

Housing & Community Investment

# AHP Tax Credit Disbursement Manual



Affordable Housing Program  
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## Summary

This AHP Tax Credit Rental Disbursement Manual has been designed as a reference guide for Sponsors and Members (commercial banks, credit unions, thrifts, 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. **Only rental projects that will utilize equity from Historic or Low Income Housing Tax Credits as a source of development funds should use this manual;** FHLB maintains separate manuals for projects using other funding sources. Instructions for accessing AHP funds, checklists, and documentation requirements are included in this manual.

Please review this manual and the most recently-recorded versions of the Disbursements for Tax Credit Projects webinars, available [here](#), prior to submitting a request for funding. The project's Sponsor(s) and Member(s) must complete an AHP Tax Credit 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 review the disbursement request.

For questions regarding funding, please contact the Housing and Community Investment Staff at 888-345-2246 or at [AHPdisbursement@fhlbcin.com](mailto: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](http://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(s) and the Member(s) via e-mail 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 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 compliance/monitoring procedures, which are published on the FHLB's website, [www.fhlbcin.com](http://www.fhlbcin.com), under Housing Programs/Affordable Housing Program.

## 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 are not making 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

FHLB will underwrite AHP projects based on the current feasibility limits outlined in the current AHP Implementation Plan. Projects will not be subject to feasibility parameters that were not in effect at the time of their approval for AHP funds. If the feasibility limits in place at approval are more favorable than the current limits, FHLB will apply those original limits.

Projects that deviate from the parameters 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 or may receive a reduction to the AHP award. 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 materially 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 found within the Modification Request form, available [here](#) under Documents and Forms). 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.

## Documents and Forms

### AHP Tax Credit Disbursement Request Instructions

Collaboration between the project's Member and Sponsor contacts 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](mailto:AHPdisbursement@fhlbcin.com).

**Step 1: Complete the [AHP Tax Credit Disbursement Request Form](#)**



- Download the form at [www.fhlbcin.com](http://www.fhlbcin.com) under Housing Programs\ Affordable Housing Program\ AHP Disbursement Information\Tax Credit Projects\Documents and Forms.
- 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 or with an approved AHP modification), “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**

- Collect anything marked “Enclosed” on the AHP Tax Credit Disbursement Request form for inclusion in the request package and transmission to the FHLB. All documents that pertain to the project are required.
- Use the listings in this manual below to ensure that the documentation provided meets the FHLB requirements.

#### **Step 3: Obtain Required Signatures**

- The Sponsor contact listed on the AHP Tax Credit Disbursement Request form must sign in the appropriate location on the form and then send the entire package to the Member contact for signature.
- The Member contact should review the materials and then, if acceptable, sign the form. The Request Form must be signed by all Members requesting AHP funds.

#### **Step 4: Submit the AHP Tax Credit Disbursement Request Form and All Required Documents**

- **E-mail package to:** [AHPDisbursement@fhlbcin.com](mailto:AHPDisbursement@fhlbcin.com). FHLB can accept documents via SharePoint or email attachment. FHLB cannot access other file sharing sites such as DropBox or Google Drive.

#### **Step 5: Submit Additional Information as Requested (if applicable)**

- **E-mail to:** [AHPDisbursement@fhlbcin.com](mailto:AHPDisbursement@fhlbcin.com) or the analyst who requested the additional information (include the project number in the subject line).



## Required Documents Descriptions

1	Sponsor certification of disbursement training completion	<p>One person from the Sponsor organization should participate in AHP disbursement trainings prior to the submission of the disbursement request. This person should be the person who is assembling the AHP disbursement request package and cannot be a consultant or application preparer who is not employed by or a volunteer of the Sponsor organization. The required trainings include:</p> <ul style="list-style-type: none"><li>• Tax Credit Disbursement Documentation Overview AND Rental/Tax Credit Disbursement Financials and Feasibility webinars, or</li><li>• Attend the most recent AHP Workshop</li></ul> <p>Check Yes or No verifying the representative completed the training(s).</p>
2	Evidence of completion (Certificate of Occupancy et al.)	<p>Submit one of the following as evidence of construction completion for all property addresses in the project (shown in preferred order):</p> <ol style="list-style-type: none"><li>1. A certificate of occupancy;</li><li>2. Certification by the project architect that the work is complete (through, for example, AIA document G704 Certificate of Substantial Completion);</li><li>3. Certification by the general contractor that the work is substantially complete and in compliance with the standards set forth in local code; or,</li><li>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.</li><li>5. Settlement statement for acquisition only projects.</li></ol> <p>The documentation must include the following information:</p> <ul style="list-style-type: none"><li>• Property address(es).<ul style="list-style-type: none"><li>○ If the address listed in the documentation does not match the address provided at application, submit official verification of the current address assignment.</li></ul></li><li>• Date of completion.<ul style="list-style-type: none"><li>○ The date must indicate that construction of the project/final unit was completed after the award of AHP funds to the project.</li></ul></li></ul> <p><b><i>The date from the evidence of completion document must be reflected in the FHLB retention language.</i></b></p>
3a	Cost certification executed by an independent auditor that documents all expended project costs	<p>Submit the same cost certification as the one submitted to the tax credit allocating agency. It must contain the following information:</p> <ul style="list-style-type: none"><li>• The independent auditor/accountant's signature</li><li>• The date for which the report was prepared</li><li>• A categorized list of all the project's final costs</li><li>• HDL interest, if applicable</li></ul>



