is necessary, please contact the Housing and Community Investment Department at AHPDisbursement@fhlbcin.com or call 888-345-2246.

Step 1: Complete the AHP Pre-approval Request Form
<ul style="list-style-type: none">• Print the AHP Pre-approval Request form from the AHP Documents and Forms link at www.fhlbcin.com/community-investment/program-documents-and-forms (see page 15 below for an example of this form).• Complete all sections of the AHP Pre-approval Request form. Mark each of the Required Documents as “Enclosed,” or if the item does not apply to the project, “N/A.”• Attach additional sheets if any explanations are required.
Step 2: Gather Required Documents
<ul style="list-style-type: none">• Collect anything marked “Enclosed” on the AHP Pre-approval Request form for inclusion in the request package for transmission to FHLB by your Member contact. All documents that pertain to the project are required.• Use the listings below to ensure that the documentation provided meets the FHLB’s needs.
Step 3: Obtain Required Signature and Submit to your Member Contact
The Sponsor contact listed on the AHP Pre-approval Request form must sign the form and then email the AHP Habitat Disbursement Request form with ALL required documents as ONE inclusive PDF or TIF attachment to your Member contact for submission to the FHLB.
Step 4: Member Submits the AHP Pre-approval Request Form with All Required Documents to the FHLB via the Members Only Portal
The Member contact should review the materials and then sign into the Members Only page on the FHLB’s website to electronically submit the AHP Pre-approval Request (Instructions on page 17 of this manual)



Descriptions of Required Documents

AHP Pre-approval Request form

The Sponsor contact the FHLB has on record for the project must sign the form, and all sections of the form must be complete. Check the boxes for “Enclosed” and/or “N/A” as instructed on the previous page.

1	Verification of training completion for pre-approvals	<p>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 www.fhlbcin.com/community-investment/webinars-and-presentations/.</p> <p>Check Yes or No verifying the representative registered for and viewed the audio version (not the slides-only version) of the most current AHP Pre-approval Request webinar or attended the most current AHP Pre-approval Workshop. If the representative of the Sponsor organization has not completed the most current training, the Sponsor must complete the training again.</p>
2a	Executed intake form or loan application dated within 180 days	<p>Submit the intake form or loan application that is signed and dated by all homebuyers/homeowners. The intake form or loan application must list all of the household’s income sources, or the FHLB will require this information be provided separately. The loan application or intake form must be updated or modified if it is dated more than 180 days prior to the submission of the pre-approval request.</p>
2b	Documentation of AHP-assisted household size, if not stated on the intake form or loan application	<p>If the intake form or loan application does not list the “Household” size, submit an executed letter from the Sponsor stating the names and ages of all persons who are intending to reside in the AHP-assisted household.</p>
2c	Third-party verification for all income sources for all household members that is dated within 180 days of submission	<p>Submit income documentation for each income source listed on the intake form or loan application and for all household members age 18 or older, even if they have no income. Follow the income calculation guidelines found in the FHLB Income Eligibility Guide for determining acceptable forms of income documentation and for income calculation methods.</p> <p>Submit one of the following as appropriate for each income source listed on the household’s intake form/ loan application:</p> <ul style="list-style-type: none"> • Employment: two <i>consecutive</i> pay stubs, a verification of employment form from a third-party verification source or signed by the employer, or for requests submitted prior to July 1, a <i>signed federal tax return</i>, or W-2’s. • Self-employment: the two most recent <i>signed federal tax returns</i> with all schedules or the most recent <i>signed federal tax return</i> plus



		<p>the current year's profit and loss statement signed by the income earner.</p> <ul style="list-style-type: none"> • Child support or alimony: a court order or divorce decree (dated in any year), a notarized statement from the payer to the payee, or a payment history report from a child support enforcement agency. • Pension/retirement: two consecutive pay stubs, an award letter (dated in any year), IRS Form 1099, or the most recent monthly pension account statement. • Assets/annuities: disclosure of the balance/value of the asset on the intake form or loan application, bank statements, or certification from a banker. • Rental income: a signed appraisal, a signed lease agreement, or a <i>signed federal</i> tax return showing rental income. • Social Security or disability: IRS Form 1099-SSA, an awards letter, or a payment history or other print-out from the Social Security Administration. • Unemployment compensation: two <i>consecutive</i> pay stubs, a government agency payment history, or a benefit notification letter signed by the authorizing agency. • Welfare/TANF/AFDC/Families First: a benefit notification letter signed by the authorizing agency or a government agency payment history. • Zero income: household member(s) age 18 or over self-certifies to zero income (see the Certification of Zero Income available on the FHLB's website at www.fhlbcin.com/community-investment/program-documents-and-forms/). <p>Food stamps, student financial aid, Section 8 to Homeownership Assistance, and other comparable income is not included in the calculation of income for the household, but verification of the latter is needed for affordability purposes. Refer to the Income Eligibility Guide for a full list of income exclusions.</p> <p>Regardless of the income source, the income documentation submitted must show the household member's name, the source of the information (employer, Social Security Administration, etc., but <i>not</i> the Sponsor), and the amount and frequency of the income received from that source.</p>
3	Income and Affordability Workbook	<p>Complete the General Information worksheet (yellow tab) and the Income Calculation worksheet (light green tab) on the Income and Affordability Workbook found on our website at www.fhlbcin.com/community-investment/program-documents-and-forms/. Print both pages and include them in your pre-approval request packet.</p>



