

2024 AHP Ownership Disbursement Webinar

Presented by:
Samantha Walker



Affordable Housing Program

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HOUSING PROGRAMS

> Affordable Housing Program

Welcome Home Program

Disaster Reconstruction
Program

Carol M. Peterson Housing Fund

Zero Interest Fund

Community Investment Cash
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The Affordable Housing Program (AHP) is our largest and most impactful initiative – over \$895 million awarded since 1990 to develop more than 109,000 affordable housing units. AHP can be used to fund both ownership and rental projects. Grants are awarded on a competitive basis in one offering each year. Applications are typically accepted between June and August with awards in November.

[Read more](#)

Affordable Housing Program resources

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All awarded AHP projects must submit disbursement requests in order to receive the grant funds. Webinars, manuals and forms have been created to assist with the disbursement process. These resources vary by project type; Owner-Occupied Rehabilitation, Habitat, Ownership, Rental or Tax Credit. Owner-Occupied Rehabilitation, Habitat and Ownership projects are subject to an eligibility review to qualify the households within the projects. This information can be found in the Pre-Approvals section. **Access relevant information for each project type in the sections below.** If you have questions, please contact the disbursement team at AHPDisbursement@fhlbcin.com or call (888) 345-2246.

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The information in this section is relevant to Sponsors whose projects involve the development of housing for sale to homebuyers but will not provide deeply-discounted first mortgage financing to the homebuyers.

▼ Documents and Forms

- [Ownership Disbursement Manual \[PDF\]](#)
- [Ownership Disbursement Request Form \[PDF\]](#)
- [Ownership Disbursement Budget \[EXCEL\]](#)
- [Retention Agreement for Ownership Purchase Projects \[PDF\]](#)
- [Disbursement Feasibility Guidelines for Projects Approved in 2022 and Prior \[PDF\]](#)
- [Disbursement Feasibility Guidelines for Projects Approved in 2023 \[PDF\]](#)
- [Sponsor Commitment Verification Form \[PDF\]](#)
- [AHP Verification of Project Loan Information Form \[PDF\]](#)
- [HUD MTSP Median Income Limits \[PDF\]](#)
- [Modification Request Form \[PDF\]](#)
- [Instructions for the Member's Submission of Disbursement Requests through Members Only \[PDF\]](#)

➤ Webinars and Presentations

AHP ownership disbursements overview

- General disbursement information
- Disbursement availability and adjustments
- Disbursement processing
- Disbursement criteria
- Disbursement feasibility
- Household eligibility guidelines
- Common mistakes and reminders

General information

- Review the AHP Ownership Disbursement Manual prior to submitting a request as it describes FHLB's specific requirements for each item on the AHP Ownership Disbursement Request Form (Request Form).
- Submit one Request Form for each household.
- Disbursement requests should be received by FHLB within 60 days of the homebuyer loan closing.
- Disbursement requests will not be accepted more than 12 months beyond the date of the homebuyer loan closing.
- Physical construction for the project should be completed within three years of the AHP award and all funds must be disbursed prior to its AHP commitment expiration date.

Habitat for Humanity affiliates utilizing third-party lending

- Affiliates that will not be providing their own mortgages to the homebuyers, and instead utilizing a third-party lender, are required to follow the ownership guidelines as detailed in this webinar and manual.

Household eligibility guidelines

- Households must meet all targeting commitments detailed in the project's approved AHP application or latest modification.
- All determinations made by FHLB are final and we will not re-evaluate anything after the approval is issued.
- Pre-approval requests can either be submitted at the time of your disbursement request or prior to the completion of the work on the home/the closing of the loan for each household.

Inactive requests

- FHLB will deem inactive any ownership disbursement requests where the Sponsor/Member has been non-responsive for 90 days or longer.
- Inactive requests will not be followed up on as they are not considered to be a part of the project.
- If additional information is eventually provided, but the project has too many active requests, the Sponsor will need to decide what request(s) should be withdrawn before reactivating the request.

Disbursement availability and adjustments

- FHLB reserves the right to deny, delay, reduce, or recapture funds at any time if:
 - The Member or Sponsor failed to respond to a prior FHLB request for additional information;
 - The Member or Sponsor have a non-compliant project(s);
 - The Sponsor has an older or incomplete AHP project that is not making adequate progress;
 - Costs represented are not reasonable; or
 - The project no longer demonstrates a need for subsidy.

Disbursement processing

- FHLB will:
 - Review the request package,
 - Re-evaluate the financial and operational feasibility of the project,
 - Verify the project continues to qualify for the subsidy,
 - Request further documentation as necessary,
 - Send a Confirmation of AHP Funds Disbursement letter to the Member and Sponsor via e-mail upon approval for funding.

