Members Only: OASYS and the AHP Application
FHLB Mission

Provide our member-stockholders with financial services and a competitive return on their capital investment to help them facilitate and expand housing finance and community investment and achieve their objectives for liquidity and asset liability management through:

- Advances/Letters of Credit
- Mortgage Purchase Program
- Affordable Housing Program
- Community Investment
HCI Mission

Accomplished via the following programs:
• Affordable Housing Program (AHP)
• Disaster Reconstruction Program (DRP)
• Carol M. Peterson Housing Fund (CMPHF)
• Responsive, Inclusive, Supportive, and Empowering Program (RISE)
• Economic Development Program (EDP)
• Community Investment Program (CIP)
• Welcome Home Program (WHP)
• Zero Interest Fund (ZIF)
Affordable Housing Program

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

• AHP funds complete the funding structure.
• Make the project more affordable.
  o Reduce the amount of debt and other funding required.
• Reduce the Member’s credit risk.
  o Reduce loan-to-value.
  o If project will have debt, Member must close first mortgage.
AHP Participants

- **Members** are financial institutions.
  - All applications must have a member, as only a member of FHLB Cincinnati can submit an AHP application.
  - Projects receive more points in the AHP scoring system for higher levels of member financial participation.
- **Sponsors** are housing providers and developers.
  - May be non-profit organizations, for-profit entities, government agencies, or other types of organizations.
  - Responsible for conceptualizing the AHP project and completing the majority of the application.
- An application can have up to 2 members/sponsors.
AHP Funds Flow

FHLB Cincinnati

AHP Subsidy

Member

Project
Why support an AHP project?

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

- Risk factors associated with AHP funding for provision of a loan to the project:
  - Sponsor/project’s ability to comply with grant parameters.
  - Accuracy of information contained in the AHP application.
- Projects with no debt subject the Member to minimal risk.
- Rental projects have a 15-year compliance period, though members are not responsible for the compliance.
AHP Eligible Uses

• Ownership or rental housing, including:
  o Traditional multi-family or single-family housing
  o Scattered or single sites
  o Transitional housing
  o Group homes/special purpose housing
  o Shelter housing

• Costs directly related to housing development
  o New construction
  o Rehabilitation
  o Acquisition/purchase of land or buildings
Not Eligible for AHP

- Facilities that require a “Certificate of Need” or licensure as an ICF or ICF/MR
- Land banking
- Pre-development costs (only)
- Refinance (only)
- Operating costs
- Commercial or other non-residential space
- Social services
- Capitalized reserves
AHP Threshold Requirements

• Development costs are reasonable.
• Enough funds to cover all project costs.
• Market demand for the housing at the income and occupancy targets and rent or mortgage expected.
• Appropriate for the population being served.
• Affirmative marketing to the target population.
• Compliance with all Fair Housing, anti-predatory lending, and accessibility laws.
More Threshold Requirements

• Sponsor has project experience/capacity.
• Sponsor has site control (rental projects only).
• Rental projects must have at least 20% of the units occupied by households with incomes at or below 50% of the area median income.
• Units must be “affordable” to targeted households.
  o Rental projects: no more than 30% of tenant’s monthly income.
  o Ownership projects: no more than 31% of buyer’s monthly income.
• Project must begin within 12 months of award and be complete within 36 months of award.
AHP Feasibility Guidelines

- Total Project Cost (TPC)/Unit $\leq$ $200,000
  - Total Project Cost/Bed $\leq$ $55,000$
- Tax Credit Sale Price $\geq$ $0.80$
- Hard/Soft Costs Contingencies $\leq$ 10% - 20%
- Total Contractor Costs $\leq$ 14%
- Developer Fee $\leq$ 15%
  - Owner-occupied Rehab or Acquisition Only $\leq$ 10% or $\leq$ 5%
- AHP Subsidy/Unit $\leq$ $50,000$
  - AHP Subsidy/Bed $\leq$ $15,000$
- Total AHP subsidy lesser of $1,000,000$ or 75% of TRC
More Feasibility Guidelines