		<p>Important requirements to note:</p> <ul style="list-style-type: none"><li>• If the cost certification contains a list of all permanent funding sources for the project, the list must include the following:<ul style="list-style-type: none"><li>○ Member's and Sponsor's cash contributions, if applicable.</li><li>○ All funding sources that earned Outside Funding Points, if applicable.</li></ul></li><li>• If the project received points for substantial rehabilitation, construction hard costs per unit must equal or exceed:<ul style="list-style-type: none"><li>○ \$10,000 for projects approved in 2022</li><li>○ \$11,000 for projects approved in 2023</li><li>○ \$18,392 for projects approved in 2024</li><li>○ 19,293 for projects approved in 2025</li></ul></li><li>• Neither the cost certification nor development budget can contain an item labeled "miscellaneous," "additional," "other," or any similarly indefinite label. The FHLB will require a breakdown for any costs labelled as such.</li><li>• The FHLB reserves the right to request backup documentation in the form of invoices and receipts for anything on a cost certification.</li></ul> <p>FHLB considers the following to be ineligible development costs and will remove such costs from the development budget during review. The AHP grant may be reduced by the amount of the ineligible costs. Such costs include the following:</p> <ul style="list-style-type: none"><li>• Sponsor operating expenses such as event expenses</li><li>• Sponsor/contractor capital expenditures such as lawn mowers, snow blowers, construction tools, or vehicles</li><li>• Maintenance costs incurred while the project is being rehabbed or other project operating costs</li><li>• Tenant personal items such as computers or dishware</li><li>• Tenant turnover expenses</li></ul>
3b	List of all permanent development funding sources with Sponsor and Member contributions that matches the sum of project costs	<p>Submit a list of all permanent development funding sources to the project, the total of which must match the sum of all costs shown on the cost certification provided for item #3a 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.</p> <p>No funding sources on the list may be labeled "miscellaneous," "additional," "other," or any similarly indefinite label.</p> <p>The list must include the following sources:</p> <ul style="list-style-type: none"><li>• Member's and Sponsor's cash contributions, if applicable.</li><li>• All funding sources that earned Outside Funding Points.</li></ul>
3c	Construction contract with all change orders, signed by all parties	<p>Submit an executed copy of all construction contracts for the project containing the following information:</p> <ul style="list-style-type: none"><li>• Address and/or project name</li><li>• Scope of work</li><li>• Fully executed copies of all change orders associated with each contract. (Do not send the back-up documentation for the change</li></ul>





		<p>orders.)</p> <p>This item is not required for acquisition-only projects.</p> <p><b>For HUD202/811 projects only, submit the following:</b></p> <ul style="list-style-type: none"><li>• Construction/ rehab contracts (92442 or 92442A and 2328, if applicable)</li><li>• Request for Construction Changes on Project Mortgages (92437)</li></ul>
3d	Executed partnership/operating agreement with all attachments	<p>Submit the final/amended and restated partnership or operating agreement signed by all parties including all attachments/exhibits. If the agreement has been modified or amended, submit signed copies of the amendments.</p> <p>The agreement must contain the following information, and the information must match the corresponding amounts on the cost certification and AHP Operating Budget:</p> <ul style="list-style-type: none"><li>• Equity pay-in schedule.</li><li>• Capital contributions of each partner/member</li><li>• Developer fee</li><li>• Capitalized reserves and costs (including operating, lease-up, and replacement reserves, asset management fees and any other operating costs that will be paid up front instead of during operations)</li><li>• Replacement reserves paid in during project operations</li></ul>
3e	Final tax credit pro forma as prepared for the tax credit investor	<p>Submit the most recent version of the tax credit pro forma prepared for the tax credit investor that includes the following information:</p> <ul style="list-style-type: none"><li>• Development Sources and Uses</li><li>• 15-Year Operating Budget</li><li>• Annual tax credit allocation</li><li>• Equity calculations</li><li>• Rent and Unit Schedules, including income targeting</li></ul> <p><b>The project's income targeting in the proforma must be as, or more restrictive, than the approved AHP targeting at the time of disbursement.</b></p>
3f	Current year <a href="#">AHP Operating Budget</a> FHLB format required	<p>Submit the completed excel version of the AHP Operating Budget. The template can be found <a href="#">here</a>.</p> <p>Instructions for completing the AHP Operating Budget can be found within workbook.</p> <ul style="list-style-type: none"><li>• Complete the 'Input-AHP Operating Budget' tab.</li><li>• If the approved AHP application indicates that the project contains commercial space, complete the "Other Income and Expenses" section as well.</li><li>• The 'Output-AHP Operating Budget' tab will contain the full 15-year projections.</li></ul> <p>Important requirements to note:</p> <ul style="list-style-type: none"><li>• Must escalate income and expenses at rates that differ by at least one percent (the income must trend at a rate at least one percent</li></ul>