Disbursement criteria

- Requests will be processed in accordance with FHLB's policies and procedures, which are dictated by the AHP Implementation Plan (IP).
- FHLB will assess if all documentation meets the feasibility requirements for your project. These requirements can be found on FHLB's website. Refer to the link that matches the award year of your project.
 - Disbursement Feasibility Guidelines for Projects Approved in 2022 and Prior
 - Disbursement Feasibility Guidelines for Projects Approved in 2023

Online submissions

- Every disbursement request must be submitted by the Member through the Member's Only portal on our website.
- Sponsors are responsible for gathering the required documentation and signing the Request Form to submit to the Member for submission.
- If the pre-approval was not previously completed, then all pertinent documentation must be provided with the disbursement package.

Online request form

Affordable Housing Program

Disbursement Request

[Main Menu](#)

Member Information

Member: [REDACTED]
User: [REDACTED]

Form Information

☐ Habitat ☐ Owner-Occupied Rental ☐ Ownership

[REDACTED]

Applicant Information

Applicant:

First Name:

[REDACTED]

MI:

[REDACTED]

Last:

[REDACTED]

Co-Applicant: (if applicable)

First Name:

[REDACTED]

MI:

[REDACTED]

Last:

[REDACTED]

Has the household already been pre-approved for this project?

☐ Yes ☐ No

Property Information

Address:

[REDACTED]

City:

[REDACTED]

State:

[REDACTED]

Zip:

[REDACTED]

County:

[REDACTED]

Unit Size:

☐ Single-family ☐ Two-family (duplex) ☐ Three-family (triplex) ☐ Four-family (quadplex)

ARP grant requested:

[REDACTED]

(May not exceed \$30,000.00)

Online request form

Mortgage Information

1st Mortgage:

Term:

months

Amortization:

months

Interest rate:

percent (rate cannot exceed 7.50%)

Loan Amount:

The first mortgage loan product is:

☐ Conventional

☐ FHA

☐ VA

☐ RHS/USDA

☐ Habitat

☐ NA

☐ Other

Is the Member providing the loan and servicing the loan?

☐ Yes

☐ No

Is the Member servicing the loan, but not providing the loan?

☐ Yes

☐ No

2nd Mortgage:

Is there a second mortgage?

☐ Yes

☐ No

Contact Information

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

Name:

Phone #:

The individual signing this request certifies they are authorized to make such requests and representations contained herein on behalf of the project Member, all information provided is true and accurate, and they have read and understand the requirements for the program mentioned in the AHP Disbursement Manual.

☐ I agree

Upload Documentation

• Attach the Sponsor completed AHP Disbursement Request form with all supporting documentation.

Please note: [View Info](#)

* File will need to be re-selected if there are errors on the page.

* Allowable file extensions: pdf, doc, docx, xlsx

* 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...

Disbursement request instructions

- Step 1: Provide required pre-approval documents
- Step 2: Complete the Request Form
- Step 3: Gather the required disbursement documents
- Step 4: Obtain required signatures and submit to the Member
- Step 5: Member submits the request with all Required Documents to FHLB through the Member's Only portal.

Disbursement Request Form

Housing & Community Investment

AHP Ownership Disbursement Request Effective February 1, 2024



Homebuyer Name:			
Address of Subject Property:			
Member Name:			
Sponsor Name:			
Project Number:			
Total Initially Awarded:	\$	Final Amount Requested:	\$

Refer to AHP Ownership Disbursement Manual for acceptable forms of required documentation. Habitat for Humanity affiliates that will not be providing their own mortgage products to the homebuyers and instead utilizing a third-party lender should also use this AHP Ownership Disbursement Manual and Request Form.

Has the closing occurred within 12 months of submission to FHLB? Yes ☐ No ☐
If "Yes," enter closing date: If "No," the unit is not eligible.