• Operating Cost/Traditional Unit ≤ $5,500
  ○ Operating Cost/Bed ≤ $4,000
  ○ Operating Cost/Permanent Supporting Housing Unit ≤ $6,000
• Debt Coverage Ratio (first 15 years of operations) 1.00 - 1.50
• Expense to Income Ratio (for no-debt projects) ≥ 80%
• Annual Replacement Reserve/Unit ≤ $400
  ○ Annual Replacement Reserve/Bed ≤ $200
• Vacancy Ratio ≤ 10%
• Management Fee ≤ 10%
• Capitalized Costs 12 – 15 months of expenses
AHP Scoring Criteria (100 point system)

• FHLB Cincinnati Priorities
  o Member Participation (5)
  o First-time Homebuyers (5)
  o Community Involvement (3)
  o Projects in OH, KY & TN (5)
  o Special Needs Housing (10)
  o Housing in Appalachia (3)
  o Funding Commitments (4)
  o AHP Leveraging (5)

• All FHLBs
  o Donated Property (5)
  o Sponsorship (5)
  o Empowerment (5)
  o AHP Subsidy per Unit (10)
  o Income Targeting (20)
  o Homeless Housing (5)
  o Community Stability (10)
Member Participation Scoring

- Cash contribution of at least $500 (1 point)
- First mortgage permanent loan(s) (2 points)
  - Must have a term(s) of at least 15 years
  - Must close at least 51% of loans for ownership projects
  - Issuing bonds for a project also qualifies, but participating in a loan(s) does not
- Construction/bridge loan (1 point)
Member Participation Scoring (cont.)

- Servicing of loans made by the Sponsor (1 point)
  - Must be at no cost to Sponsor
  - Only applicable to ownership projects
- Reduction on loan rates of at least 0.5% below the Member’s usual rate
  - For construction/bridge loans (1 point) OR
  - For permanent loans (2 points)
- Use of a non-subsidized FHLB advance (1 point)
AHP Application Process

• Sponsor Steps:
  o Registers online for an account in OASYS,
  o Completes the online application and uploads all required documents, and
  o Submits the application to the Member electronically.

• Member Steps:
  o Reviews the application,
  o Completes Member certifications, and
  o Submits the application electronically to FHLB Cincinnati.
What Sponsors Need to Apply

- Sponsor plans the project including:
  - Project type (ownership, owner-occupied rehab, or rental);
  - Location (site control or acquisition plan);
  - Income and occupancy targets (special needs/elderly/homeless);
  - Size and number of housing units or beds (floor plan);
  - Development costs (valid cost estimates);
  - Sources of funds for development (including AHP subsidy);
  - Rent or mortgage payment for targeted households; and,
  - Operating costs and source(s) of funds (if rental).
- Member should verify the project has a plan.
What Members Need from Sponsors

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

• Members can access the AHP online application through the Members Only website or through the HCI Online Application System (OASYS) Log In.

• Members Only Username and Password is required for access to either website.

• Only the FHLB administrator at the Member institution can request creation of a new Members Only account. To make the request:
  o Ask the FHLB administrator to complete the “Members Only User Authorization Form” in Members Only.
  o Call the FHLB ServiceDesk at (800) 781-3090 for help.
Affordable Housing and Economic Development are an important part of our mission. The Federal Home Loan Bank of Cincinnati (FHLB) plays a vital role in supporting affordable housing and economic development initiatives throughout our Fifth District states of Kentucky, Ohio and Tennessee.

