

AFFORDABLE HOUSING PROGRAM IMPLEMENTATION PLAN



Effective as of December 31, 2019

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Key Symbols

The following symbols are used throughout the Affordable Housing Program (AHP) Implementation Plan to assist the reader in locating certain elements of the Implementation Plan.



Reminders



Documentation
Requirements



Rental Projects



Owner-Occupied Projects



Fundings



Progress Milestones



Web Icon

Definitions

Affordable Housing Advisory Council: The purpose of the [Advisory Council](#) is to advise the Bank’s board of directors on ways in which the Federal Home Loan Bank of Atlanta (“Bank”) can better carry out its housing finance and community lending mission, including, but not limited to, advice on the low-and moderate-income housing and community lending programs and needs in the Bank’s district, and on the use of AHP subsidies

AHP: Affordable Housing Program

AHP Agreement: A legally binding agreement between the sponsor(s), member financial institution, and the Bank that outlines the terms and conditions of funding an awarded project with AHP Competitive funds

AHP Application Certification: Certification submitted at the time of the AHP Competitive application acknowledging that the Bank may rely on statements set forth therein.

AHP Project: A single-family or multifamily housing project for homeownership or owner-occupied and/or rental occupancy that has been awarded or has received an AHP subsidy under the AHP Competitive program

AHP Regulations: A set of rules established by the Federal Housing Finance Agency that govern the AHP program. The full set of AHP regulations can be found on the [Electronic Code of Federal Regulations \(C.F.R.\), 12 CFR § 1291 et seq.](#)¹

AMI: Area Median Income, for a specific area and family size, as determined by the [US Department of Housing and Urban Development \(HUD\)](#)

Application Period: A time period, as determined by the Bank, during which the Bank accepts AHP Competitive applications for subsidy

APR: Annual Percentage Rate

Approval Date: The date the Bank’s board of directors’ issues approval of the AHP Competitive awards

¹ The Finance Agency published a final rule amending the [AHP Regulations effective December 28, 2018 \(the Final Rule\)](#). The Final Rule requires the Federal Home Loan Banks (FHLBanks) to implement the owner-occupied retention agreement requirements by January 1, 2020, and to fully implement the Final Rule by January 1, 2021. The Final Rule also provides that an FHLBank may implement any provision of the Final Rule before the applicable implementation date, provided it implements all related provisions at the same time. Accordingly, the Bank is implementing certain provisions of the Final Rule with respect to AHP project monitoring (12 CFR 1291.15 and 1291.50 of the Final Rule). All other provisions of the AHP Regulations are as set forth prior to issuance of the Final Rule.

Bank: Federal Home Loan Bank of Atlanta

CIS: Community Investment Services (CIS), the department of the Bank that manages the Affordable Housing Program

Co-Sponsor: A party that has teamed with a sponsor, who has joint and several project obligations under the AHP Agreement

Community Partners Eligible Borrower: First time homebuyer or Non-First time homebuyer, employed in any of the following professions defined as:

- **Educators:** An employee of an accredited or state-recognized private or public school; a certified teacher or administrator in an education agency; or an employee of a post-secondary level educational institution; or has retired as one of the above as may be determined at the Bank's sole discretion
- **Law Enforcement Officers, Firefighters, and First Responders:** An employee of a law enforcement agency or fire department administered by a federal, state, or local government; or a sworn law enforcement officer responsible for crime prevention and detection, or criminal incarceration; or a sworn member of a fire department involved in fire suppression or prevention, emergency medical response, hazardous materials incident response, or management/response to terrorism; or any other first responder, such as an emergency medical technician or National Guard or Reservist; or has retired as one of the above as may be determined at the Bank's sole discretion
- **Health Care Workers:** A certified, accredited, or licensed health care worker who is working as a medical resident or fellow; a nurse, nursing assistant, pharmacist, pharmacy technician, physician's assistant, or medical technician, technologist, or therapist; or an employee of an accredited or state-recognized medical or health care facility; or has retired as one of the above as may be determined at the Bank's sole discretion

Community Support Regulations: A set of rules established by the Federal Housing Finance Agency that set forth certain eligibility requirements for members to participate in the AHP and obtain long term advances from the Bank. The full set of Community Support Regulations can be found on the [Electronic Code of Federal Regulations \(C.F.R.\), 12 CFR § 1290 et seq.](#)

Contingency: Funds capitalized at closing for unforeseen expenses incurred during the development phase of the Project

Consultant: A party that is part of a sponsor's team that is providing development or AHP-related services for a project. A consultant is not a party to the AHP Agreement and has no financial or other obligations for the project relative to AHP. A consultant cannot be a primary project contact.

Daycare: Supervised care for the needs of people who cannot be fully independent, such as children or elderly people

Debt Service Coverage Ratio (DCR): For rental projects, the ratio of debt service to available cash flow, as calculated as one of the following:

Hard Debt DCR:
$$\frac{\text{Debt Service (Hard Debt + Other Debt with Required Payments)}}{\text{Net Operating Income}}$$

Soft Debt DCR:
$$\frac{\text{Debt Service (Hard Debt + Soft Debt or Residual Receipts Payments)}}{\text{Net Operating Income}}$$

Deobligation: Cancellation by the Bank of the commitment to fund some or all of the AHP award to the sponsor for a project

Developer: A party that is part of a sponsor's team that is providing development services for a project. A developer is not a party to the AHP agreement and does not have financial or other obligations for the project relative to AHP. A developer may not be a primary project contact.

District: The Bank's district includes Florida, Georgia, Alabama, South Carolina, North Carolina, Virginia, Maryland and the District of Columbia

Elderly: Any person married or single, 62 years of age or more

Eligible Household: A household that meets the income limits and other requirements specified by the Bank for its AHP programs and products

Eligible Project: A project eligible to receive an AHP subsidy pursuant to the requirements of the AHP Implementation Plan and applicable regulations. AHP may not be used for non-residential purposes.

Extremely low-income household: a household that has an income at or below 30 percent of the median income for the area, with the income limit adjusted for household size in accordance with the methodology of the applicable median income standard, unless such median income standard has no household size adjustment methodology

FHFA: Federal Housing Finance Agency, federal agency and regulator of the Federal Home Loan Bank System, Fannie Mae, and Freddie Mac

FHLBAccess®: The password-protected web-based system of the Bank by which sponsors and members manage their AHP Competitive accounts, applications, and projects, linked through www.fhlbatl.com

FHLBAsap®: Federal Home Loan Bank of Atlanta proprietary AHP Set-aside technology platform

First-time Homebuyer: As defined by Department of Housing and Urban Development ([HUD Homeownership Center \(HOC\) reference guide chapter 3](#)); expanded to include recovering victims of catastrophic loss or natural disasters.

Hard Debt: For cash flow analysis purposes, debt that requires principal or interest repayment

HFA: Housing Finance Agency, a quasi-governmental agency that is enabled by state legislation to administer housing finance programs such as Low Income Housing Tax Credit (LIHTC), or the equivalent agency in areas that are not states or the equivalent agency operating on a local level

Homeownership AHP Set-aside Program (AHP Set-aside Program): An AHP program established by the Bank under which the Bank disburses AHP direct subsidy pursuant to the requirements of [Section 1291.6](#) of the AHP Regulations.