Required Documents:	Already on file	Enclosed	N/A
1. The Sponsor certifies they have completed disbursement training: Yes <input type="checkbox"/> No <input type="checkbox"/>			
2. Has this household already been pre-approved by FHLB? Yes <input type="checkbox"/> No <input type="checkbox"/> If "Yes," skip to #6. If "No," go to #3.			
3. Completed General Information and Income Calculation pages from the FHLB Income and Affordability Workbook.		<input type="checkbox"/>	
4. Homebuyer/owner information (all documentation must be dated in the same year as the signed application/intake form): a. Executed and dated intake form or loan application b. Documentation of AHP-assisted household size and marital status, 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"/>
5. Evidence dated from the application year showing the household meets the commitments made in the approved AHP application, if applicable: a. First-time homebuyer b. Homeless household c. Elderly household d. Household with special needs		<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. Evidence of completion (Certificate of Occupancy et al.)		<input type="checkbox"/>	
7. Type of work completed for this home: New construction <input type="checkbox"/> Rehabilitation <input type="checkbox"/> Acquisition only <input type="checkbox"/>			
8. Evidence the household attended homebuyer counseling.		<input type="checkbox"/>	<input type="checkbox"/>

AHP Ownership Disbursement Request Form
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Effective 02/01/2024



Disbursement Request Form

Required Documents:	Already on file	Enclosed	N/A
9. Verification the services committed in the approved AHP application were completed, if applicable: a. Donation of goods/services b. Fee waiver from the local government c. Energy-efficient new construction d. Adaptive reuse	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
10. Verification the Sponsor complete the commitments made in the approved AHP application, if applicable: a. Marketing/outreach, pre-development activities, construction/rehabilitation activities, landscaping, credit counseling/budgeting, daycare services, education services, and/or employment training/ skills via a completed and executed AHP Sponsor Commitment Verification Form b. Sponsor cash contribution	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
11. Did the project involve construction or rehabilitation activities? Yes <input type="checkbox"/> No <input type="checkbox"/> a. If "Yes," submit the AHP Ownership Final Development Budget executed by the Sponsor detailing all the costs (including developer fee) and permanent funding sources for the unit and their amounts. b. If "No," submit a current appraisal or Property Value Assessment dated within six months of acquisition by the homebuyer.	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
12. Fully executed construction contract with all executed change orders IF an outside contractor completed the construction/rehabilitation on the unit.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Property acquisition information: a. Verification of property acquisition cost paid by the Sponsor/owner b. Verification that the property was donated to the Sponsor/owner c. Verification that the acquisition price paid by the Sponsor/owner is at least 50% below market value d. Appraisal or Property Value Assessment dated within six months of the date the Sponsor/owner acquired the property to document value e. Verification that the vacant property underwent foreclosure, deed in lieu, or short sale immediately prior to acquisition	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
14. 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"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Executed Notes and Mortgages (Deeds of Trust) for all loans made to the homebuyer, even if forgivable.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Disbursement Request Form

 Housing & Community Investment

Required Documents:	Already on file	Enclosed	N/A
16. Evidence of ALL outside funding sources shown in the approved AHP application, permanent funding sources listed on the AHP Ownership Development Budget (submitted for item #11a above) is provided, including copies of all executed grant agreements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. What amounts will the household pay monthly in homeowner's insurance? \$ _____ Property taxes? \$ _____ HOA fees? \$ _____ Homeowner's closing costs? \$ _____			
18. Deed showing the property is in the name of the homebuyer and that the FHLB retention language is inserted, attached, or in a separate restrictive covenant.		<input type="checkbox"/>	
19. Evidence the project meets the following Member commitments as indicated in the approved AHP application, if applicable: a. Permanent loan b. Bridge or construction loan c. Below-market rate on the permanent, construction, or bridge loan d. Cash contribution e. Servicing of homebuyers' loans originated by Sponsor at no cost	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
20. Completed Verification of Project Loan Information Form. (for projects approved in 2023 only)	<input type="checkbox"/>	<input type="checkbox"/>	<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 Ownership Disbursement 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:	Telephone Number:
Title:	E-mail:
Signature:	Date:

Timing

- Disbursement requests should ideally be submitted within 60 days from the date of closing but not more than 12 months.
- As a reminder of this requirement, a new question has been added to the request form. It asks if the closing date of the property to the homebuyer has occurred within 12 months of the submission date of the disbursement request.
 - If the answer is yes, then provide the date of the closing.
 - If the answer is no, then the unit is not eligible to receive AHP funds and the request will be denied.

1 - Disbursement training

- One person from the Sponsor organization is required to participate in training for this disbursement type prior to submission of a disbursement request.
- A consultant cannot attend training on the Sponsor's behalf.
- AHP Sponsors may watch a recorded webinar at www.fhlbcin.com that includes audio, not the slides-only versions, which is distinguishable because it requires signing into WebEx to view.

2-5 - Pre-approval requirements

- These sections pertain to the pre-approval piece of the package.
- If the pre-approval was already completed, mark 'Yes' for question 2 and 'N/A' for questions 3-5.
- If a pre-approval still needs to be completed, all required documentation must be submitted and mark the Request Form appropriately for questions 2-5.
- Refer to the Pre-Approval Manual and webinar for details about this process.