		<p>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.</p> <ul style="list-style-type: none"><li>• Ensure that the project abides by the current feasibility parameters outlined in the current AHP Implementation Plan, or the limits from when the project was awarded funds if more advantageous.</li><li>• Debt service must be listed and must match the payments identified in the Note(s) submitted for <i>repayable</i> debt. Submit an explanation if the amounts do not match.</li><li>• The rental income and rent and unit schedule shown on the AHP Operating Budget must match the amount the project expects to receive from rent as outlined in rental subsidy/assistance contracts, if applicable. If the amount of rent shown on these two items differ, provide an explanation.</li><li>• The project should show positive cash flow for the entire 15 years. If the cash flow goes negative in year 11 or earlier, the project is not eligible for AHP funds.</li></ul>
3g	Evidence of tax credit commitment from the tax credit allocating agency	<p>Submit one of the following documents that corresponds with the type of tax credits the project received:</p> <ul style="list-style-type: none"><li>• <b><u>9% Low Income Housing Tax Credits:</u></b> Award letter or Carryover Allocation signed by the tax credit allocating entity verifying the amount of tax credits the project will receive. The annual amount of tax credits awarded as shown on this document must match the amount on the tax credit pro forma submitted for item #3e above.</li><li>• <b><u>State Low Income Housing Tax Credits:</u></b> Reservation or commitment letter</li><li>• <b><u>4% Low Income Housing Tax Credits:</u></b> An executed copy of the 42m Letter of Eligibility for housing credits.</li><li>• <b><u>Federal Historic Tax Credits:</u></b> Parts 1, 2, and 3 signed by the National Park Service.</li><li>• <b><u>State Historic Tax Credits:</u></b> Part 1, 2, and 3 signed by the state historic preservation office.</li></ul>
3h	AHP Note to project, which must contain the required language	<p>Mark “N/A” on the request form if the AHP funds are not under note. If AHP funds are under note, provide the Note between the AHP Sponsor and the single-purpose tax credit entity and/or the Note between the AHP Sponsor and the Member. The Note(s) must abide by all of the following requirements:</p> <ul style="list-style-type: none"><li>• Indicate that any repayments of principal and any payments of interest must be paid forthwith to FHLB (required per AHP regulation);</li><li>• Interest rate identified in the note cannot exceed 0% because FHLB does not make gains on direct subsidies, and;</li><li>• Term cannot be less than 15 years from date of completion to coincide with FHLB’s Retention Period.</li></ul>
3i	<a href="#">Current AHP Rental Disbursement Occupancy Report</a>	<p>Submit the completed excel version of the AHP Rental Disbursement Occupancy Report <u>AND</u> the signed ‘Output-AHP Occupancy Report’ tab. The template can be found <a href="#">here</a>.</p>



	<b>FHLB format required</b>	<p>Instructions for completing the Occupancy Report can be found within workbook.</p> <ul style="list-style-type: none"><li>• Complete the ‘Input-AHP Occupancy Report’ tab of the AHP Rental Disbursement Occupancy Report.</li><li>• Boxes highlighted yellow require data input and boxes highlighted in red are dropdown lists.</li><li>• Sign and submit the ‘Output-AHP Occupancy Report’ tab. Must be signed by the Sponsor, Project Owner, and Property Management Company</li></ul> <p>Important requirements to note:</p> <ul style="list-style-type: none"><li>• The occupancy report should reflect that all empowerment service commitments, income targets, and occupancy commitments are being met. Refer to the approved AHP Application or Scoring Sheet for project commitments. These documents can be found in OASYS.</li><li>• The report must include all units, even if vacant.</li><li>• The move-in year and information 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 2019 but the project did not receive an award of AHP funds until 2021, the household’s move-in date, household size, and gross annual household income should reflect the household’s 2021 information, not the 2019 information or the current year’s data.</li></ul>
3j	Verification of the Sponsor’s ownership interest in the single-purpose tax credit entity	<p>The Sponsor must hold at least 51% ownership interest in the general partner or managing member of the partnership/tax credit entity. Submit one of the following:</p> <ul style="list-style-type: none"><li>• Operating agreement for the general partner or managing member</li><li>• Corporate record book for the general partner or managing member</li><li>• Other legal documentation that establishes ownership of the managing member or general partner</li></ul>
4	Do the total replacement reserve, income targets, capital contribution(s), “Capitalized costs,” and “Developer fee” amounts in the partnership/operating agreement match any such amounts identified on the cost certification and AHP Operating Budget?	<p>The partnership/operating agreement must identify the same amount of the following costs/sources as the cost certification:</p> <ul style="list-style-type: none"><li>• Total capital contributions (equity from the investor and general partner, if applicable),</li><li>• Developer fee (including developer fee, organizational overhead, consultant fees, and application preparer fees),</li><li>• Capitalized reserves and costs (including operating, lease-up, replacement reserves, asset management fee, and other operating costs that will be paid upfront instead of during operations).</li></ul> <p>The partnership/operating agreement must also identify the same amount of the following items as the AHP Operating Budget submitted with the disbursement request package:</p> <ul style="list-style-type: none"><li>• Income targets</li><li>• Annual replacement reserve</li></ul>