4a	First-time homebuyer	<p>“First-time homebuyer” is defined by the FHLB as an individual or household who has not owned a home during the three-year period prior to the purchase of a home, except that:</p> <ol style="list-style-type: none">1) Any individual who is a displaced homemaker may not be excluded from consideration as a first-time homebuyer on the basis that the applicant, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse;2) Any individual who is a single parent may not be excluded from consideration as a first-time homebuyer on the basis that the applicant, while married, owned a home with his or her spouse or resided in a home owned by the spouse; or3) Any individual who owns a home that:<ol style="list-style-type: none">a) Is not intended as a dwelling;b) Was lost through natural disaster;c) Is “Manufactured housing” that was not originally assembled to meet nationally recognized standards or is not permanently affixed to a foundation that meets nationally recognized building code standards; ord) Is not in compliance with state, local, or model building codes and cannot be brought into compliance for less than the cost of constructing a permanent structure. <p>Projects awarded points for first-time homebuyer must have an <u>applicant</u> that meets the definition above to qualify and must submit supporting documentation with one of the following:</p> <ul style="list-style-type: none">• A current, executed letter from the Sponsor indicating that the homebuyer(s) is(are) a first-time homebuyer(s), or• Indication on the intake form or loan application that the household has rented for the previous 3+ years.
4b	Homeless household meeting the FHLB’s definition	<p>Document the household meets the FHLB’s definition of “Homeless household” with one of the following, which must concur with the household’s living situation as shown on the intake form or loan application with evidence that is dated within 180 days of the submission of the AHP Pre-approval Request form:</p> <ul style="list-style-type: none">• A dated and fully executed certification from the Sponsor regarding the household’s living conditions for “Overcrowded housing.” “Overcrowded housing” means a housing unit occupied by more than one household or any housing unit with an average of <i>more than two</i> persons per sleeping area (including a living room as a sleeping area). For example, seven people residing in a two-bedroom apartment qualifies as overcrowded housing;• A copy of the notice of condemnation or eviction for the property in which the household was living;• An independent inspection of the property where the household was residing indicating the property is uninhabitable and that repair/rehab is not economically feasible;



		<ul style="list-style-type: none"> • An executed and dated narrative from the Sponsor regarding the household’s lack of a fixed, regular, and adequate nighttime residence; • Notice from a supervised publicly or privately operated shelter indicating that the household was staying there; • Notice from an institution that provides a temporary residence for individuals intended to be institutionalized that the household was staying there; or • An appraisal or other comparable documentation indicating that the household’s primary nighttime residence is a “mobile home” that was constructed before 1976 and does not meet the requirements of the National Manufactured Housing Construction and Safety Standards.
4c	Elderly household meeting the FHLB’s definition	<p>“Elderly” means any person aged 60 or older. Document the household meets this definition by including the age or birthdate of a household occupant on the intake form or loan application and submit a copy of their photo ID to verify the date of birth.</p>
4d	Household with special needs meeting the FHLB’s definition	<p>“Special needs” means any person or household member meeting the FHLB’s definition of elderly or any person or household member meeting one of the following additional definitions, which must be documented using the applicable verification identified below (do NOT submit medical records):</p> <ol style="list-style-type: none"> 1. “Physically disabled” means any person with a physical impairment that results in substantial functional limitations as documented by one of the following: <ol style="list-style-type: none"> a. Supplemental Security Income or other income that is explicitly identified as a disability benefit on the income documentation from a federal or state government agency, or b. A signed and dated letter from a licensed physician who attests that the household member is deemed physically disabled and 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 who is diagnosed with a psychiatric disorder or comparable long-term mentally disabling condition as documented by one of the following: <ol style="list-style-type: none"> a. Supplemental Security Income or other income that is explicitly identified as a disability benefit from a federal or state government agency, or b. A signed and dated letter from a licensed psychiatrist, psychologist, clinical social worker, or other qualified professional who attests that the household member is deemed mentally disabled and 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.