6 - Evidence of completion

- Submit one of the following for any unit that involved construction or rehabilitation work:
 - A certificate of occupancy; or,
 - A final inspection signed by a third-party certified/ licensed inspector verifying that the work is complete and to code AND a copy of their license/certification.
- The evidence of completion must contain a completion date that does not precede the project's AHP award date.

6 - Evidence of completion

- The project address on the evidence of completion must match the household's address as identified elsewhere.

Common Mistakes:

- The documentation submitted was not signed by a third-party licensed inspector.
- The inspector's license was not submitted as required.

7 - Indication of project type

- The Request Form has a section to check what type of unit the property is: new construction, rehabilitation, or acquisition only.
 - Rehabbed units in which a new owner acquires a property must have construction hard costs in excess of \$5,000 for projects approved in 2022 and prior, and \$5,500 for projects approved in 2023 and forward.
 - If the project was approved for substantial rehab, then the construction hard costs must be equal or exceed \$10,000 for projects approved in 2022 and prior, and \$11,000 for projects approved in 2023 and forward.
- If the project was approved with only one project type, it cannot produce housing of a different project type without requesting a modification first.

8 - Homeownership counseling

- Mandatory counseling is required for each applicant by submitting a copy of the homebuyer's completion certificate or a current, executed letter from the Sponsor indicating the homeowner counseling program has been completed.
- The homebuyer counseling program must include at a minimum: mortgage financing, credit-worthiness, household budgeting, and home maintenance.

9a - Donation of goods/services

- Must provide a current, executed letter from a community organization indicating the organization has provided the service for the required timeframe or amount.
- An email containing the contact's name and organization that indicates the services provided is also acceptable.
- At least \$500 (projects approved in 2022 and prior) and \$550 (projects approved in 2023 forward) of the donation value must also be entered as a source on one or more of the Development Budgets.

9b - Fee waiver from the local government

- Documented with a current, executed letter from a government entity indicating the entity has provided a fee waiver for at least one of the AHP-assisted homes creating a savings to the project of at least \$500.

9c - Energy-efficient new construction

- Projects constructing new housing units that are energy-efficient must meet or exceed one of the following:
 - Department of Energy's Zero Percent Energy-Ready Home Certificate,
 - A signed LEED Certification,
 - Enterprise Green Communities Certification,
 - Evidence of the HERS rating,
 - Proof that the REScheck calculation exceeds the 2012 Model Energy code by 15% or better,
 - Energy Star, or
 - Passive House Certification

9c - Energy-efficient new construction

Common Mistakes:

- Documentation did not prove the home met the required energy-efficiency standards.
- A document that has not been approved by FHLB was submitted.
- REScheck document submitted was not completed by a third-party.
- Documentation provided was not for the subject property.

9d - Adaptive reuse

“Adaptive reuse” means rehabilitation/conversion of an existing structure not originally intended for housing into use as housing. The structure cannot have previously been used for housing of any type.

- Submit one of the following to verify that the project earned the point in this scoring category:
 - Local zoning information,
 - Property Value Assessment data,
 - Existing building floor plan,
 - Pictures from Sponsor’s acquisition, or
 - Other documentation approved by the FHLB.

10a - Verification of Sponsor commitments

- Must be the completed and executed AHP Sponsor Commitment Verification form that is located on our website.
- Must be submitted before the last request is disbursed.
- Check the approved activities that have been completed and describe each activity, if applicable.
- The form is not required if the project was not approved for completing any of the activities listed on the form.

10a - Sponsor Commitment Verification Form

Verification of AHP Approved Sponsor Commitments Effective January 3, 2023



Project Number: _____

Project Name: _____

Sponsor Name: _____

The above named project was approved with one or more of the following Sponsor commitments. Check the commitment(s) that have been completed for this project by the above named Sponsor and describe the activities, if applicable.

☐

Provided marketing/outreach activities.

Describe: _____

☐

Completed pre-development activities (Sponsor is the developer on the project).

Describe: _____

☐

Completed construction/rehabilitation activities with employees or volunteers (Sponsor was the general contractor on the project).

☐

Management of Project upon completion.

☐

Landscaping by Member or community organization.

1. Name of organization: _____

2. Landscape activities: _____

3. Address: _____

4. Total hours volunteered: _____

The above named project was approved with commitments to provide one or more of the following empowerment services. Check the committed service(s) that are available to all homebuyers/owners or all tenants of this project.