		<ul style="list-style-type: none"><li>• Asset management fee, if applicable</li></ul> <p>If the amounts do not match, provide an explanation of the discrepancies. Discrepancies may require the partnership/operating agreement, final tax credit pro forma, and/or cost certification to be corrected acknowledged by all parties.</p>
5	Is the income targeting with the tax credit agency at least as restrictive as the approved AHP targeting?	<p>On the Request Form, fill in the approved AHP income targets and the income targets outlined in the tax credit proforma.</p> <p>The income targeting outlined in the tax credit proforma must be as, or more restrictive, than the approved AHP targeting prior to disbursement. If the income targeting in the tax credit pro forma is not as restrictive as the AHP income targeting, provide evidence that the income targets were modified with the tax credit allocating agency AND an updated proforma from the investor that reflects the modified income targets.</p> <p>NOTE: the Sponsor certified in the approved AHP application that the tax credit income targets would as restrictive as AHP at time of disbursement.</p>
6	Completed AHP Rental Disbursement Feasibility Report	<p>Submit the completed AHP Rental Disbursement Feasibility Report. The template is available <a href="#">here</a>.</p> <p>Instructions for completing the Feasibility Report can be found within workbook.</p> <ul style="list-style-type: none"><li>• Complete the ‘Input- Rental Feasibility’ tab of the applicable “Rental Disbursement Feasibility Report...”, using figures from the cost certification/AHP Development Budget and AHP Operating Budget.</li><li>• Submit the completed ‘Output- Rental Feasibility’ tab.</li><li>• Submit a detailed explanation, justification, and supporting documentation for any alerts that appear.</li></ul> <p>Important requirements to note:</p> <ul style="list-style-type: none"><li>• Any feasibility alerts that appear in the Feasibility Report section on the ‘Output- Rental Feasibility’ tab must be explained and justified with supporting documentation. If the project was approved for a feasibility exception with the approved AHP application or an approved project modification and the value has not changed materially, no further justification is necessary.</li><li>• Refer to the guidelines in the current the AHP Implementation Plan, or the limits from when the project was awarded funds if more advantageous.</li><li>• Projects that are outside any of the guidelines may not be able to receive AHP funds without adequate justification.</li></ul>
7	Does the project include any space that FHLB defines as	<p>Answer the question on the Request Form and, if applicable, fill in the information regarding commercial space costs and sources of funds that paid for such costs.</p>



	“Commercial space”?	<ul style="list-style-type: none"><li>• Refer to the approved AHP application to determine if any “Commercial space” was identified in the project.</li><li>• AHP funds cannot be used to pay for “Commercial space”.</li></ul> <p>“Commercial space” means any area in a residential development that is leased or intended to be leased to an entity and generates or will generate rental income to the project Owner. AHP funds cannot be used to pay for development costs associated with this space.</p>
8	<a href="#"><u>Sponsor Commitment Verification Form</u></a>	<p>Submit an executed Sponsor Commitment Verification Form if the project was awarded points in any of the following Project Sponsorship, Empowerment, or Community Involvement categories:</p> <ul style="list-style-type: none"><li>• Marketing/outreach activities</li><li>• Pre-development activities</li><li>• Sponsor as general contractor on the project</li><li>• Management of project upon completion</li><li>• Credit counseling/budgeting</li><li>• Daily care services (2022 projects)</li><li>• Education services (2022 projects)</li><li>• Employment/skills training (2022 projects)</li></ul> <p>This form verifies the Sponsor has completed those activities meeting the FHLB’s definitions as outlined in the AHP Implementation Plan. The form must be signed and completed in its entirety including check boxes and descriptions, as applicable.</p>
9a	Verification of property acquisition cost paid by Sponsor/owner	<p>If the acquisition costs have not changed from what was documented in the approved AHP Application, check “No” for item #9 on the AHP Rental Disbursement Request form and see the paragraph beginning with the italicized text in this section below.</p> <p>If the acquisition costs have changed from what was documented in the approved AHP Application (e.g. due to acquisition of additional parcels of land or a reduction in the amount of principal on a loan that the project paid off as part of its acquisition cost), submit one of the following for each parcel that is part of the AHP project to document acquisition costs:</p> <ul style="list-style-type: none"><li>• A fully executed purchase contract,</li><li>• A settlement statement or closing disclosure signed by both buyer and seller or settlement agent,</li><li>• A signed letter from the grantor,</li><li>• A signed copy of the foreclosure/sheriff’s sale document,</li><li>• The executed note and mortgage and evidence from the lender of the loan balance at the time of payoff,</li><li>• A Property Value Assessment showing a nominal sales price in the transaction history for the property (valid for <i>donations ONLY</i>), or</li><li>• A signed warranty deed or lease with price indicated.</li></ul> <p>Important information to note:</p> <ul style="list-style-type: none"><li>• FHLB considers only the amount paid for the property to a third party as true acquisition costs, not the amount agreed upon between a single-purpose tax credit entity and a related party with an interest in that entity.</li></ul>