Household's investment: to the extent paid by the household and documented (in the Closing Disclosure or other settlement statement, if applicable, or elsewhere) to the Bank, the Member or its designee, as described in the effective December 28, 2018:

- (1) Reasonable and customary costs paid by the household in connection with the purchase of the unit (including real estate broker's commission, attorney's fees, and title search fees);
- (2) Any down payment paid in connection with the household's purchase of the unit;
- (3) The cost of any capital improvements made after the household's purchase of the unit until the time of the subsequent sale, transfer, assignment of title or deed, or refinancing; and
- (4) The amount of principal on any mortgage senior to the AHP subsidy lien or other legally enforceable AHP subsidy repayment obligation repaid by the household.

HUD: U.S. Department of Housing and Urban Development

Intermediary: A party that works with the contractors, lender, homebuyer, and homeowner to facilitate the purchase or rehabilitation of housing

Lease-Purchase (Lease Type A): A project type in which AHP funds are used for the acquisition, construction or rehabilitation of units that are initially leased to eligible households for a limited period and subsequently sold to such households or other eligible households. Units are subject to a five-year retention period from the date of project completion.

Lease-Purchase (Lease Type B): A project type in which AHP funds are used for down payment or closing cost assistance that are initially leased to eligible households for a limited period and subsequently sold so such households or other eligible households. Units are subject to a five-year retention period from the date of closing of the unit to the homebuyer.

LIHTC: Low Income Housing Tax Credits (Section 42 of the IRS Tax Code)

Low- or Moderate-income Household: A household that has an income of 80 percent or less of the median income for the area, with the income limit adjusted for household size in accordance with the methodology of the applicable median income standard, unless such median income

standard has no household size adjustment methodology. The Bank uses HUD median income adjusted for family size.

Member: A bank, credit union, or other financial institution that is a member of the Federal Home Loan Bank of Atlanta. For purposes of this Implementation Plan, “member” shall have the same meaning as “shareholder”

Multifamily Building: A structure with five or more dwelling units

Net Operating Income (NOI): Income that remains after operating expenses are deducted from gross operating income

Net Proceeds as described in the _____ effective December 28, 2018:

(1) In the case of a sale, transfer, or assignment of title or deed of an AHP-assisted unit by a household during the AHP five-year retention period, the sales price minus reasonable and customary costs paid by the household in connection with the transaction (including real estate broker's commission, attorney's fees, and title search fees) and outstanding debt superior to the AHP subsidy lien or other legally enforceable AHP subsidy repayment obligation;

(2) In the case of a refinancing of an AHP-assisted unit by a household during the AHP five-year retention period, the principal amount of the new mortgage minus reasonable and customary costs paid by the household in connection with the transaction (including attorney's fees and title search fees) and the principal amount of the refinanced mortgage.

Offering Period:

1. **AHP Competitive:** A time period, as determined by the Bank, which extends from the time the Bank begins accepting applications (application period) through the time that the Bank makes a final determination of awards
2. **AHP Set-aside:** A time period, as determined by the Bank, which extends from the time the Bank begins accepting applications through the time the Bank exhausts available annual allocation of funds

Owner-occupied Project: For purposes of the AHP Competitive program, one or more owner-occupied units in a single-family or multifamily building, including condominiums, cooperative housing, and manufactured housing

Owner-occupied Unit: A dwelling unit occupied by the owner of the unit. Housing with 2 to 4 dwelling units consisting of one owner-occupied unit and one or more rental units is also considered a single owner-occupied unit

Project Completion: For an AHP project to be complete, the member must:

- draw down all AHP Competitive funds
- construction must be complete

- all requested documents must be received and approved by the Bank
- ***Ownership:*** All owner-occupied units must be sold and occupied by eligible households.
- ***Rental:*** Projects must have a certificate of occupancy (CO) and be at least 75 percent occupied.

Project Owner: For rental projects, the party that has legal ownership of the property and project

Project Sponsor (Sponsor): A non-profit or for-profit organization or public entity that:

1. Has an ownership interest (including any partnership interest), as defined by the Bank in its AHP Implementation Plan, in a rental project; or
2. Is integrally involved, as defined by the Bank in its AHP Implementation Plan, in an owner-occupied project, such as by exercising control over the planning, development, or management of the project, or by qualifying borrowers and providing or arranging financing for the owners of the units
3. Only the Primary Sponsor can submit transactions in FHLBAccess

Rental Project: For purposes of the AHP Competitive program, one or more dwelling units for occupancy by households that are tenants, not owner-occupants, including overnight and emergency shelters, transitional housing for homeless households, mutual housing, single-room occupancy housing, and manufactured housing

Retention Period:

1. Five years from closing or settlement for the purchase, or purchase and rehabilitation, of an AHP-assisted homeownership unit; and
2. Fifteen (15) years from the date of project completion for a rental project.

Returning Veterans: Those that are currently serving or have served in an overseas military intervention environment for any branch of the US military, including National Guard or Reservist, spouses, or their surviving spouses. Listings of overseas military intervention environments can be found at: <https://fas.org/sgp/crs/natsec/R42738.pdf>

Reversal: The removal of funds that were previously deposited in a member's account for a particular project or unit by the Bank

Single-Family Building: A structure with one to four dwelling units

Soft Debt: For cash-flow analysis purposes, debt in which principal or interest repayment is only required if there is available cash-flow, a grant that is secured through a debt agreement or where the lender evidences through the terms of the debt agreement that principal or interest repayment is not expected.

Special Needs: Mentally or physically disabled persons, persons recovering from physical or substance abuse, and people with AIDS

Sponsor Ownership Interest: In accordance with [Section 1291.1](#) of the AHP Regulations, the Bank defines “ownership interest” in a project to mean any direct or indirect interest (including a partnership interest) in the project owner

Sponsor Provided First Mortgage (SPFM): in the AHP Competitive Program, a project type in which the sponsor provides first mortgage financing to qualified moderate-, low-, and very-low income households

Subsidy:

Direct Subsidy: Direct cash payment provided to the Bank’s member institutions. Currently, the maximum direct subsidy limit is \$500,000 per project through the AHP Competitive program. The direct subsidy amount provided through the AHP Set-aside Program varies per product. Please visit our [Product Overview Section](#) for current AHP Set-aside product descriptions.

Subsidized Advance: An advance to a member at an interest rate reduced below the Bank's cost of funds by use of an AHP subsidy

Supportive Housing: Emergency or transitional housing for people experiencing homelessness, as well as housing for people with Special Needs

Surviving Spouse: As defined by the Veterans Administration, here:
http://www.benefits.va.gov/HOMELOANS/purchaseco_certificate.asp

Targeting: The allocation of units to moderate-, low-, or very-low income households

VA: Veterans Administration

Very Low-Income Household: A household that has an income at or below 50 percent of the median income for the area, with the income limit adjusted for household size in accordance with the methodology of the applicable median income standard, unless such median income standard has no household size adjustment methodology. AHP Competitive rental projects must have at least 20 percent of the units at or below this income threshold.