		<p>3. “Developmentally disabled” means any person with a severe, chronic developmental disability who has been diagnosed with mental retardation as documented by one of the following:</p> <ul style="list-style-type: none">a. Supplemental Security Income or other income that is explicitly identified as a disability benefit from a federal or state government agency, orb. A signed and dated letter from a licensed physician who attests that the household member is deemed developmentally disabled and 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. <p>4. “Co-occurring disabled” means any person who is diagnosed as having both a psychiatric disorder as well as substance abuse/dependency (co-occurring issues) as documented by one of the following:</p> <ul style="list-style-type: none">a. Supplemental Security Income or other income that is explicitly identified as a disability benefit from a federal or state government agency, orb. A signed and dated letter from a licensed psychiatrist, psychologist, clinical social worker, or other qualified professional who attests that the household member is deemed to have a comparable long-term co-occurring condition and 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. <p>5. “Physically or emotionally abused” means any person who is or will be residing in a place protecting such person from physical or emotional abuse as documented by BOTH of the following:</p> <ul style="list-style-type: none">a. The household member or a third-party housing provider certifying that the household member is a victim of physical or emotional abuse, ANDb. The household’s intake form or loan application that indicates that the household was living in a facility that protects persons from physical or emotional abuse or that the household plans to move to such a facility. <p>6. “Chemically dependent” means any person with a history of substance abuse/dependency who is diagnosed as chemically dependent or receiving treatment for the abuse/dependency as documented by one of the following:</p> <ul style="list-style-type: none">a. A signed and dated letter from the entity providing the recognized therapeutic program indicating that the household member has been in the program or
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		<p>b. A signed and dated letter from a licensed physician, psychiatrist, psychologist, or clinical social worker and indicates that the household member is diagnosed as chemically addicted.</p> <p>7. “Persons with AIDS” means any person with a medical diagnosis of Acquired Immune Deficiency Syndrome or HIV positive who is receiving medical care for the condition as documented by certification from a licensed physician that the household member has such a medical diagnosis.</p> <p>8. For projects approved in 2020 and forward, “Persons aging out of foster care, an orphanage, or other residential facility” means any person who is still in the foster care system, orphanage, or other residential facility when they reach the age of majority or when they have graduated from high school as documented by discharge or emancipation paperwork from an agency or the foster care/court system.</p> <p>The FHLB will also consider other limiting factors and conditions in defining “special needs” to ensure no person or household will be unnecessarily or inadvertently excluded under the definition. Acceptable documentation must be submitted.</p>
<p>5a; 5b; 5c</p>	<p>Loan Principal(s); Loan Terms(s); Interest Rate(s)</p>	<p>The pre-approval process will allow the FHLB to assess the affordability of any permanent debt the household plans to incur as a result of the AHP-assisted housing and to determine whether or not the household will be paying an amount that the FHLB deems affordable. This section is not applicable to projects that do not use permanent debt to pay for development costs.</p> <p>Provide all of the following for each source of hard debt that a household can anticipate paying to enable the FHLB’s calculation:</p> <ul style="list-style-type: none"> • Loan principal • Loan term (If the loan is amortized differently than the loan term, provide both the term and loan amortization) • Loan interest rate <p>Soft, forgivable debt will not factor into the affordability analysis. Be sure to provide the FHLB with the principal, term, and interest rate for all hard debt from any source, including the AHP Member or Sponsor, USDA/RD, the Veterans Administration, the state housing finance agency, or any other lender. If final loan terms have yet to be established for the household, provide average loan terms for households you have served in the past or consider delaying the pre-approval request until more definitive figures are available.</p> <p>The Sponsor may assess affordability using the information provided on page four above or the FHLB Income and Affordability Workbook, which is available at www.fhlbcin.com/ community-investment/program-documents-and-forms in Excel format.</p>



		Be sure to exclude any amount for monthly utilities on the Income and Affordability Workbook. The income used in the calculation of affordability must be the amount the FHLB determines , which will be communicated to the AHP Sponsor and Member in the pre-approval letter for each household.
5d	Amounts for other predetermined housing costs (insurance, taxes, etc.)	<p>The FHLB also needs information on the other required and predetermined payments the household will be responsible for paying as a result of the housing to determine if the household will be paying an amount that the FHLB deems affordable.</p> <p>For projects approve in 2019 and prior, provide anticipated amounts the household will pay monthly in real estate taxes and homeowner’s insurance. For projects approved in 2020 and forward, provide anticipated amounts the household will pay monthly in real estate taxes, homeowner’s insurance, homeowners association dues, lot rent, leasehold payments, mortgage insurance premiums, taxes and any other predetermined housing expenses, including all payment amounts that would ordinarily be included in an escrow account.</p> <p>Do not include utilities in this amount.</p>
6a	Qualified Census Tract (QCT)	<p>Projects that received points for completing homes in a Qualified Census Tract (QCT) must provide the following:</p> <ul style="list-style-type: none"> • Submit a copy of a FFIEC printout indicating the property is located in a QCT. • Projects approved in 2017 prior, are required to have at least 20% of its units in a QCT. • Projects approved in 2018, are required to have ALL of its units in a QCT.
6b	Average Income Factor (AIF)	<p>Projects that received points for completing homes in a census tract with an Average Income Factor (AIF) as approved in the application must provide the following:</p> <ul style="list-style-type: none"> • Submit a copy of a FFIEC indicating the property is located in a census tract with an AIF as approved. • Projects approved in 2018 and 2019, are required to have 100% of its units located in a census tract with an AIF greater than 60%. • Projects approved in 2020, are required to have at least 20% of its units in a census tract with an AIF greater than 120%.