		<ul style="list-style-type: none"><li>• In “Related party” conveyances, such as between the project Sponsor/owner and the single-purpose entity, where acquisition cost is reflected on the budget, the developer fee will be limited to the maximum percentage of “Total project costs” less “Acquisition costs” and less “Developer fee.” Please see the definition of “Related party” in the <a href="#">AHP Implementation Plan</a>.</li><li>• Rent payments in a lease agreement must match the AHP Operating Budget submitted for item #3f above.</li></ul> <p><b>Donated Property Requirements</b></p> <p>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 meet the following requirements:</p> <ul style="list-style-type: none"><li>• Verify that the Sponsor/owner acquired the project’s property from a third party without financial consideration (\$10 or less).</li><li>• The property must also have been donated by a third party within five years of the AHP application deadline.</li><li>• If the property was donated more than five years ago, the market value of the land can be shown as a source and a use on the budget, but it does not have to appear there and does not count as a donated property for scoring.</li></ul> <p>Important information to note:</p> <ul style="list-style-type: none"><li>• 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.”</li><li>• Conveying land or property for less than full value does not constitute a donation.</li><li>• Part of a property cannot be considered “Donated property” unless that part is individually identified and conveyed separately from other parts.</li></ul> <p><i>Regardless of the answer to the question on the AHP Rental Disbursement Request form, the legal description of the project’s property as contained in its current warranty deed should match the legal description in the documentation submitted to verify site control at the time of AHP application. If the description does not match (because, for example, the project consolidated parcels to create the project’s property), submit an explanation of the discrepancy and appropriate back-up documentation such as survey, plat or lot consolidation.</i></p>
9b	Appraisal or Property Value Assessment dated within six months of the date the Sponsor/Owner	<p>If the acquisition costs have not changed from what was documented in the approved AHP application, check “No” for item #9 on the AHP Rental Disbursement Request form and provide nothing further.</p> <p>If the acquisition costs have changed from what was documented in the</p>



	acquired that property	<p>approved AHP application, submit one of the following for each parcel that is part of the AHP project to document acquisition costs to document the market value:</p> <ul style="list-style-type: none"><li>• An appraisal generally dated within 6 months of conveyance that is signed by a licensed/certified appraiser and show the “as-is” value of the property<ul style="list-style-type: none"><li>○ Related-party transactions require an independent appraisal instead of a PVA. Please see the definition of “Related party” in the <a href="#">AHP Implementation Plan</a>.</li></ul></li><li>• Property Value Assessment (PVA) for each parcel generally dated within 6 months of conveyance.</li></ul> <p>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 (overpayment) unless the AHP funds were reduced for this reason at the time of AHP award.</p> <p><b>Below Market Value Requirements</b></p> <p>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 documentation submitted for this item must meet the following requirement:</p> <ul style="list-style-type: none"><li>• Verify that the property’s value at the time of acquisition by the Sponsor or owner was at least twice its purchase price.</li><li>• The property must have been purchased from a third party within five years of the AHP application deadline.</li></ul>
10	Evidence of ALL permanent funding sources besides tax credits shown on the list provided for item #3b, including copies of all executed grant agreements, notes and mortgages (deeds of trust), etc.	<p>Submit documentation for each of the project’s permanent funding sources as shown on the list of development funding sources, including loan assumptions. Each type of funding source requires a specific type of documentation for the FHLB purposes as outlined below:</p> <ul style="list-style-type: none"><li>• <b>HUD 202/ 811:</b><ul style="list-style-type: none"><li>○ Executed Capital Advance Agreement (90167-CA)</li><li>○ Mortgage Note (93232-CA) and Mortgage/Deed of Trust (90165-CA)</li><li>○ Executed Rental Housing Program Income Analysis &amp; Appraisal (92264) and Supplement to Analysis (92264-A),</li><li>○ HUD executed Requisition for Disbursement of Funds (all available) (92403),</li><li>○ Executed Project Rental Assistance Contract- Part I (90173-A)</li></ul></li><li>• <b>Grants:</b> Fully executed copy of the grant agreement for each grant funding source (e.g. CDBG, HOME) with all exhibits and/or attachments</li><li>• <b>Loans:</b> Signed copies of the note and mortgage (or deed of trust or trust indenture or other security instrument) for each loan to the project<ul style="list-style-type: none"><li>○ If the permanent loan has not closed/converted, submit a loan agreement or a signed letter from the lender indicating the principal, rate, term, amortization, and payment amount that this lender expects to provide at the time of permanent</li></ul></li></ul>