Veterans: Those that are currently serving in any branch of the US military, or including the National Guard or Reservist, spouses, or that have been discharged from any branch of the US military with any status other than dishonorable, or their surviving spouses.

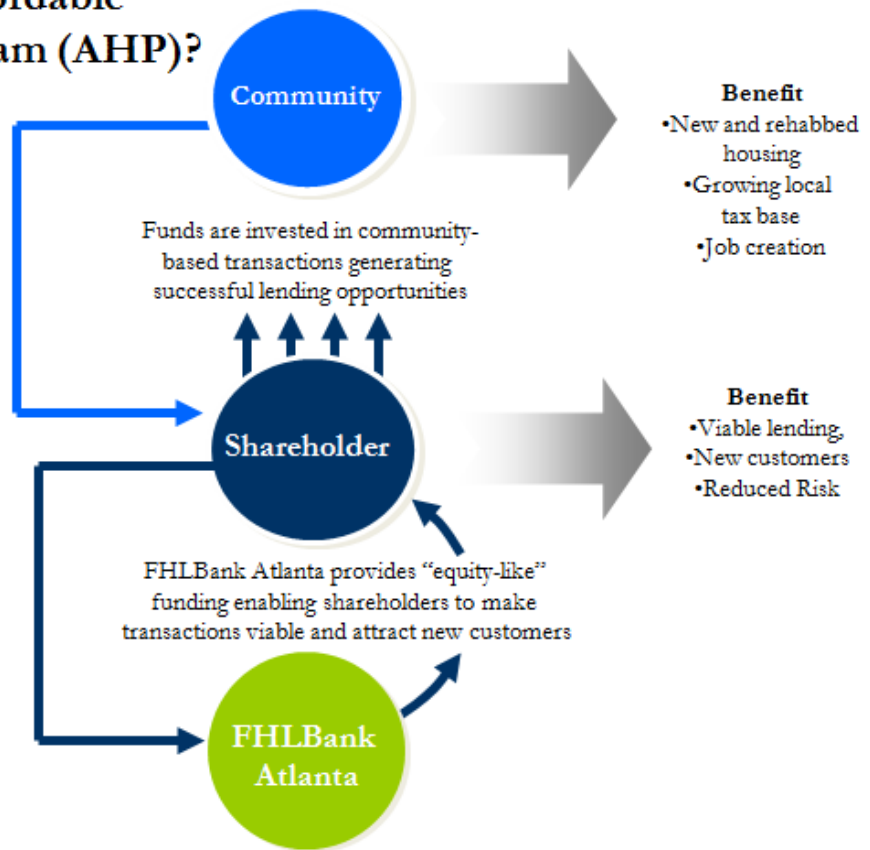
Introduction ¹

1.1 STATEMENT OF PURPOSE

- The Federal Home Loan Bank of Atlanta (Bank) has established an Affordable Housing Program (AHP) pursuant to Section 10(j) of the Federal Home Loan Bank Act, in accordance with the Federal Housing Finance Agency rules and regulations governing the Bank's Affordable Housing Program (AHP Regulations).
- The Bank's board of directors adopts this Affordable Housing Program Implementation Plan (Plan) after taking into consideration the views and recommendations of the Bank's Affordable Housing Advisory Council.
- The primary focus of the Bank's AHP is to support the community investment finance needs of our members and provide them with the tools to facilitate affordable housing financing in their communities.
 - The Bank's AHP Competitive and AHP Set-aside program scoring guidelines and program requirements further the Bank's Strategic Plan by delivering timely gap funds that enable our members to:
 - Better manage transactional credit risk
 - Enhance the extension of credit to ready and viable affordable housing finance opportunities
 - Best leverage available dollars
 - Achieve their core business and compliance objectives via the Bank's AHP
 - Close and deploy AHP funds simultaneously with other public and private funding sources
 - The Bank's AHP focus statement promotes the current priorities of:
 - Veteran's housing
 - Disaster recovery



What is the Affordable Housing Program (AHP)?



This Plan:

- Sets forth certain policies, procedures, and standards applicable to the Bank’s AHP, as required by the Regulations
- Includes other important information pertaining to the AHP
- Is not a comprehensive statement of the Bank’s AHP policies and procedures
- Is not intended to be a complete statement of the rights and obligations of the Bank and other participants in the AHP

1.2 AFFORDABLE HOUSING PROGRAM (AHP) OVERVIEW

A. AHP Subsidies

- The Bank offers AHP subsidies in two distinct intake, processing, underwriting and funding mechanisms:

AHP Competitive Program
Rental and/or Ownership

AHP Set-aside Program
Ownership only

B. How the AHP Subsidy is Allocated

- The Bank must allocate at least 65 percent of its annual, new AHP subsidy contribution to fund its AHP Competitive program
- The Bank may allocate up to 35 percent of its annual, new AHP subsidy contribution to fund its AHP Set-aside program
- The Bank may adjust the amount available from time to time based on a review of program activity or other factors



- Recaptured, returned, or deobligated funds shall be returned to the Bank's AHP fund and may be made available to either the Bank's AHP Set-aside program and/or next AHP Competitive offering period.
- Determination of awards of recaptured, returned, or deobligated funds shall be made consistent with the regulations and the Bank's policies, procedures, and standards for AHP subsidies awarded as part of a standard AHP round.



A unit may not receive funds from multiple FHLBank Atlanta AHP Competitive or AHP Set-aside products during the retention period. Projects may, however, receive additional funds from other sources (which may include other FHLBanks). Projects may receive an additional award from the FHLBank Atlanta upon the expiration of the retention period.

1.3 ANTI-MONEY LAUNDERING STATEMENT

The Bank is fully committed to mitigating, preventing, and reporting fraud by any:

- Material party
- Individual
- Legal entity

The Bank has adopted an Anti-Money Laundering Policy as part of this effort. The Bank's controls and procedures are designed to mitigate the potentially harmful effects of fraud on the AHP program and those with a stake in its success.



All information, documentation, and representations of any party to an AHP transaction must be true and correct as of the date submitted, and any knowing misrepresentation may result in criminal penalties.

1.4 CONFLICT OF INTEREST



The Bank's board of directors has adopted a written policy regarding the code of conduct, including conflicts of interest. Inquiries or attempts to influence any action that would affect the funding on a project are not permitted by the following parties:

- Members of the Affordable Housing Advisory Council
- Members of the board of directors
- Bank staff and management

General Provisions 2

2.1 INCOME ELIGIBILITY GUIDELINES

The Bank uses the greater of several household income calculation methodologies. The methodologies are reflected in the [AHP Income Limits Calculator](#), and use the greater of any of the following four methodologies outlined below as published annually by the Department of Housing and Urban Development (HUD):





- 100% county area median income data basis;
- 80% county area median income data basis;
- 50% county area median income data basis; or
- 80% state median family income data basis



To ensure compliance with the Regulations and to facilitate consistent income qualification practices, the Bank uses the U.S. Department of Housing and Urban Development (HUD) 4350.3 income eligibility regulations as a reference for establishing our income qualification guidelines. Our [detailed income requirements](#) can be found on the Bank's website at www.fhlbatl.com.