☐

Credit counseling/budgeting

☐

Employment/skills training

☐

Daycare services

☐

Tenant on Sponsor's Board (projects prior to 2021)

☐

Education services

I certify that the information presented herein is true and accurate and further understand that providing false representations may constitute an act of fraud.

Sponsor Contact Printed Name & Title: _____

Sponsor Contact Signature: _____

Date: _____

10b - Sponsor cash contribution

- The full amount of the contribution must be listed as a funding source on one or more of the Budgets for households in the project.
- The contribution must be at least \$500 (projects approved in 2022 and prior) and \$2,000 (projects approved in 2023 forward) to qualify for the point in the AHP scoring system.

11a - AHP Ownership Development Budget

- MUST submit the FHLB AHP Ownership Development Budget with the final costs/sources.
 - Located on our website.
 - Instructions for completing the Budget are included.
- Changes cannot be made to this Budget after submission and before disbursement.
- The Budget must be signed by the Sponsor.

Sample AHP Ownership Development Budget

Project Number:	0	Closing Costs:	\$0.00
Homebuyer Name:	0	Taxes/Insurance/HOA:	\$0.00
Homebuyer Address:	0	Total Unit Sq. Footage:	-
		Closing Date:	1/01/2000

Project Funding Sources - Permanent Financing and Equity Sources			
Funding Source Name	Funding Amount	Funding Source Name	Funding Amount
AHP Requested	\$0.00	Funding Source Name	\$0.00
Permanent Loan	\$0.00	Funding Source Name	\$0.00
Homebuyer Downpayment	\$0.00	Funding Source Name	\$0.00
Donate Land Value	\$0.00	Funding Source Name	\$0.00
Donated Materials Value	\$0.00	Funding Source Name	\$0.00
Donated Professional Labor Value	\$0.00	Funding Source Name	\$0.00
Member Contribution	\$0.00	Funding Source Name	\$0.00
Sponsor Contribution	\$0.00	Funding Source Name	\$0.00
Total Funding Sources	\$0.00		

Project Costs	
Acquisition Costs	Residential Costs
Paid Land Cost	\$0.00
Paid Building Cost	\$0.00
Donated Land Value	\$0.00
Donated Building Value	\$0.00
Liens and Back Taxes	\$0.00
Acquisition Closing Costs	\$0.00
Other Acquisition Costs	\$0.00
Total Acquisition Costs	\$0.00
Hard Costs	
Demolition	\$0.00
Driveways, sidewalks (road and walks)	\$0.00
Trench work, backfill & compaction	\$0.00
Site Utilities	\$0.00
Underground Water & Sewer	\$0.00
Drainage	\$0.00
Landscaping	\$0.00

Define Other:

Sample AHP Ownership Development Budget

Off-Site Improvements (OSI)	\$0.00
Construction/Rehab Hard Costs	\$0.00
Furnishings/Appliances	\$0.00
Builder's Risk Insurance	\$0.00
Builder's Liability Insurance	\$0.00
Donated Professional Labor Value	\$0.00
Donated Materials Value	\$0.00
General Requirements	\$0.00
Construction Management/Overhead	\$0.00
Contractor's Profit	\$0.00
Hard Cost Contingency	\$0.00
Other Hard/Construction Costs	\$0.00
Total Hard Costs	\$0.00
Soft Costs	
Construction Loan Interest	\$0.00
Construction Loan Fee	\$0.00
Bridge Loan Fee	\$0.00
Bridge Loan Interest	\$0.00
Bond Issuance Fees	\$0.00
Permanent Loan Fee	\$0.00
Local building permits/fees	\$0.00
Engineering Fees	\$0.00
Architecture Fees	\$0.00
Market Study	\$0.00
Survey	\$0.00
Energy Audit	\$0.00
Environmental Study/Report	\$0.00
Inspection Fees	\$0.00
Accounting Fee	\$0.00
Tax Credit Application Fee	\$0.00
Tax Credit Reservation/Commitment	\$0.00
Syndication Expenses	\$0.00
Organizational Expenses	\$0.00
Compliance Fee	\$0.00

Define OSI:

0.00% **Acceptable Contractor Costs Calculation**

Define Other:

Sample AHP Ownership Development Budget

Appraisal	\$0.00
Closing Costs	\$0.00
Title & Recording Costs	\$0.00
Legal Fees	\$0.00
Tax/Insurance Escrows	\$0.00
Lease-up Reserve	\$0.00
Operating Reserve	\$0.00
Replacement Reserve	\$0.00
Capitalized Asset Management Fee	\$0.00
Other Reserves	\$0.00
Developer Fee	\$0.00
Consultant Fee	\$0.00
Organizational Overhead	\$0.00
Application Preparer Fee	\$0.00
Relocation Costs	\$0.00
Real Estate Taxes	\$0.00
Rent up/Marketing	\$0.00
Site Security	\$0.00
Soft Cost Contingency	\$0.00
Other Soft Costs	\$0.00
Total Soft Costs	\$0.00
Total Project Costs	\$0.00