AHP Pre-approval Request Form - PDF version

Housing & Community Investment



AHP Pre-approval Request Effective March 16, 2020

Homebuyer/Owner Name:		
Address of Subject Property:		
County/State for Address:		FFIEC for Address Enclosed: <input type="checkbox"/>
Member Name:		
Sponsor Name:		
Project Number:		

Refer to the AHP Pre-approval Manual for acceptable forms of required documentation.

Required Documents:	Enclosed	N/A
1. The Sponsor certifies they have completed disbursement training. Yes <input type="checkbox"/> No <input type="checkbox"/>		
2. Homebuyer/owner information that must be dated within 180 days of submission: a. Executed and dated intake form or loan application b. Documentation of AHP-assisted household size, if not stated on the intake form or loan application c. Third-party verification for all income sources for all household members	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
3. Completed General Information and Income Calculation pages from the FHLB Income and Affordability workbook.	<input type="checkbox"/>	
4. Evidence that household meets the following commitments made in the approved AHP application; must be dated within 180 days of submission, if applicable: a. First-time homebuyer b. Homeless household meeting the FHLB's definition c. Elderly household meeting the FHLB's definition d. Household with special needs meeting the FHLB's definition	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
5. Anticipated mortgage information for all hard debt: a. Loan principal(s) b. Loan term(s) c. Interest rate(s) d. Amounts for other predetermined housing costs (insurance, taxes, HOA fees, etc.)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
6. Property location information: a. Is the property located in a Qualified Census Tract? Yes <input type="checkbox"/> No <input type="checkbox"/> b. Is the property located in a census tract with an Average Income Factor as approved in the application? Yes <input type="checkbox"/> No <input type="checkbox"/>		



Authorized Signatures and Contact Information:

The individual signing this request certifies that they are authorized to make such requests and representations contained herein on behalf of the project Sponsor identified and have read and understand the requirements for the program mentioned in the AHP Pre-Approval Manual. The Sponsor further certifies they have taken the steps necessary to determine that the information provided is true and accurate, they are not requesting reimbursement for costs that FHLB deems ineligible, and they understand that the FHLB 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 FHLB of Cincinnati. Any changes to the project that may affect scoring criteria or feasibility must be reported to and approved by the FHLB.

As the project Sponsor, I hereby certify that our organization meets the project sponsor qualifications criteria established by the FHLB 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).

SPONSOR CONTACT:

Printed Name:	<input type="text"/>	Phone Number:	<input type="text"/>
Title:	<input type="text"/>	E-mail:	<input type="text"/>
Signature:	<input type="text"/>	Date:	<input type="text"/>



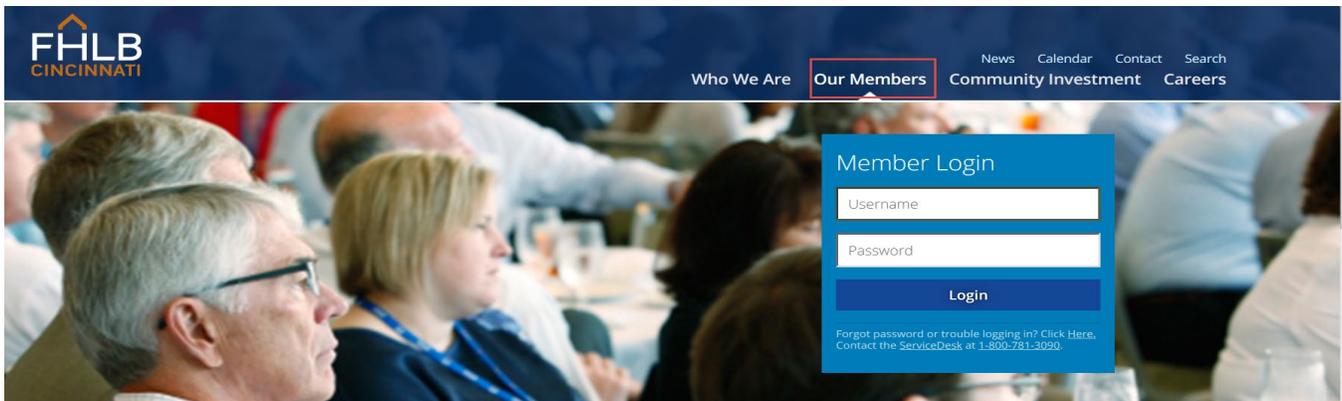
Submitting Online Affordable Housing Program Pre-Approval Requests