A. Income Verification

Type	Status	Timing of Income Verification
 Ownership	All AHP Set-aside Units	No more than 90 days prior to the application submitted to FHLBank Atlanta via FHLBAsap
 Ownership	All AHP Competitive Projects	At the time the household is qualified by the Sponsor for participation in the project
 Rental	Currently Occupied	Household must meet income targeting commitments at the time of the AHP application deadline date, or resident move-in date (whichever is later)
 Rental	New Construction	Household must meet income targeting commitments at time of resident move-in date

2.2 NONCOMPLIANCE REMEDIES

A. General Overview

For a pattern of noncompliance, or a single instance of flagrant noncompliance with any of the following requirements, the Bank may suspend or debar parties from participation in AHP Competitive and/ or AHP Set-aside programs:

- The policies and procedures described in this Plan
 - The terms of an application for AHP Competitive or AHP Set-aside subsidy
 - Any other required certification provided by such party
 - The terms of an AHP Competitive agreement or AHP Set-aside agreement
 - The provisions of the Federal Home Loan Bank Act or of the Regulations
- Adverse developments in investigations or proceedings brought by applicable federal, state or local government authorities that: (a) pertain to a material party to an AHP project, and (b) are determined by the Bank to negatively affect such party's integrity or their ability to perform their current or future AHP obligations

The parties subject to suspension or debarment are as follows:

- Member
- Sponsor
- Intermediary
- Project owner, and/or
- Any material party to the AHP transaction

B. In the Event of Non-compliance

In the event of noncompliance with a program requirement, the Bank may, at its option, undertake one or more of the following:

- Require repayment of the AHP Competitive or AHP Set-aside subsidy to the Bank
- Prohibit the submission of new AHP applications by the noncompliant Member, Sponsor or Project Owner
- Refuse to disburse or prohibit further funding of AHP Competitive or AHP Set-aside subsidies for any or all approved projects and homebuyers/homeowners associated with the noncompliant
 - Member
 - Sponsor
 - Project Owner
- Exercise any of the Bank's rights or remedies provided by any program requirement
- Exercise any of the Bank's rights or remedies provided by the Advances and Security Agreement between the Bank and the Member

C. Member, Sponsor and Project Owner Responsibilities



For each AHP Competitive project, the Sponsor and, with respect to rental projects only, the project owner (obligor), shall pay all charges and expenses incurred by the Bank or the member (including reasonable attorneys' fees and expenses) with respect to the AHP Competitive agreement, any related document, or any other AHP Competitive requirement as it relates to the project in connection with the following:

- Any investigation by the Bank or the member
- Enforcement, protection or preservation of any right or claim of the Bank or the member against the sponsor or project owner
- Collection of any amounts due

For each AHP Competitive transaction and each AHP Set-aside transaction, members are required to cooperate with an investigation, including, but not limited to, timely provision of additional information requested by the Bank and access to employees of the member or their affiliates engaged in the AHP transaction(s).

Each member, sponsor and, with respect to rental projects only, the project owner must:

- Enter into a written AHP agreement with the Bank
- Consent to be a party to any enforcement proceeding initiated by the FHFA regarding the repayment of AHP subsidies received
- Agree to be bound by the FHFA's final determination in the enforcement proceeding

The Bank includes provisions in its AHP Set-aside agreement, which would bind members participating in the AHP Set-aside program.

2.3 EXCEPTIONS AND AMENDMENTS

A. Exceptions

- The Bank, in its sole discretion, may grant exceptions to the requirements, except regulatory requirements, of this Plan
- An exception to the requirements of this Plan does not constitute a contract on behalf of the Bank for the benefit of any member, sponsor, project owner, or other third party beneficiary associated with an AHP project, and may not be enforced by any person against the Bank

B. Amendments

- The Bank's board of directors may amend this Plan from time to time, after considering the views and recommendations of the Bank's Affordable Housing Advisory Council.

Effective Dates of Plan Amendments (unless specifically stated otherwise)	
WHAT	WHEN
Changes to the Bank's AHP Competitive: <ul style="list-style-type: none"> • Scoring guidelines • Extensions • Funding deadlines • Completion deadlines 	Prospectively, to offering periods commencing after the date of the amendment
All other changes	Immediately following board approval

C. Risk Mitigation

The Bank may adopt or amend procedures to further mitigate risk including, but not limited to, risk related to:

- Concentration
- Exposure
- Market



AHP Competitive Program



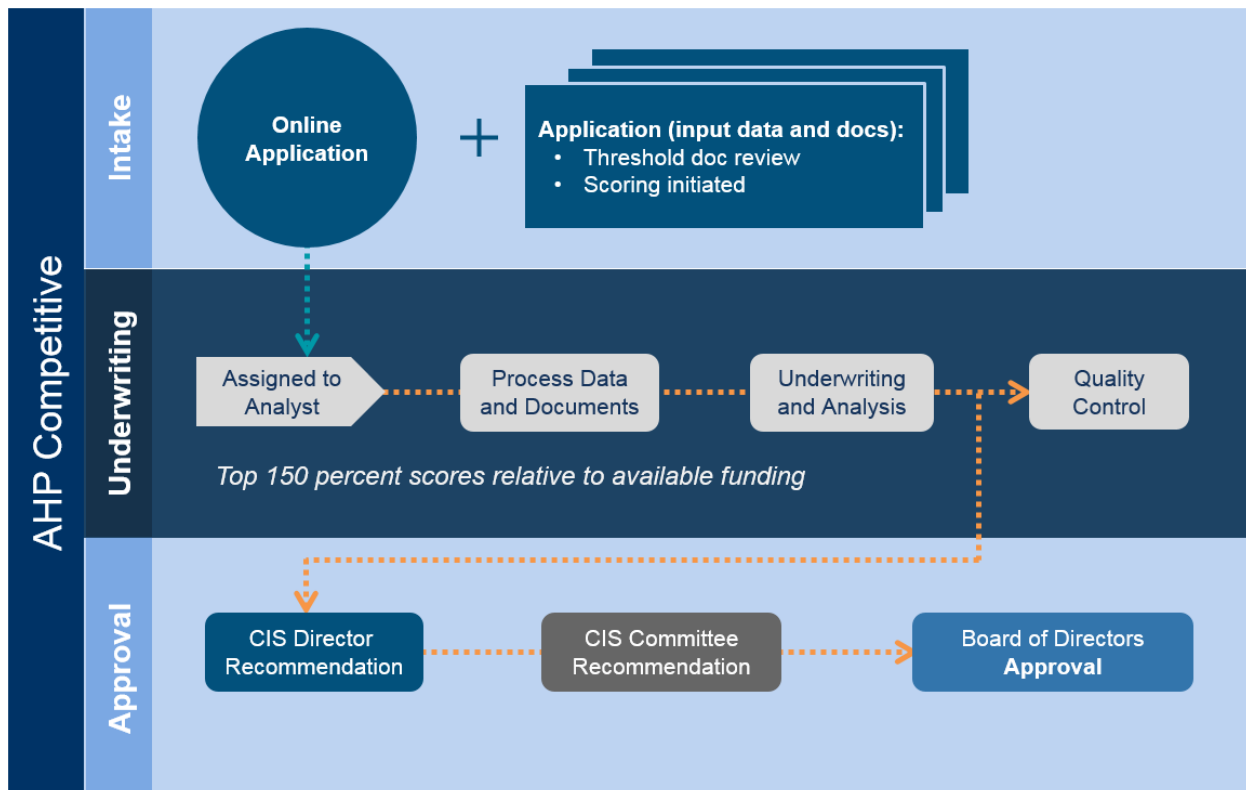
3.1 OVERVIEW AND PROCESS

A. General Overview



- The Bank distributes AHP Competitive program funds in up to two competitive offerings each year pursuant to an application process
- The Bank offers AHP funding in the form of subsidized advances (loans) and direct subsidies (direct cash payments), subject to a maximum direct subsidy limit of \$500,000 per project
- The Bank will announce the offering period for AHP Competitive funds at least 60 calendar days prior to the application deadline. The current [schedule](#) is available on the Bank’s website.

B. Application Intake, Underwriting and Approval Process



3.2 UNDERWRITING OF AHP COMPETITIVE APPLICATIONS

A. Bank's Underwriting Basis for AHP Competitive Applications

- The Bank's underwriting shall not be relied upon by the Member or any other funder in the project as a substitute for their own underwriting and analysis.
- The basis of the Bank's underwriting includes but is not limited to the following:
 - Developmental feasibility: The project must be likely to be completed and occupied, based on relevant factors contained in the Bank's [Project Feasibility guidelines](#), including, but not limited to:
 - The development budget
 - Market analysis
 - Sponsor's experience.
 - Rental Only: Operational feasibility: A rental project must be able to operate in a financially sound manner, in accordance with the Bank's [project feasibility guidelines](#) (Plan Section 3.6), as projected in the project's operating proforma.

B. Member Eligibility Requirements



- Members must be compliant with the [Community Support Regulations](#) as of the application deadline date and the award date in order to be eligible.
- Senior management of the member shall stipulate that a review and a satisfactory level of underwriting of the feasibility of the project by the member has been conducted on all applications submitted for AHP Competitive funds. The Bank's underwriting of a project shall not be relied upon by the member or any other funder in the project.

C. Project Eligibility Requirements

Owner-occupied Housing:



- The purchase, construction, or rehabilitation of an owner-occupied project by or for very low- or low- or moderate-income households
- The scope of the rehabilitation for an owner-occupied unit is limited to the correction of a defect or deficiency in the structure or access to the structure
 - Rehabilitation is limited to work done in compliance with applicable health, fire prevention, building, and housing codes and standards. At completion of the rehabilitation the unit must meet commonly accepted habitability standards.
 - Rehabilitation is limited to a reasonable cost analysis. The Bank will utilize Marshall & Swift, RS Means and/or other industry construction cost data to determine whether the rehabilitation costs appear reasonable, including remaining useful life, as determined by the Bank.

Rental Housing:

- The purchase, construction, or rehabilitation of a rental project
- Limited to a single county
- Projects that are multi-county must submit separate applications

Revolving Loan Funds/ Pools:

Pursuant to its authority under [Section 1291.5](#) of the AHP Regulations, the Bank has elected not to make AHP Competitive subsidies available in connection with “revolving loan funds” or “loan pools” (as such terms are defined in the regulation), and projects utilizing such structures are ineligible under the Bank’s AHP Competitive program.

D. Additional Requirements:

- Eligible AHP Competitive project requirements include, but are not limited to:
 - i. Standards relating to the eligibility and [timing](#) (Plan Section 3.2) of the proposed subsidy use
 - ii. Sponsor qualifications
 - iii. Fair housing
 - iv. Satisfactory underwriting
- All projects must also demonstrate compliance with Bank and regulatory requirements regarding (Plan Section 3.5):
 - [Sources and uses of funds](#),
 - [Project costs](#)
 - [Operational feasibility](#)
 - [Need for AHP subsidy](#)
 -
 - Conformance with the Bank’s [project feasibility and cost guidelines](#)

E. Application Threshold Requirements

- The Bank reserves the right during underwriting to request additional information from applicant members, project owners, and sponsors, as well as other material parties involved with a project, in order to determine whether an application has materially complied with the threshold requirements through alternative documentation or other factors, as reasonably determined by the Bank.
- For Rental projects, a minimum of 20 percent of the units must be reserved for very low income households

Required Documentation

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- The **AHP Competitive application certification** must be completed and duly executed by an authorized signatory of the member.
- **Satisfactory Evidence of Site Control** by the sponsor or the principal of the sponsor or common governing bodies or project owner for all parcels of the proposed project
 - Exception: Site control documentation is not required at application for ownership post-development (the purchase of an existing home with AHP as down-payment assistance or currently owner-occupied rehabilitation) projects only
- A statement of permanent sources of funding, and development budget (source and use statement)
- Evidence that a **minimum of 20 percent of the funding** of a proposed project's total development budget is **conditionally committed** by an unrelated third party. The documentation shall include:
 - Amount of debt or equity and type of product to be extended
 - Evidence that the borrower has been underwritten by the funder and meets the funder's credit criteria, and
 - Evidence that the project has been underwritten and is conditionally eligible to receive the funder's credit or equity.



Note: Seller financing is acceptable to satisfy this threshold if the seller extends credit for real estate transactions in its normal course of business and the terms of the sale and credit are market terms.



Note: Existing financing on projects without a change in ownership is not eligible to satisfy this threshold



Note: Original versions of documentation are not required.

- Project Specific Documentation, as listed below, are additionally required based on the project type:
 - Ownership Down-payment Assistance Projects, Ownership New Construction, and Ownership Acquisition Rehab Projects - 20 percent of the homebuyers identified and qualified (homebuyer contribution in escrow (e.g., Individual Development Account (IDA), or equivalent), and homebuyer income qualified for AHP

- Owner-occupied (Rehabilitation-Only) Projects - 20 percent of the units identified including cost specifications, cost breakdown, and homeowners income qualified for AHP
- New Construction Projects - A hard cost schedule of values and conceptual plans for any new construction and/or additions to existing building(s)
- Rental (Rehabilitation) Projects - Scope of work and cost breakdown submitted on the Bank's approved template



Additional Threshold Requirements:

- Sponsor is deemed qualified and able.

FAQ: What else should I consider before submitting my application?