Define Other:

0.00%

Acceptable Developer Fee Calculation

Define Other:

Sponsor Signature Sign-off

All costs and sources for the above homebuyer are accurate to the best of my knowledge and contain no ineligible costs (signage, drinks/food, t-shirts, lawn mowers, gifts/gift cards, entertainment, parking fees, cell phone bills, gas, donated

Sponsor Signature:

Sponsor Typed Name

Date:

11a - AHP Ownership Development Budget

- List only permanent (not construction) funding sources.
 - Do not include any forgivable loans from the Sponsor organization on the Budget.
- Sum of costs MUST equal sum of funding sources and be at least the purchase price to the homebuyers.
- Donations must be shown as a source to fulfill any commitments made in the application but can be shown as a cost as well.

11a - AHP Ownership Development Budget

Common Mistakes:

- The Budget does not balance.
- The land costs amount was erroneously entered on the Budget.
- The land costs are incorrectly listed under the paid costs when it was donated or vice versa.
- The developer fee exceeds 15% of the total development costs.
- The AHP funding source included on the Budget does equal the 'Final Amount Requested' on the Request Form.

12 - Construction contract

- Submit a construction contract and change orders for the home signed by all required parties (contractor, Sponsor, and architect, if applicable).
- Costs associated with any rehabilitation/construction must coincide with the costs shown on the costs and sources detail.
- This is not required if the AHP Sponsor performed the construction/rehab work or it was acquisition only.

Project location

- If project addresses were indicated in the approved AHP application at the time of project approval, those addresses do NOT have to be used.
- Any property address can be used for the project as long as it meets ALL of the following:
 - Located in the county approved in the application, and
 - All the other approved scoring commitments are met, i.e. Appalachia, AIF, etc...

13a - Verification of acquisition cost

- Document all acquisition costs shown on the Budget by submitting a signed copy of one of the following:
 - Purchase contract
 - Deed with price
 - Loan payoff statement
 - Settlement statement
 - Sheriff's sale document
- Must tie to deed that verifies ownership of the property (submit copies of surveys or platting information if necessary).
- Must be for a cost paid to a third party, not between the AHP Sponsor and itself or an entity related to the AHP Sponsor.

13b - Verification of property donation

- Must be documented with a fully executed copy of one of the following:
 - Purchase contract
 - Settlement statement
 - Letter from grantor
 - Deed indicating price
 - PVA
- Must show the Sponsor acquired all property from a third party, within 5 years of AHP application deadline, and for no more than \$10.00 (payment of back taxes or loans payoffs constitute purchases, not donations).
- Market value of the property must be shown as a source and a use on the Budget to qualify for the point in the AHP scoring system.

13a - Verification of acquisition cost

13b - Verification of property donation

Common Mistakes:

- The documentation of costs is not dated from the time of acquisition.
- The property address listed on the verification documents does not match the address on the Request Form, the Note(s), the Mortgage(s), or the Deed.
- The land costs are incorrectly listed under the paid costs when it was donated or vice versa.

13c - Verification of land costs paid are at least 50% below market value

- Must be verified with a Property Value Assessment (PVA) from the county auditor's office within six months of the Sponsor's acquisition or;
- An appraisal signed by a licensed/certified appraiser that shows the "as-is" value of the property within six months of the acquisition.

13d - Appraisal or PVA

- The market value of the land (paid or donated) must be documented with an appraisal or PVA from the county recorder's office (dated within six months of the acquisition).
- If the price paid for the land is greater than the market value, the grant amount will be reduced unless the project was reduced for this reason at the time of application approval.
- The market value for donated land should be the figure entered on the Budget.

13e - Property vacant due to foreclosure

- Units must have been acquired by the Sponsor directly from one of the following:
 - Foreclosure notices,
 - Sheriff's sale document,
 - Deed between the previous owner and the lender, or
 - Letter from the lender.
- Units that passed through the ownership of other entities DO NOT qualify for these points.

13e - Property vacant due to foreclosure

- Evidence that the property was vacant at the time it was acquired by the Sponsor is required and must be documented with one of the following:
 - Photos dated within one year of the acquisition, or
 - Appraisal dated within six months of the acquisition.