Effective March 16, 2020

Effective April 13, 2020, all Ownership Pre-approval Requests and Habitat, Ownership, and Owner-occupied Rehab Disbursement Requests must be submitted online through the Members Only portal at www.fhlbcin.com. Sponsors should use the updated Disbursement Request Forms, attach the appropriate documentation as indicated on the forms, and forward it all to the Member via email. The Member should save the form and attachment as one PDF or TIF, so it can be uploaded.

How do I access Members Only?

1. Click on Our Members and enter your credentials. If you do not have login credentials or cannot remember them, please contact our Service Desk at 800-781-3090 or servicedesk@fhlbcin.com.



2. Choose Affordable Housing Program ownership disbursements from the left-hand menu.

Housing programs open for application

Online Application System (OASYS)

Closed for new AHP applications. Applications can only be viewed.

Affordable Housing Program ownership disbursements

Available year round

Welcome Home

Will open March 2.

Disaster Reconstruction Program

Available year round



How do I submit a request?

3. On the Affordable Housing Program home page, click on the AHP Pre-Approval box. There are links on the page that will take you to the manuals, which explain what documents should be submitted for each type of request.

FHLB

Housing Program Forms

Change Institution Offerings Logout

Affordable Housing Program

Main Menu

[AHP Pre-Approval](#) [AHP Disbursements](#)

Please select the type of request you wish to submit from the selections above.

Note: Please allow up to 24 hours for processing

Comments

A status of *Submitted* means your request has been completed online but has not been received in our database. It may take up to 24 hours to be received by the FHLB.

A status of *Received* means your request has been completed online and received in our database. This status does not constitute an approval of funds.

To learn about the process and for complete program guidelines, reference the appropriate manual.

[AHP Pre-Approval Manual](#)
[AHP Habitat Disbursement Manual](#)
[AHP Ownership Disbursement Manual](#)
[AHP Owner-occupied Rehab Disbursement Manual](#)

4. When completing the Pre-Approval Request Form, first choose the type of project: Habitat, Owner-Occupied Rehab, or Ownership. Then find the appropriate project number from the dropdown list. Enter the applicant and co-applicant names using proper case. The form will not accept all upper or all lower case letters. Enter the household size and then list all occupants, as shown on the Sponsor's intake application. There are How-To directions on the form that explain how to create the occupant list. The number of occupants must match the household size. Note: The form will not allow you to submit if any field or question is left blank (except for the co-applicant field).



Affordable Housing Program

Pre-Approval Request

Main Menu

Member Information

Member: [Redacted]
User: [Redacted]

Form Information

Habitat Owner-Occupied Rehab Ownership

201801-[Redacted]

Applicant Information

Applicant
First Name: [Text Box] MI: [Text Box] Last: [Text Box]

Co-Applicant: (if applicable)
First Name: [Text Box] MI: [Text Box] Last: [Text Box]

Household Size: (Number of people who will reside in home)
[Text Box]

Household Occupants: How-To

Add new Occupant			
	Occupant's Name	Relationship to Applicant	Age
No occupants currently added.			

- Next, answer all the household targeting questions and indicate the sources of income from the list provided. Then enter the Annual Gross Household Income. This information can be found on the FHLB Housing & Community Investment (HCI) *Income Calculation Worksheet* found in the Sponsor's attachment.

Is any applicant a first-time homebuyer?
 Yes No

Does any occupant meet FHLB's homeless definition?
 Yes No

Does any occupant meet FHLB's elderly definition?
 Yes No

Does any occupant meet FHLB's special needs definition?
 Yes No

Does any occupant in the household have income from any of the following sources?

Wages and Salaries? Yes No

Overtime? Yes No

Commissions? Yes No

Bonus? Yes No

Tips? Yes No

Self Employment? Yes No

Alimony? Yes No

Child Support? Yes No

Rental Income? Yes No

Workers Compensation? Yes No

Social Security? Yes No

Supplemental Social Security? Yes No

Pension? Yes No

Annuities? Yes No

Armed Forces? Yes No

Retirement Funds? Yes No

Other? Yes No

Annual Gross Household Income:
[Text Box]



- Complete the property information. If the full property address is not yet known, enter “To be determined” on the address line. However, the remaining fields must be completed so the household income percentage can be calculated. Be sure to indicate the unit size of the property too.