- For Rental projects, a change to the location of the proposed project is generally not allowed
- A change to the project's sponsor(s) must be approved by the Bank. Adding a co-sponsor is allowed.
- Where site control is not required at application, the sponsor must specify the geographic boundaries of the project in the application. A sponsor may not submit multiple applications for the same project type within the same geographic boundaries as defined by the sponsor in the application.

- AHP sponsors and/or AHP owners who have received charitable contributions (cash or in-kind donations) or CIS sponsorships from the Bank in the 12 months prior to the application deadline date are not eligible to receive new AHP Competitive awards.

F. Scoring

The Bank will score AHP Competitive applications in accordance with the scoring guidelines set forth [herein](#) (Plan Section 3.5).

G. Approval

- The board of directors of the Bank will approve eligible applications in descending order, starting with the highest-scoring application, until remaining AHP Competitive funds are insufficient to fund the next highest-scoring application or until no eligible applications submitted on or before the application deadline date remain.
- Of the remaining applications not approved for funding, the board of directors will designate at least the next four highest scoring applications as alternates.

- If previously committed AHP subsidy funds become available prior to the application deadline for the next AHP Competitive offering, the Bank may approve one or more of the alternates for funding.
- The Bank’s “approval date” is the date of the board of directors’ approval.

H. Sponsor Qualification and Ability Requirements

The Bank will underwrite the sponsor(s), including the development team and related parties, to determine, in the Bank’s sole discretion, whether the sponsor is qualified and able to perform the responsibilities as committed to in the AHP Competitive application. The development team, related parties and related party transactions, as defined in the AHP Application Certification, must be disclosed.



Owner-occupied Sponsors

- In order to be considered a sponsor for owner-occupied projects, the sponsor must be integrally involved in the project.
- “Integrally involved,” as determined at the Bank’s discretion, is to mean that the entity exercises control over any of the major elements of:
 - Planning
 - Project design
 - Development
 - Construction
 - Marketing
 - Sales
 - Management of the project
- Intermediaries or consortiums shall not be considered “integrally involved” as defined by the Bank. Multiple entities, in which the other entity(ies) are not integrally involved or in which a joint venture structure does not exist, may not combine their units into a single application.



Rental Sponsors

- The sponsor must have an ownership interest in the project from award through the entire AHP 15 year retention period.
- As a condition of award, the Bank may require additional material parties to the transaction to be identified as sponsors and be a party to the AHP agreement.

3.3 PROGRESS MILESTONES AND TIME LIMITS ON THE USE OF AHP SUBSIDIES

A. Overview








The Bank has adopted the following AHP Competitive project progress milestones and time limits. Progress milestones will be reviewed to ensure that progress is being made towards the time limits.

The Bank reserves the right, at its sole discretion, to cancel AHP Competitive awards prior to the funding or completion deadline if the project does not demonstrate progress as per the progress milestones.

B. Milestones - From time of Approval Date:

Within 6 months	Proper Zoning and Land Use Designation Obtained Evidence must be received documenting that the site of the proposed project has the appropriate zoning and land use designation (Except for ownership post-development (the purchase of an existing home or owner-occupied rehabilitation) projects only).
Within 12 months	Funding Sources Committed Evidence must be received indicating that all other funding sources for the proposed project have been committed.

C. Time Limits- from time of Approval Date:

<p>Within 18 months</p>  <p>Rental</p>	<p>Funding Deadline - Rental A member must draw down all subsidized advances and direct subsidies.</p>  <p><i>Note:</i> An extension of the funding deadline, for good cause shown, may be submitted. All decisions to grant or reject such an extension shall be at the sole discretion of the Bank and shall be final when made.</p> <div style="border: 1px solid black; padding: 5px; background-color: #f0f0f0;"> <p>FAQ: What if my project involves multiple draws (e.g. construction or rehabilitation projects)? Multiple draws are not permitted for subsidized advances. The member should draw down multiple fundings of direct subsidy to comply with this limitation. The Bank will consider any AHP Competitive project that fails to meet the use deadline as noncompliant.</p> </div>
<p>Within 39 months</p>  <p>Ownership</p>	<p>Funding Deadline - Ownership For ownership projects that disburse AHP funds at permanent homebuyer closing.</p>
<p>Within 30 days of funding</p>	<p>Use Deadline A member must use all subsidized advances and direct subsidies for approved purposes within 30 calendar days after the Bank disburses the funds.</p>
<p>Within 39 months</p>  <p>Ownership</p>  <p>Rental</p>	<p>Project Completion Deadline All projects must be completed within thirty-nine months of the approval date. To be complete, the following must occur:</p> <ul style="list-style-type: none"> • Member must draw down all AHP Competitive funds • Construction must be complete • All requested documents must be received and approved by the Bank • <i>Ownership:</i> All owner-occupied units must be sold and occupied by eligible households. • <i>Rental:</i> Projects must have a certificate of occupancy and be at least 75 percent occupied. <p>An Extension of the project completion deadline, for good cause shown, may be submitted. All decisions to grant or reject such an extension shall be at the sole discretion of the Bank and shall be final when made.</p>

*Note:*

- Exceptions may be required if projects fail to meet the established time limits

3.4 WATCH LIST AND/OR RECAPTURE OF AHP FUNDS

The Bank will consider any AHP Competitive project that fails to meet the time limits and progress milestones stated herein to be noncompliant, and in its discretion may take action including, but not limited to, placing the project on the Bank's Watch List and recapturing the awarded AHP Competitive funds.

3.5 AHP COMPETITIVE SCORING GUIDELINES

CATEGORY	POINTS	
Donated Government-Owned or Other Property	5	Variable
Nonprofit or Government Sponsor	5	Variable
Targeting	20	Variable
Housing for Homeless Households	5	Fixed
Empowerments	5	Variable
First District Priority		
Member Participation	15	Fixed
Second District Priority		
Project Readiness	10	Variable
Veterans	10	Variable
Leveraging	10	Fixed
AHP Subsidy per Unit	10	Variable
Community Stability	5	Fixed
TOTAL	100	

- For the purpose of resolving tie scores, FHLBank Atlanta calculates scores out to 11 decimal places.