14 - Average Income Factor

- Submit a copy of a FFIEC indicating the property is located in a census tract with an AIF as approved.
- Projects approved in 2020, are required to have at least 20% of its units in a census tract with an AIF greater than 120%.

15 - Executed Notes and Mortgages (Deeds of Trust)

- Executed Notes and Mortgages (Deeds of Trust) are required for all loans to the homebuyer, even if forgivable.
- All repayable loans must be entered on the Budget.
- Homebuyers cannot occupy the property prior to closing, the project could then be considered a rental project.

15 - Deferred loans

- Third-party deferred loans must be documented with the Note and Mortgage AND must show as a funding source on the AHP Ownership Development Budget.
- Deferred loans originated by the Sponsor are not required to be shown as a source on the AHP Ownership Development Budget. FHLB considers this as a Sponsor cash contribution.

16 - Evidence of all funding sources

- If the project was approved for funding sources such as SHOP, HOME, AHTF, etc., submit the fully executed grant/funding agreements along with any attachments/exhibits.
- If the project was approved for a cash contribution from a source, submit an executed letter verifying the cash contribution.
- Nothing needs to be submitted when Sponsor cash/fundraising is used on a Budget.

16 - Evidence of all funding sources

Common Mistakes:

- The required documentation to verify the funding sources listed on the Budget was not provided.
- The cash source received was not disclosed on the household's Budget.
- Cash sources that were approved in the AHP application were not applied to the household's as they originally indicated.

17 - Homebuyer housing expenses

- Input the amount of monthly homebuyer's insurance, homeowners association dues, and property taxes the homebuyer(s) can expect to pay onto the Request Form as well at the homebuyer's closing costs.
- If the information entered on the Request Form does not match information included on the household's AHP Ownership Development Budget, provide an explanation for the discrepancy.

18 - Deed

- Must submit a Deed indicating the property has been transferred to the homebuyer(s) from a third-party and that the current FHLB retention language is in the Deed or referenced in the Deed as an exhibit or addendum.
- “Retention period” means: Five (5) years from the loan closing or certification of project completion for an AHP-assisted owner-occupied unit.

18 - Deed

Common Mistakes:

- The Deed showing the transfer of ownership was not submitted with the disbursement package as required.
- The Deed includes or references old retention language.
- The retention language is not included in the Deed or it is not properly referenced as an exhibit or addendum.

19a- Member's permanent loan

- Submit signed copies of the Note and Mortgage/Deed of Trust for the loan the Member made to the project.
- The Note must show the project's Member as lender.
- Points for permanent loans require the Member to provide loans to at least 51% of the project's units.

19b - Bridge or construction loan

- Must be documented with executed copies of Note and Mortgage (Deed of Trust) showing the Member as the lender.
- There are no principal requirements for the loan amount compared to the total hard costs of the project.

19c - Below-market rate on the permanent, construction, or bridge loan

- Must be documented with one of the following:
 - Current, executed letter from the Member indicating the below-market interest rate for the project and how the interest rate is at least .50% below the market rate.
 - A copy of the standard rate sheet for loans of this type offered by the Member and published for the general public.

19d - Member cash contribution

- Must submit an executed letter from the Member or a copy of the cancelled check.
- This contribution must be listed as a “Cash Source” (Member cash contribution) on at least one of the Budgets for a homebuyer in the project.
- The following contributions must be made based on application approval year:
 - \$500 for projects approved in 2021 and prior.
 - \$750 for projects approved in 2022.
 - \$2,000 for projects approved in 2023 forward.

19e - Servicing of homebuyer loans originated by the Sponsor

- Must be documented with one of the following:
 - Language in the Note indicating where the payments are made.
 - Current, executed certification from the Member that the loan has been set-up on the Member's servicing system and will be serviced at no cost to the Sponsor.
 - “Notice of Assignment of Serving Rights” or a screen print of the Member's servicing system showing each loan has been set up on the Member's system.

20 - AHP Verification of Project Loan Information Form

Only applicable to projects approved in 2023:

- Submit the ‘AHP Verification of Project Loan Information form’
- Loan rates and fees are subject to limitations per the FHLB’s ‘Disbursement Feasibility guidelines for Projects Approved in 2023’
- The form and the feasibility guidelines mentioned above can both be found on FHLB’s website under Habitat Projects.

20 - AHP Verification of Project Loan Information Form (cont.)

Only applicable to projects approved in 2023:

- If the project also received points for Member provision of a construction or bridge loan, the requirements outlined in items 19b and 19c above will also still need to be completed.
- Prorated loan costs (points and fees) for any applicable loans must be entered on the development budget.
- The form applies to project level loans and only needs to be submitted one time.