Property Information

Address:

If the complete subject property address is unknown, enter "To be determined"

City: State: Zip: County:

Unit Size:
 Single-family Two-family (Duplex) Three-family (Triplex) Four-family (QuadPlex)

- Complete the mortgage information fields. Enter the term and amortization fields as months, not years. The interest rate field can be zero, but cannot be higher than the current year maximum. Choose the first mortgage loan product and enter the estimated loan amount. This information can be found on the FHLB HCI *General Information* page found in the Sponsor’s attachment. These fields are necessary to calculate household affordability.

Mortgage Information

Fixed Rate Mortgage

Term: months
Amortization: months
Interest rate: percent (rate cannot exceed 7.50%)

The first mortgage loan product is:
 Conventional FHA VA RHS/USDA Habitat NA Other

Loan Amount:

- The person completing the online form should enter their name and phone number. Note: This does not have to be the same person designated as the project contact. The person completing the form should also check the box indicating “I have read and understand the statements above, and I am familiar with the requirements in the AHP Pre-Approval Manual.”



Contact Information

Please provide the name and phone number of the person completing the form.

Name:

Phone #:

I have read and understand the statements above, and I am familiar with the requirements in the AHP Pre-Approval Manual.

I agree

- The Sponsor completed AHP Pre-Approval Request Form with the supporting documentation must be uploaded as one attachment, preferably a PDF or TIF. Click on Select Files, find the attachment on your computer, and double click the file. Then click on the Submit button.

Upload Documentation

- Attach the Sponsor completed AHP Pre-Approval Request form with all supporting documentation.

Please note: How-to

- * File will need to be re-selected if there are errors on the page.
- * Allowable file extensions: .pdf, .doc, .docx, .tif
- * Max file size: 20 MB
- * All documents must be included in one attachment and the attachment name cannot contain any illegal characters, such as €, \$, #, @, or !
- * Max number of files allowed: 1

Select files...

Submit

- If any field was not completed or a question was not answered, the Member will see a list of errors in red at the top of the page and the field or question will also appear in red. Correct all fields and answer all questions, re-upload the attachment, and click on the Submit button again. Note: When an error message is received, the attachment is automatically deleted. The attachment must be uploaded again once all errors have been corrected.



Affordable Housing Program Pre-Approval Request

Main Menu

• Must select whether the applicant has income from tips.
• Must select whether the applicant has income from child support.

Member Information

Member: [Redacted]
User: [Redacted]

Form Information

Habitat Owner-Occupied Rehab Ownership
2020- [Redacted]

Applicant Information

Applicant
First Name: [Monday] MI: [] Last: [Tuesday]
Co-Applicant: (if applicable)
First Name: [Wednesday] MI: [] Last: [Tuesday]
Household Size: (Number of people who will reside in home)
2

Household Occupants: How-To

+ Add new Occupant			
	Occupant's Name	Relationship to Applicant	Age
<input checked="" type="checkbox"/> Delete	[Monday]	Self	30
<input checked="" type="checkbox"/> Delete	[Wednesday]	Spouse	30

Is any applicant a first-time homebuyer?
 Yes No

Does any occupant meet FHLB's homeless definition?
 Yes No

Does any occupant meet FHLB's elderly definition?
 Yes No

Does any occupant meet FHLB's special needs definition?
 Yes No

Does any occupant in the household have income from any of the following sources?

Wages and Salaries? Yes No

Overtime? Yes No

Commissions? Yes No

Bonus? Yes No

Tips? Yes No
Must select whether the applicant has income from tips.

Self employment? Yes No

Alimony? Yes No

Child Support? Yes No
Must select whether the applicant has income from child support.

Rental Income? Yes No

How do I know if FHLB received my request?

11. If all fields were completed and an attachment was correctly uploaded, the Member will see a “successfully submitted” message.

2020 Affordable Housing Program Pre-Approval Request

Main Menu

Your Affordable Housing request has been successfully submitted. However, this does not constitute an approval of funds. Please do not use the Back button or refresh the page, as this may cause your request to be submitted again. All requests are reviewed in the order received. Please allow at least four weeks for it to be processed. Should you have any questions, please contact the Affordable Housing Program staff at [1-888-345-2246](tel:1-888-345-2246).

12. Click on the Main Menu button to go back to the home page and enter more requests. Note: A list of all Pre-Approval Requests and Disbursement Requests submitted online by the Member will appear on the home page.



Affordable Housing Program

Main Menu

[AHP Pre-Approval](#)

[AHP Disbursements](#)

Please select the type of request you wish to submit from the selections above.

Note: Please allow up to 24 hours for processing

Comments

A status of *Submitted* means your request has been completed online but has not been received in our database. It may take up to 24 hours to be received by the FHLB.