1. DONATED GOVERNMENT-OWNED OR OTHER PROPERTY	
<p>Projects creating housing where at least 25% of the units, land, or land lots are donated or conveyed contemporaneously by the federal government or any agency or instrumentality thereof; or units or land donated or conveyed by any other party for a nominal price</p> <p>Nominal price is defined as:</p> <ul style="list-style-type: none"> • A small, negligible amount, most often 10 dollars or less • May be accompanied by modest expenses related to the conveyance of the property for use by the project. <p>The subject property must be donated by an entity not related to the sponsor, project owner, or member, prior to the disbursement of AHP funds. A donation from government or quasi-government sellers or lessors to a related party is allowed. Property that is contributed to the project and includes a seller takeback note is not considered “donated” if there is an expectation of repayment, including but not limited to if the property is part of LIHTC basis.</p>	
<p>5 POINTS (VARIABLE)</p>	<p>Scoring: At least 25% of the units, land or land lots must be donated or conveyed to the project to receive points in this category.</p> <p>Rental Projects:</p> <ul style="list-style-type: none"> • Five (5) points times the percentage of total project units donated or conveyed to the project, or five (5) points times the percentage of total land donated or conveyed to the project <p>Owner-occupied Projects:</p> <ul style="list-style-type: none"> • Five (5) points times the percentage of AHP-assisted units or land lots donated or conveyed to the project

2. NONPROFIT OR GOVERNMENT SPONSOR	
<p>Sponsorship by a nonprofit organization, a state or political subdivision of a state, a state housing agency, a local housing authority, a Native American tribe, an Alaskan Native village or the government entity for Native Hawaiian home lands. Rental sponsors must have an ownership interest in the property to qualify for points in this category.</p>	
<p>5 POINTS (VARIABLE)</p>	<p>Rental Projects:</p> <ul style="list-style-type: none"> • One (1) point will be awarded to a rental project, where the Sponsor has or will have an ownership interest in the project from funding through the entire AHP 15 year retention period • Four (4) additional points if the nonprofit sponsor has or will have a controlling ownership interest (e.g. greater than 50% of the general partner / managing member) from funding through the entire AHP 15 year retention period <p>Owner-occupied Projects:</p> <ul style="list-style-type: none"> • A maximum of five (5) points will be awarded to an ownership project where the sponsor exercises control over the following project activities (1 point for each activity up to a maximum of 5 points): <ul style="list-style-type: none"> ○ Marketing/outreach ○ Property acquisition ○ Pre-development ○ Construction/rehabilitation ○ Qualifying borrowers for home mortgages, including AHP ○ Providing or arranging financing

3. TARGETING	
<p>The extent to which the project targets very low, low- and moderate-income households. Points for this category are derived from a weighted average calculation based on all applications submitted for the applicable AHP offering.</p>	
<p>20 POINTS (VARIABLE)</p>	<p>Scoring:</p> <ul style="list-style-type: none"> • Points for this category are derived from a weighted average calculation based on all applications submitted for the applicable AHP offering • Based only on AHP-assisted units (80% or below of AMI) in the project for ownership projects • Based on total number of units in the project for rental projects • Notwithstanding the weighted average scoring, for rental projects, if 60% or more of the total project units are reserved for families earning 50% or less of the AMI, the project will receive 20 points • Other projects will be scored on a declining weighted average targeting (WAT) scale basis • This category cannot be self-scored.

4. HOUSING FOR HOMELESS HOUSEHOLDS	
<p>Homeless households are defined as those households recognized as homeless under current HUD statutes, regulations, or regulatory interpretations.</p> <p>Units must be reserved for or occupied by eligible homeless households for the entire AHP retention period for rental projects, or sold to or owned by eligible homeless households for ownership projects.</p>	
5 POINTS (FIXED)	<p>Scoring:</p> <ul style="list-style-type: none"> • The creation of rental housing reserving at least 20% of the units for the creation of transitional housing for homeless households permitting a minimum of six months occupancy; or • The creation of permanent owner-occupied housing reserving at least 20% of the total project units for homeless households

5. EMPOWERMENTS

As part of the AHP Certification, the empowerment activity being offered:

- Must be offered to all residents;
- Shall be comprehensive in nature;
- Achieves the intended objectives as stated in the application;
- Has committed resources;
- Has appropriate oversight and reporting to the Sponsor’s Board (or other governing body);
- Assists residents in moving toward better economic opportunities; and
- Provided on a value added basis.

Scoring:

**5 POINTS
(VARIABLE)**

Projects providing housing in combination with one or more of the following activities, will receive points as indicated for each activity, up to a maximum of five (5) points. Empowerment Activities	Owner (Non-OOR)	Owner Occupied Rehab (OOR)	Rental
Homeownership Education Program <ul style="list-style-type: none"> • Pre-closing Counseling 	5 Points	N/A	N/A
Employment Readiness Program	N/A	N/A	2.5 Points
On-Site Daycare (Child or Adult)	N/A	N/A	2.5 Points
Training and Education Program	N/A	2.5 Points	2.5 Points
Owner / Resident Involvement Program	N/A	2.5 Points	2.5 Points
Counseling Program (Homeowners & Tenants)	N/A	2.5 Points	2.5 Points

FIRST DISTRICT PRIORITY:	
6. MEMBER FINANCIAL PARTICIPATION	
<p>Projects that demonstrate contemporaneous Bank member financial participation (excluding the pass-through of AHP direct subsidy) in the project such as providing market rate or concessionary financing (e.g., permanent financing, mortgage financing, bridge loans, construction financing), equity, letter of credits, or some other acceptable forms of financial participation as determined by the Bank in its sole discretion.</p>	
15 POINTS (FIXED)	<p>Scoring: In order to receive the 15 points in this category, members must extend credit or equity as represented in the application. The member credit or equity must meet the following requirements:</p> <ul style="list-style-type: none"> • The amount of credit that has been or will be extended which is at least 5% of the project’s total development budget

SECOND DISTRICT PRIORITY:	
7. PROJECT READINESS	
<p>Projects that demonstrate readiness, at the time of application, that have demonstrated to the Bank’s satisfaction that they have met certain development/ financing benchmarks, based on project type and as determined by the Bank in its sole discretion.</p>	
<p>10 POINTS (VARIABLE)</p>	<p>Scoring: In order to receive the 10 points in this category, members must submit documentation evidencing the following according to project type:</p> <p>Rental Projects:</p> <ul style="list-style-type: none"> • Non-LIHTC: 100% of non-FHLBank AHP permanent sources committed • 9% LIHTC: Tax credits awarded by state allocating agency • 4% LIHTC: 100% of non-FHLBank AHP permanent sources committed <p>New Construction/Owner-acquisition Rehab Projects:</p> <ul style="list-style-type: none"> • <u>Ownership (New Construction/Rehabilitation)</u> 75% of the units presold identified and qualified (homebuyer contribution in escrow (e.g., Individual Development Account (IDA), or equivalent), homebuyer income qualified for AHP, and representative of the targeting commitments in the application, including homeless and veterans) • <u>Ownership Down Payment Assistance</u> 100% of the homebuyers identified and qualified (homebuyer contribution in escrow (IDA acceptable) and homebuyer income qualified for AHP and representative of the targeting commitments in the application, including homeless and veterans) <p>Owner-occupied Rehabilitation Projects:</p> <ul style="list-style-type: none"> • 75% of the units identified including cost specifications and cost breakdown and households income eligible for AHP <p>Scoring: In order to receive 5 points in this category, members must submit documentation evidencing the following according to project type:</p> <p>Rental Projects:</p> <ul style="list-style-type: none"> • 9% LIHTC: Tax credit application that meets the threshold requirements has been submitted to the state allocating agency and the application is pending decision • 4% LIHTC with bonds: Tax credits awarded by state allocating agency, bond inducement resolution, or equivalent