		<p>closing.</p> <ul style="list-style-type: none"><li>○ The debt service outlined in 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 #3e above.</li><li>○ Soft, forgivable debt should not appear as debt service on the operating budget.</li></ul> <ul style="list-style-type: none"><li>• <b><u>Assumed Loans:</u></b> Signed copies of note and mortgage and assumption agreement</li><li>• <b><u>Bonds:</u></b> Signed copies of the note and mortgage</li><li>• <b><u>Deferred Developer Fee:</u></b> Signed letter or note from the developer indicating the amount of any developer fee that this organization is willing to defer</li><li>• <b><u>Cash Contributions/Equity:</u></b> Copy of the cancelled check or a letter signed by each contributor, including Sponsor or Member, indicating the amount of cash/equity contributed to the project</li></ul> <p>Important information to note:</p> <ul style="list-style-type: none"><li>• 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.</li><li>• All funding sources identified in the approved AHP application should be verified and included on the project's list of permanent development funding sources. If a funding source identified in the approved AHP application did not contribute funds to the project, submit an explanation indicating why the funding source did not fund the project. <b>All sources that earned Outside Funding Commitment points must be included on the project's list of permanent development funding sources.</b></li></ul>
11	Current, fully executed rental subsidy agreement.	Submit a current, executed rental subsidy agreement if the project will receive project-based rental subsidies. The agreement should include current rent schedule and/or contract renewal to verify the current contract rents as established by the subsidy provider. 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 #3f above, provide an explanation for the discrepancy.
12	Current operating subsidy agreement signed by the entity providing the subsidy.	Submit a current, executed operating subsidy agreement if the project will receive operating subsidy 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 #3f above, provide an explanation for the discrepancy.
13	Explanation of how tenants will pay rent if the project was approved with over 50% of the units	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" (non-elderly). If the explanation is that an organization is covering the rents with fundraising,





	targeted to homeless households or those with special needs (non-elderly) and it is not receiving rental or operating subsidy.	<p>also submit both of the following:</p> <ul style="list-style-type: none"><li>• 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,</li><li>• 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.</li></ul> <p>The amount mentioned in the resolution must match any fundraising or cash contributions identified as income on the project's operating budget. If such documentation was provided with the AHP application and the amount of fundraising needed to support the project has not changed significantly, no further documentation is necessary for this item.</p>
14a	Housing intake/tenant application form	<p>Submit a blank copy of the housing intake/tenant application form that the project will use during regular operations. This form must contain all of the following to meet FHLB's requirements:</p> <ul style="list-style-type: none"><li>• Tenant name (head of household) or other tenant identification,</li><li>• Household size (total number of household members),</li><li>• List of all household members' names and ages,</li><li>• Annual household income by source for all household members,</li><li>• Signatures of the tenant(s) and the project owner representative/management company/property manager,</li><li>• Date of application,</li><li>• Fair housing logo or wording, and</li><li>• Unit transfer date, if applicable.</li></ul> <p>If all the above information is not captured in one document, also submit supplementary documentation that will be collected to verify the above items not captured in the application (e.g. tenant income certification).</p>



14b	Lease or rental agreement	<p>Submit a blank copy of the lease or rental agreement that the project will use during regular operations. This form must contain all the following to meet FHLB's requirements:</p> <ul style="list-style-type: none"><li>• Tenant name (head of household)</li><li>• Property address</li><li>• Unit number</li><li>• Unit size (efficiency, two-bedroom, etc.)</li><li>• Lease date and term</li><li>• Amount of rent to be paid by tenant</li><li>• Total contract rent (tenant-paid rent plus any rental subsidy paid on behalf of the tenant)</li><li>• Signatures of the tenant(s) and the project owner representative/management company/property manager</li><li>• Fair housing logo or wording</li></ul> <p>If all the above information is not captured in one document, also submit supplementary documentation that will be collected to verify the above items not captured on the lease/rental agreement.</p> <p>Projects classified as shelters do not need to provide this item and should mark "N/A" for it on the Request Form.</p>
15a	Member's permanent loan	<p>If the project was awarded points for the Member's provision permanent financing for the project submit one of the following:</p> <ul style="list-style-type: none"><li>• Executed Note and Mortgage showing the Member as the lender (if the loan has closed)</li><li>• Current commitment letter from the Member that outlines the estimated loan amount, interest rate, term, and amort. (if the loan has not closed)</li><li>• Loan agreement that outlines the permanent loan amount, interest rate, term, and amort. (if the loan has not closed)</li></ul> <p>Evidence of conversion/ loan closing will be required post-disbursement if the permanent loan will not close until after receipt of AHP funds. The final loan amount and terms verified post-disbursement must closely match the estimates provided or AHP may be recaptured.</p> <p>The debt must have a term of at least 15 years.</p>
15b	Member's bridge or construction loan	<p>If the project was awarded points for the Member's provision of a construction or bridge loan submit the following:</p> <ul style="list-style-type: none"><li>• Executed Note and Mortgage (or deed of trust or other security instrument) associated with such loan showing the Member as the lender.</li></ul>
15c	Below-market rate on the permanent, construction, or bridge loan	<p>If the project was awarded a point(s) for the Member's provision of a below-market rate on the permanent, construction, or bridge loan, submit one of the following:</p> <ul style="list-style-type: none"><li>• Fully Executed Member Commitment Verification Form, or</li><li>• A current, signed letter from the Member specifying the rate discount (0.50% or 1%) and which loan was discounted.</li></ul>