A status of *Received* means your request has been completed online and received in our database. This status does not constitute an approval of funds.

To learn about the process and for complete program guidelines, reference the appropriate manual.

[AHP Pre-Approval Manual](#)

[AHP Habitat Disbursement Manual](#)

[AHP Ownership Disbursement Manual](#)

[AHP Owner-occupied Rehab Disbursement Manual](#)

The following requests have been submitted for [REDACTED] in 2020:

Pre-Approval Requests

Applicant	Submission Date	User	Status
Thursday, Test	2/6/2020 8:31:15 AM	[REDACTED]	Received
Dog, Kona	2/7/2020 7:44:52 AM	[REDACTED]	Received
Sky, Red	2/11/2020 3:31:47 PM	[REDACTED]	Received
Cravens, Kona	2/18/2020 2:12:49 PM	[REDACTED]	Received
Sky, Red	2/20/2020 4:20:51 PM	[REDACTED]	Received
Tuesday, Monday	2/24/2020 11:12:07 AM	[REDACTED]	Submitted

Disbursement Requests

Applicant	Submission Date	User	Status
Boone, Daniel	2/6/2020 8:38:36 AM	[REDACTED]	Received
Day, Busy	2/6/2020 4:17:57 PM	[REDACTED]	Received
Brown, John	2/7/2020 7:51:05 AM	[REDACTED]	Received
Atlant, Friday	2/7/2020 8:01:26 AM	[REDACTED]	Received
Grass, Green	2/11/2020 3:35:56 PM	[REDACTED]	Received
Week, First	2/13/2020 9:12:35 AM	[REDACTED]	Received
Headache, Bad	2/13/2020 2:24:30 PM	[REDACTED]	Received
Boone, Daniel	2/18/2020 2:20:45 PM	[REDACTED]	Received

- A status of “Submitted” means your request has been completed online but has not yet been received in our database. A status of “Received” means your request has been completed online and received in our database. **Neither status constitutes an approval of funds.** Requests download into the FHLB database in two hour intervals beginning at 7:00am ET and ending at 7:00pm ET. Requests received after hours, over the weekend, or on a holiday, will download the following business day. Once a request is downloaded, both the Member and the Sponsor contacts identified on the project, will receive an email confirmation for the request. The confirmation consists of a cover letter and a copy of the online request form.



Cover letter.



221 East Fourth Street
Suite 600
Cincinnati, OH 45202

T (513) 852-7500
F (513) 852-7600
www.fhlbcin.com

February 24, 2020



Cincinnati, OH 45209

RE: 201801-██████ - Tuesday, Monday & Tuesday, Wednesday

Dear Mr. ████████,

Your Affordable Housing Program Request and supporting documentation has been received. This transmittal does NOT constitute an approval of funds.

Please allow at least four weeks for the request to be reviewed. If additional information is required, an email will be sent to the Member and Sponsor contact requesting the additional information and/or documentation.

Regards,

Damon V. Allen
Senior Vice President

Please reference our Affordable Housing Program Manuals available at www.fhlbcin.com for complete program guidelines.

BUILDING STRONGER COMMUNITIES



Copy of the Pre-Approval Request Form.



2020 Affordable Housing Program
AHP Pre-Approval Request

February 24, 2020

Member Information
 Member: [REDACTED] - 201801-[REDACTED]
 User: [REDACTED]

Form Information
 Project Type: Habitat

Applicant Information
 Applicant Name: Tuesday, Monday
 Co-applicant Name: Tuesday, Wednesday
 Household Size: 2 (Number of people who will reside in home)
 Occupant's Name Relationship to Applicant Age
 Monday Self 30
 Wednesday Spouse 30
 Is applicant a first-time homebuyer? Yes
 Does any occupant meet FHLB's homeless definition? No
 Does any occupant meet FHLB's Special Needs definition? Yes
 Does any occupant meet FHLB's elderly definition? No
 Does any occupant in the household have income from any of the following sources?
 Wages and Salaries? Yes
 Overtime? Yes
 Commissions? No
 Bonus? No
 Tips? No
 Self-Employment? No
 Alimony? No
 Child Support? No
 Rental Income? No
 Worker's Compensation? No
 Social Security? No
 Supplemental Social Security? No
 Pension? No
 Annuities? No
 Armed Forces? No
 Retirement Funds? No
 Other? (Please Explain) No
 Explanation:
 Annual Gross Household Income: \$22,500.00
 Unable to find the Affordable Housing Program limit for the selected county!