The FHLB offers a range of flexible programs to help our member financial institutions and housing partners build strong communities, whether it involves single-family housing, housing for special needs households, community infrastructure or job creation.
OASYS Login Screen
Members Only Login

Housing Programs

Username

Password

System

Members Only

Login

Forgot password or trouble logging in? Click here. Contact the Service Desk at 1-800-701-3092.
Accessing OASYS via Members Only
Suspension and Debarment within Members Only

Links to online applications

Welcome Home Program: https://hsforms.fhlcin.com/welcome-home
Opens March 1

Carol M. Peterson Housing Fund: https://hsforms.fhlcin.com/cmpkf
Opens June 1

Disaster Reconstruction Program: https://hsforms.fhlcin.com/drp
Available year round

Community Investment Program: https://hsforms.fhlcin.com/cip
Available year round

Economic Development Program: https://hsforms.fhlcin.com/edp
Available year round

Zero Interest Fund: https://hsforms.fhlcin.com/zif
Available year round

Contact:
Damon V. Allen
888-345-2246
Housing@fhlcin.com
OASYS Member Dashboard

Click on the application number link to open the application.
Initial Entry to AHP Application

The status shown in the application’s blue header indicates whether or not a member can complete any portion of the application.
Communication from OASYS

• When a member contact is identified in a newly started application, the application system will send an email notification to the contact identified.

• Add AHPApplication@fhlbcin.com to your email program’s list of safe addresses to ensure emails do not go to the spam or trash folder.

• Members can access an AHP application at any time after the sponsor identifies them in an application but can only make changes after the sponsor has submitted the application to the member.
Navigating the AHP Application

The retention period commitment for the project is 15 years.

Certifications | More Member Certifications

Need help?

Housing and Community Investment (800) 345-2347
OAAP’s Registration Questions OAAP@fhlcincinnati.com
AHP Application Questions AHPApplication@fhlcincinnati.com

FHLB Cincinnati
222 East 3rd Street
Cincinnati, OH 45202
T (513) 952-7500

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Required Documents

The following required documents must be uploaded before submitting this application. Please submit the documents listed in order to proceed. Missing documents are outlined in red.

Upload Document A1: Exhibit A1 - Executed "Terms and Conditions for Member" document for the Primary Member in the project (this document is posted under Application Guidance). The document must be: A. Signed by a representative of the Member authorized to draw funds from the FHLB; and, B. Dated in the current year.

Question: Primary Member Name

Uploaded Documents:

<table>
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<tr>
<th>File Name</th>
<th>Document</th>
<th>Date Uploaded</th>
</tr>
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<tbody>
<tr>
<td>Testing Sample Document.docx</td>
<td>A1</td>
<td>5/7/2018</td>
</tr>
</tbody>
</table>

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Accessing Terms and Conditions
Call Credit Services with your organization’s Demand Deposit Account (DDA) number at (800) 828-4191 for a list of authorized signers.
Member Commitment Letter

• Document all member commitments in one or multiple letters on member letterhead.

• Letters must contain:
  o The current year’s date,
  o The Application ID or project name, and
  o The signature of a member representative.

• Commitments in the letter(s) must contain the details specified in the AHP application, e.g.:
  o The term of a loan(s), or
  o The amount of a cash contribution/loan discount.
Example Commitment Letter

A BANK

7/2/2013

FHLB Housing and Community Investment
Affordable Housing Program
P.O. Box 586
Cincinnati, OH 45201-0586

Dear [FHLB Affiliates]:

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

1. Regarding Exhibit B - I.A. Bank is making a commitment to provide a permanent loan with a repayment term of at least 20 years at a rate at least 0.1% reduction over any similar loan we would make for a project of this type. Please note that this is a rental project and permanent loan fees and debt service are shown on the development and operating budgets.

2. Regarding Exhibit D - I.A. Bank is making a commitment to make a cash contribution of $30K to the project. The contribution is shown on the development budget.

3. Regarding Exhibit E & D - I.A. Bank is making a commitment to provide a construction loan for at least 25% of the project's construction/ rehab costs with a rate that is at least 0.50% below the Member's standard market rate for a loan of similar term. Construction loan interest and a construction loan fee appear on the development budget.