		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
15d	Member's cash contribution	<p>If the project was awarded a point for Member cash contribution, submit one of the following:</p> <ul style="list-style-type: none"><li>• Fully executed Member Commitment Verification Form, or</li><li>• A current, executed letter from the Member that indicates the amount of the cash contribution, or</li><li>• A copy of the Member's cancelled check to the project/Sponsor</li></ul> <p>The contribution must be listed as a funding source on the final development budget and must meet the applicable dollar requirement:</p> <ul style="list-style-type: none"><li>• Projects approved in 2022 must receive a donation of at least \$750</li><li>• Projects approved in 2023 and forward must receive a donation of at least \$2,000</li></ul>
16a	Donation of at least \$500/\$550 in goods or services by an unrelated party	<p>If the project was awarded points for donation of goods/professional services, submit documentation from the donor organization that includes the following:</p> <ul style="list-style-type: none"><li>• Description of the donated goods or services</li><li>• Name and/or address of the project</li><li>• The billable value of the donated goods or services<ul style="list-style-type: none"><li>○ Must be at least \$500 or more (projects approved in 2022) and \$550 or more (projects approved in 2023 and forward)</li></ul></li><li>• Signature from donor, if a letter is provided</li></ul> <p>The donation must meet the following criteria:</p> <ul style="list-style-type: none"><li>• A cost FHLB deems eligible for AHP reimbursement.</li><li>• The documentation cannot come from the Sponsor or an organization related to the Sponsor (see the FHLB's definition of "Related parties")</li><li>• Cash and gift cards do not qualify as donations under this point category</li></ul>
16b	Energy-efficient new construction	<p>Submit one of the following for all project's addresses (or as many units as the project committed to construct to these energy-efficiency standards). The documentation must come from a third party. <b>Projects approved in 2024 and prior can provide certification from any of the listed sources. Projects approved in 2025 must provide a certification that meets the level for which the project was awarded points.</b></p> <p><b>5 point certifications:</b></p> <ul style="list-style-type: none"><li>• LEED Platinum or Gold Certification,</li><li>• Passive House Certification,</li><li>• Evergreen Sustainable Development Certification,</li><li>• HERS Rating less than 55,</li><li>• Department of Energy's Zero Percent Energy-Ready Home Certification (ZERH), or</li><li>• National Green Building Standard's Emerald Certification</li></ul> <p><b>3 point certifications:</b></p>



		<ul style="list-style-type: none"><li>• LEED Silver Certification, EarthCraft Certification,</li><li>• HERS Rating between 55 and 62 (inclusive),</li><li>• Department of Energy Home Energy Score of 7 or above, National Green Building Standard's Gold Certification,</li><li>• Enterprise Green Communities Plus Certification, or</li><li>• Energy Star / Energy Star Multifamily New Construction Certification, as applicable</li></ul> <p><b>1 point certifications:</b></p> <ul style="list-style-type: none"><li>• LEED Certification aside from Platinum, Gold, or Silver,</li><li>• WaterSense Homes Certification,</li><li>• HERS Rating between 62 and 70 (not including 62),</li><li>• National Green Building Standard's Silver or Bronze, or</li><li>• a REScheck Calculation indicating the proposed design exceeds the 2021 International Energy Conservation Code by 15 percent or better.</li></ul> <p>Projects approved in 2024 and prior could also provide one of the following certifications:</p> <ul style="list-style-type: none"><li>• Evidence from a HERS rater that the housing received a HERS rating of 85 or less to fulfill this commitment</li><li>• Proof that the REScheck calculation for the home exceeds the 2012 Model Energy code by 15% or better</li><li>• Another certification with similar characteristics with prior approval from the FHLB</li></ul>
16c	Creation of climate-resilient housing	<p>Projects awarded points for a certain number of units to produce climate resilient housing, submit one of the following <b>from a third party</b> for each home. <b>Projects approved in 2024 and prior can provide certification from any of the listed sources. Projects approved in 2025 must provide a certification that meets the level for which the project was awarded points.</b></p> <p><b>3 point certifications:</b></p> <ul style="list-style-type: none"><li>• National Green Building Standard's Emerald Certification,</li><li>• U.S. Resiliency Council Certification,</li><li>• SITES Certification,</li><li>• FORTIFIED Gold Certification,</li><li>• REDi Gold or Platinum Certification,</li><li>• Passive House Certification, or LEED Platinum Certification</li></ul> <p><b>1 point certifications:</b></p> <ul style="list-style-type: none"><li>• National Green Building Standards' Green + Resilience Certification,</li><li>• Evergreen Sustainable Development Certification,</li><li>• FORTIFIED Roof Certification,</li><li>• Enterprise Green Communities Plus Certification, REDi Silver Certification, or</li><li>• FEMA Flood Certification (for housing at risk of flooding)</li></ul>