Property Information
 Address: To be determined
 City: Cincinnati State: OH Zip: 45202 County: Hamilton
 Unit Size: Single-family
 Loan Amount: \$85,000.00

Mortgage Information
 Term: 360 months
 Amortization 360 months
 Interest rate: 0.0000% percent
 Loan Amount: \$85,000.00
 What type of loan product did the homebuyer apply for? Habitat

Contact Information
 Name: Jill Cravens
 Phone #: 513-852-7550
 Member Contact: Mr. [REDACTED]

I have read and understand the statements above, and I am familiar with the requirements in the 2020 Affordable Housing Habitat Request Manual. Accept



14. When all requests have been submitted, click on Logout at the top of the page.

Affordable Housing Program

Main Menu

[AHP Pre-Approval](#)

[AHP Disbursements](#)

Please select the type of request you wish to submit from the selections above.

Note: Please allow up to 24 hours for processing

Comments

A status of *Submitted* means your request has been completed online but has not been received in our database. It may take up to 24 hours to be received by the FHLB.

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To learn about the process and for complete program guidelines, reference the appropriate manual.

[AHP Pre-Approval Manual](#)

[AHP Habitat Disbursement Manual](#)

[AHP Ownership Disbursement Manual](#)

[AHP Owner-occupied Rehab Disbursement Manual](#)



Frequently Asked Questions and Common Mistakes

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

Frequently Asked Questions (FAQs)

Q. How will I know if a submitted request receives pre-approval?

A. The AHP Member and Sponsor will receive notification of the pre-approval via e-mail.

Q. How long does it take to receive pre-approval once the FHLB has received a completed AHP Pre-approval Request form and all supporting documentation?

A. Typically, the FHLB will require up to 30 days for reviewing the request and making a decision regarding the eligibility of the household. If additional information is required, it will take longer.

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 pre-approval process?

A. See the webinar pertaining to pre-approvals on the FHLB's website at www.fhlbcin.com/community-investment/webinars-and-presentations/ and review this manual. You may also contact the Housing and Community Investment Department at AHPDisbursement@fhlbcin.com or call 888-345-2246. Be sure to notify the FHLB of staffing changes so that we can update our records.

Q. Is the FHLB concerned with the date of the income documentation?

A. Income documentation, such as pay stubs, verification of employment, Social Security income, or unemployment, must be dated within 180 days of submission of the pre-approval request to the FHLB. Please refer to this manual and the Income Eligibility Guide at www.fhlbcin.com/community-investment/program-documents-and-forms/ to determine acceptable forms of income documentation.

Q. How does the FHLB calculate an applicant's overtime?

A. We often use the applicant's year-to-date overtime and project it over a 52-week period. If the applicant is not expected to work additional overtime, we will require documentation from the employer indicating such. If the documentation from the employer is provided, we will use only the overtime already earned in the household's income calculation. Please refer to the Income Eligibility Guide at www.fhlbcin.com/community-investment/program-documents-and-forms/ to determine how the FHLB calculates income.

Q. Why is the FHLB concerned with a household member's marital status and age?

A. We require the household's marital status to verify "Household" size. For instance, if an application shows the head of household as being married, but the spouse is not listed among the household members, this may be an indication income documentation is needed for the spouse. We require the age of all household occupants to ensure they are at least 18 years of age or to verify elderly status. This information is also required by our examiners.



Common Mistakes

1. The AHP Pre-approval Request form is incomplete or unsigned by the Sponsor. All questions on the form 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, mark the "N/A" box on the form for that particular item.
2. The person(s) assembling the required documents for the pre-approval request package is not familiar with the FHLB's requirements or the commitments the project made in its approved AHP application. See this manual, the webinar applicable to pre-approvals, or one of the three ownership disbursement manuals available at www.fhlbcin.com (for Habitat, Owner-occupied Rehab, or other Ownership projects) to familiarize yourself with the FHLB's requirements. Contact us using the contact information listed below for a copy of the project's AHP Application Scoring Sheet, if you do not have one.
3. The intake form or loan application is not signed by all homebuyers/owners.
4. The intake form or loan application is not dated within 180 days of submission to the FHLB.
5. Documentation verifying that the household meets the FHLB's definition(s) of "Special needs," "First-time homebuyer," and/or "Homeless household" is not dated within 180 days of submission to the FHLB or it does not meet our definitions.
6. The intake form or loan application is missing the homebuyer's/owner's marital status. The explanation of this FHLB requirement is listed above under the FAQs.
7. "Household" size is unclear from the intake form or loan application, or other provided with the pre-approval request contradicts the household size listed on the intake form or loan application.
8. Income documentation that requires signatures such as tax returns or verifications of employment do not contain the required signatures.
9. Income verification has not been provided for all sources of income, is not dated within 180 days of submission of the pre-approval request to the FHLB, does not adequately identify the household member or employer/issuer, or is otherwise not sufficient. **This is the number one reason for delay.**
10. The pre-approval package contains documentation that contradicts other documentation included in the request package.
11. Requested documentation is submitted in pieces, not all at one time.