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

Sincerely,

[Signature]

Chris Christopher
Vice President
Application Guidance & Reports
Reviewing an Application

• Inspect all reports, including:
  o AHP completed application,
  o development budget,
  o AHP operating budget (rental projects only),
  o feasibility report, and
  o score sheets.

• If desired, access required documents via the required document review at the end of the scoring section (use navigational toolbar).

• You may want to store the reports outside of OASYS.
Member Certifications

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

Certifications | Member Certifications
--- | ---
Yes | No

RETURN TO SPONSOR

Need help?

Housing and Community Investment (888) 545-2246
CASSYS Registration Questions: housing@FHLB.com
AHP Application Questions: AHPApplication@FHLB.com

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Submitting to Secondary/FHLB

Need help?

Housing and Community Investment (888) 345-2246
OASYS Registration Questions housing@fhlcincinnati.com
AHP Application Questions AHPApplication@fhlcincinnati.com

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Application Completion

- Members and sponsors receive notification by email when applications have been submitted.
- The AHP online application system assigns a project number in lieu of the Application ID number; **retain the project number** for all future correspondence with FHLB.
- AHP applications must be submitted to FHLB no later than 5:00 p.m. Eastern on Friday, July 31, 2020.
FHLB Application Review Process

• Give notice of receipt of application.

• Review application and supporting documents:
  o Determine if project meets threshold requirements.
  o Verify financial feasibility.
  o Perform scoring and ranking of all eligible and feasible applications.

• Announce awardees after the Board of Directors makes final selections on November 19, 2020.
Member Limit on AHP Subsidy

- 2020 AHP subsidy award member limit:

$5 Million

- There is no limit on the number of applications a member may submit.
Next Steps

• Project contacts for awardees will receive emails containing the following documents, which must be signed/returned within designated timeframes:
  o Affordable Housing Program Agreement (AHP Agreement)
  o Affordable Housing Direct Subsidy Agreement (DSA)
  o AHP Final Application Review and Acceptance Form (if FHLB made corrections to the application)

• Projects not awarded funds will receive a denial letter via email.
Applications Approved for Funding

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

**FHLB-initiated Tasks**

- HCI Application Review (8/1 – 11/19)
- Periodic Progress Reporting (up to 11/21/2024 or final disbursement)
- Long-term Compliance for Rentals (9 months after final disbursement)
- Initial Compliance for Rentals (15 years)

**Project Participant-initiated Tasks**

- Application Submission (by 7/31)
- Execution of Award Documents (within 30 days of approval)
- Project Construction (up to 11/19/2023)
- Disbursement Request and Processing (up to 11/19/2024)
- Long-term Compliance for Homeowners (besides OOR) (5 years)
Compliance and Reporting

• All approved AHP projects are subject to FHLB compliance through:
  ○ Semi-annual periodic progress reports (until completion and final funding),
  ○ Initial compliance (includes documentation submission nine months after final funding for rental projects), and
  ○ Long-term compliance (for 15 years for rental projects).

• Rental projects must maintain affordability for the full 15-year retention period.

• The frequency of FHLB audits of rental projects depends on FHLB-assigned risk level.
AHP Retention and Recapture

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

Federal Home Loan Bank of Cincinnati
221 East Fourth Street, Suite 600
P.O. Box 598
Cincinnati, OH 45201-0598
Toll free: (888) 345-2246
Fax: (513) 852-7647
Website: www.fhlbcin.com
Celebrate with us!

We encourage all FHLB members and housing sponsors to notify us of plans to celebrate or recognize any FHLB-funded housing or community investment project. FHLB is often available to participate and to offer public relations assistance for community events such as ribbon cuttings, groundbreakings, and dedications. Please contact Marketing or Public Affairs, toll free at 877-925-FHLB(3452).
Connect with us!

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

@FHLBCin
www.twitter.com/fhlbcin

www.facebook.com/fhlbcincinnati

www.linkedin.com/company/federal-home-loan-bank-of-Cincinnati

@FHLBCin
www.intsagram.com/fhlbcin
Thank You