		<ul style="list-style-type: none"><li>• Another certification with similar characteristics with the prior approval of FHLB</li></ul>
16d	Tenant payment reporting to credit bureaus	<p>Submit evidence of the one of the following, which must have a term of at least one year past disbursement of AHP funds.</p> <ul style="list-style-type: none"><li>• Ongoing subscription with a third party rent reporter</li><li>• Credentials for reporting directly to the credit bureaus</li><li>• Add-on to rent payment processor software that allows rent data to go directly to credit bureaus</li></ul>
17	Recorded warranty deed evidencing that the property is in the name of the Sponsor/owner <i>or</i> a copy of the project's lease that transfers the rights to the property to the project's Sponsor/owner	<p>Submit a signed and recorded copy of the warranty 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. If a third party did not transfer the land directly to owner/tax credit entity, submit the recorded deed between the Sponsor and the owner/ tax credit entity. This is needed for all project parcels and addresses.</p> <p>If the property is being leased, provide the fully executed lease. The term of the lease must be at least 15 years from the date of project completion to coincide with the Retention Period. Annual rent payments in a lease agreement must be shown on the operating budget submitted for item #3f above.</p> <p>Make sure that the property's legal description as shown in the deed or lease matches the property documented for item #9a 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.</p>
18	Verification that the project is subject to the most <u>current version of the FHLB retention language</u> for a rental project	<p>All projects must insert the most current <a href="#">FHLB retention language</a> into or attached to the deed provided for item #17. The language should be inserted into the deed or recorded as a Restrictive Covenant to the deed.</p> <ul style="list-style-type: none"><li>• If it is attached to the deed as an addendum, exhibit, or attachment, the deed must reference the addendum, exhibit, or attachment.</li><li>• If recorded as a Restrictive Covenant, the document must reference the recorded deed or memo of lease.</li></ul> <p>Important information to note:</p> <ul style="list-style-type: none"><li>• The FHLB retention language should be recorded <b>after</b> project completion.</li><li>• If the retention language specifies an ending date for the retention period, this date must correspond to 15 years after the "Completion" date of the project ("Retention Period") not the closing date for the partnership or financing of the project.</li><li>• FHLB discourages including an AHP grant amount in the deed or restrictive covenant. If the amount included differs from the final amount disbursed for the project, the deed or restrictive covenant may have to be revised and re-recorded to include an accurate</li></ul>



		<p>amount.</p> <ul style="list-style-type: none"><li>• Make sure that the property’s legal description in the retention mechanism matches the warranty deed.</li><li>• All parcels of the project must be subject to the retention mechanism.</li><li>• The retention language changes periodically, and only the most current language will be accepted.</li></ul>
19	Has the project square footage changed since AHP application?	If the project’s unit mix or floorplans changed since AHP application, submit updated floorplans and enter the total square footage on the request form.
19	<a href="#">AHP Verification of Project Loan Information Form</a> (for projects approved in 2023 and forward only)	<p>If the project was approved in 2023 and forward, complete and submit the <a href="#">AHP Verification of Project Loan Information</a> form. Projects approved in 2022 and prior should mark “N/A” for this item.</p> <p>Loan rates and fees are subject to limitations per FHLB’s Feasibility Guidelines. The purpose of the form is to disclose all construction, predevelopment, and bridge loans made to the project, regardless if the project was awarded points for Member providing such loans. The AHP Rental Development Budget or cost certification should also reflect loan costs (points and fees) for any applicable loans.</p> <ul style="list-style-type: none"><li>• For projects that <b>received points</b> for Member provision of a construction or bridge loan, complete the form AND refer to the documentation requirements in 15a and 15b.</li><li>• For projects that <b>did not receive</b> points for Member provision of a construction or bridge loan, additional documentation is not required but may be requested at FHLB’s discretion.</li></ul>

## Initial Compliance 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. Reference the AHP Implementation Plan available at [www.fhlbcin.com](http://www.fhlbcin.com) for more information. In the meantime, 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
  - 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 the 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 that includes:
    - Tenant name (head of household)
    - Property address
    - Unit number
    - Unit size (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'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 Compliance webinars available at [www.fhlbcin.com](http://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.**





# 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. 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, 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 FHLB's website at [www.fhlbcin.com](http://www.fhlbcin.com). This is only available to rental projects with all funding sources committed, other than cash contributions or deferred developer fee. The Sponsor and project must also 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>. The retention requirement is different for rental and ownership projects; 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 [here](#) under 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 FHLB.

**Q. How long does it take to receive funding once FHLB has received a completed AHP Tax Credit Disbursement Request and all supporting documentation?**

- A. Typically, FHLB will require up to 30 days for review of the disbursement request. 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. FHLB will credit the Member's Demand Deposit Account at 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 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 available under Webinars and Presentations and review this manual. You may also contact a member of FHLB staff for questions by sending a message to [AHPDisbursement@fhlbcin.com](mailto:AHPDisbursement@fhlbcin.com). Also, be sure to notify FHLB of staffing changes so that we may update our records.
- Q. Will HOME or tax credit retention documents be accepted as evidence of long-term FHLB retention?**
- A. No. See item #18 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 #3h 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 AHP Tax Credit Disbursement Requests.

1. The AHP Tax Credit 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 and the two Disbursements for Tax Credit Projects webinars to familiarize yourself with the FHLB's requirements. Contact FHLB at [AHPDisbursement@fhlbcin.com](mailto:AHPDisbursement@fhlbcin.com) for a copy of the project's AHP Application Scoring Sheet and/or the approved AHP application if you do not have one for the project. The documents are also available in OASYS.

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. 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 the 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.
5. Required documentation does not contain the required signatures.
6. The AHP 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.
7. 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 Request Form items #3g and #8 above for assistance with collecting the required documentation.
8. 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 Tax Credit Disbursement Request form for examples of these items. For all other items, the FHLB requires updated documentation.