Affordability analysis

- The housing expense ratio must be within the required affordable range of 31% or below.
- FHLB requires the loan principle(s), loan terms(s), interest rate(s), homeowners association dues, mortgage insurance premiums, and amounts for other predetermined housing costs (insurance, taxes, etc...).

Affordability analysis

- If the annual expense ratio is not within our guidelines, FHLB will:
 - Request additional information regarding actual costs of insurance, taxes, dues, or premiums or
 - Allow a mortgage recasting to occur.
- For households that exceed 31%, if the options above do not remedy the issue then the homebuyer will be deemed ineligible for disbursement.

Disbursement feasibility

- The Sponsor is responsible for ensuring the financial information is correct and consistent with the approved AHP application.
- Projects must meet all feasibility guidelines and approved parameters. Any deviations must be explained and will undergo additional review for reasonableness.
- FHLB's determination will be final and any costs determined not reasonable will be disallowed and will not be reimbursed with AHP funds.

Feasibility guidelines/limits

- FHLB will assess if all documentation meets the feasibility requirements for your project. These requirements can be found on FHLB's website. Refer to the link that matches the award year of your project.
 - Disbursement Feasibility Guidelines for Projects Approved in 2022 and Prior
 - Disbursement Feasibility Guidelines for Projects Approved in 2023

General common mistakes

- The Sponsor or Member is unfamiliar or did not fulfill the commitments made in the AHP application.
- Submission of a Budget that does not balance or is incorrect.
- Package includes documentation that contradicts something else that was also submitted to FHLB.
- The Sponsor or Member is delinquent submitting requested additional information or compliance requirements.

General common mistakes

- The homebuyer or property does not fit into the project's requirements (Special needs/persons aged 60+, homeless, first-time homebuyer, donated property, etc...).
- The Deed showing transfer of ownership to the homebuyer does not include the most recent retention language.
 - Be sure to use the correct retention language as it has the potential to change from year to year.

Reminders

- The Request Form must be signed by the Sponsor contact.
- Any changes to income or household size that occur after pre-approval are not considered.
- A signed version of the most recent Budget is required for each unit when requesting funds.
- Commitment letters submitted with the AHP application are not accepted at time of disbursement.

Reminders

- Submit a copy of the Note and the corresponding Mortgage for all loans made to the partner family.
- Show the principal and interest payment from the Note for all repayable loans shown on the Budget.
- Only submit the request under the project you wish to disburse it under. A household should not be transferred between projects unless it is absolutely necessary.

Reminders

- Allow up to 30 days for FHLB staff to review the packages as well as additional information submitted.
- If a request is withdrawn by the Sponsor, it cannot be reinstated under the same project.
- Keep FHLB informed of any staff changes in your organization via e-mail.
- All requests must be submitted online through the Member's Only portal on our website.

HCI management

<u>Name</u>	<u>Phone</u>	<u>E-mail Address</u>
Damon v. Allen SVP, Chief Marketing & Community Investment Officer	(513) 852-7518	allendv@fhlbcin.com
Dawn E. Grace Vice President, Housing & Community Investment	(513) 852-7612	gracede@fhlbcin.com
Jill A. Cravens Housing & Community Investment Officer	(513) 852-7550	cravensja@fhlbcin.com
Cassandra L. Larcarte Compliance & Outreach Manager	(513) 852-7619	larcartec@fhlbcin.com
Laura K. Overton Systems & Reporting Manager	(513) 852-7603	overtonlk@fhlbcin.com
Jamie M. Board AHP Disbursement Assistant Manager	(513) 852-7629	boardjm@fhlbcin.com

AHP disbursement team

Name

Phone

E-mail Address

Jamie M. Board

AHP Disbursement Assistant Manager

(513) 852-7629

boardjm@fhlbcin.com

Samantha M. Walker

Housing Financial Analyst

(513) 852-7621

walkersm@fhlbcin.com

Crystal L. Woolard

Housing Financial Analyst

(513) 852-7604

woolardcl@fhlbcin.com

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

E-mail: **AHPDisbursement@fhlbcin.com**

Website: **www.fhlbcin.com**

Current HCI Products

- Affordable Housing Program (AHP)
- Welcome Home Program (WHP)
- Community Investment Program (CIP)
- Economic Development Program (EDP)
- Voluntary Programs:
 - Zero Interest Fund (ZIF)
 - Carol M. Peterson Housing Fund (CMPHF)
 - Disaster Reconstruction Program (DRP)

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Let's celebrate together!

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/Public Affairs,
toll-free, at (877) 925-FHLB(3452).**



Thank You