SECOND DISTRICT PRIORITY:	
8. VETERANS	
Note: Please consult the Definitions Section for eligibility regarding Veterans, Spouses and Surviving Spouses.	
10 POINTS (VARIABLE)	<p>Scoring: Projects in which at least 10% of the total project units will be occupied by Veteran households will receive five (5) points</p> <p>Projects in which at least 25% of the total project units will be occupied by Veteran households will receive ten (10) points</p> <p>Units must be reserved for or occupied by eligible veteran households for the entire AHP retention period for rental projects, or sold to eligible Veterans households for ownership projects.</p> <p>Documentation requirements for Veterans:</p> <ul style="list-style-type: none"> • A copy of current orders showing duty posting in a conflict environment, for current active-duty personnel; or • Military Service Record DD214; or • Veterans ID card; or • Use of VA Certificate of Eligibility (http://www.benefits.va.gov/HOMELOANS/purchasecertificate.asp) • A copy of one of the above, along with a Death Certificate for a surviving spouse application; and • Any other documentation that may be determined acceptable at the Bank's sole discretion

SECOND DISTRICT PRIORITY:	
9. LEVERAGING	
10 POINTS (FIXED)	<p>Scoring: Projects where AHP funds are less than or equal to 10% of total permanent sources will receive ten (10) points.</p>

10. AHP SUBSIDY PER UNIT	
Projects using fewer AHP subsidy dollars per AHP-assisted unit will receive more points than projects using more AHP-subsidy dollars.	
10 POINTS (VARIABLE)	<p>Scoring:</p> <ul style="list-style-type: none"> • Points for this category are derived from a weighted average calculation based on all applications submitted for the applicable AHP offering • Owner-occupied and rental projects will be scored separately • This category cannot be self-scored • Based on the weighted average formula, projects with subsidy per unit of \$30,000 or more will receive no points in this category



11. COMMUNITY STABILITY	
The financing of projects that promote community stability through the acquisition and rehabilitation of structures that are either vacant or abandoned, part of a neighborhood stabilization initiative, and/or are occupied but do not displace existing residents	
5 POINTS (FIXED)	<p>Scoring: In order to receive the 5 points in this category, members must submit documentation evidencing one of the five following:</p> <p><u>Vacant or Abandoned:</u></p> <ol style="list-style-type: none"> 1. The redevelopment of vacant buildings or structures (vacant at the time of acquisition by the property owner); or Note: Vacancy cannot be created by property owner. 2. In the case of existing non-residential properties, 100% of the building is vacant or abandoned; or 3. Partially vacant buildings or structures where at least 60% of the residential units in the subject AHP project are vacant, and all vacant units are being rehabilitated. <ul style="list-style-type: none"> • Note: In the case of vacant land, no points are awarded. <ul style="list-style-type: none"> ○ An exception may be made in instances where a previous structure existed and the subsequent demolition was caused by local government or lender action <p><u>Neighborhood Stabilization:</u></p> <ol style="list-style-type: none"> 4. A project that is located in a neighborhood that is part of a neighborhood stabilization plan approved by a unit of federal, state or local government and is a target area for the receipt of federal, state or local government funding or support services in the stabilization of the neighborhood <p><u>No Displacement of Residents:</u></p> <ol style="list-style-type: none"> 5. Projects that do not permanently displace existing low- or moderate-income households, or if such permanent displacement occurs, assures that such households will be assisted to minimize the impact of such displacement <ul style="list-style-type: none"> ○ Not applicable to projects where there are no existing residents to displace

3.6 DOCUMENTATION REQUIREMENTS POST-AWARD

This section outlines certain of the Bank’s documentation generally required for the AHP Competitive program at the following stages:

- Condition of Funding
- At Funding
- Post-funding
- Reporting Complete
- Reported Complete

A. Rental Projects

			
		Rental: LIHTC	Rental: Non LIHTC
Conditions of Funding	Prior to the date that the Member wishes to receive funding for a subsidized advance or direct subsidy, the Member must confirm that the project meets the applicable eligibility requirements and all obligations committed to in the approved AHP application by generally providing the Bank each of the following:		
	Sample of Retention documents acceptable to the Bank and meeting the Bank’s retention document requirements attached as Appendix A hereto	✓	✓
	Updated online application to show actual conditions at funding	✓	✓
	Final commitments of all funding sources	✓	✓
	Tax credit allocation award letter	✓	
	Tax credit partnership agreement and/or commitment letter	✓	
	Site control documentation evidencing the Sponsor or Project Owner’s title of the property. If AHP is being used for acquisition, purchase contract or similar <u>and</u> preliminary settlement statement showing AHP as a source of funds	✓	✓
	“As Is” or “As Completed”, as applicable, arm’s length appraisal performed by a certified appraiser appraisal commissioned by the member or an unrelated funder; or an appraisal performed by a certified appraiser, and reviewed and accepted by the member, to support the sponsor’s reasonable costs in the acquisition and development budget.	✓	✓

		Rental: LIHTC	Rental: Non LIHTC
	Construction contract	✓	✓
	Third Party Plan and Cost Review (TPPCR) may be required by the Bank in instances where the Bank has been unable to determine reasonable cost via the Bank’s methodologies. The TPPCR is to be commissioned by the member or another funder and paid for by the Sponsor, and is to include an assessment of physical deficiencies and life expectancy over the 15-year retention period	✓	✓
	Proper zoning and land use designation		✓

At Funding	Prior to the funding of AHP Competitive subsidy by the Bank, a Member must generally provide the Bank each of the following:		
		Rental: LIHTC	Rental: Non LIHTC
	Acceptable evidence of costs incurred and work performed (e.g., invoices, AIA G702/G703).	✓	✓
	When AHP Competitive is the source of funds, the developer fee is only paid at completion of construction	✓	✓



Post-funding	Following funding of AHP Competitive subsidy by the Bank, a Member must generally provide the Bank each of the following:		
		Rental: LIHTC	Rental: Non LIHTC
	Evidence that Members used AHP Competitive subsidies for approved purposes within 30 calendar days of funding by the Bank	✓	✓
	Fully executed and recorded copies of retention documents meeting the Bank’s retention requirements, attached as Appendix A hereto	✓	✓

Reporting Complete	Prior to reporting complete a Member must generally provide the Bank each of the following:		
		Rental: LIHTC	Rental: Non LIHTC
	Certificate of Occupancy, if required by the local governing agency	✓	✓
	Final cost documentation (e.g., documentation required by other funders or AIA G702 & G703, or similar documentation)		✓
	Final documents for each permanent funding source	✓	✓
Final partnership agreement	✓	✓	

Reported Complete	After reporting complete, and during the project's compliance period, a Member must generally provide the Bank each of the following:		
		Rental: LIHTC	Rental: Non LIHTC
	Documentation confirming Housing for Homeless Households (e.g., agency referral letters or certifications)	✓	✓
	Income verification documents in accordance with the Bank's income eligibility guidelines. (The Bank selects a sample of households.)	✓	✓
	When Veterans points are awarded, documentation of veteran eligibility (refer to “AHP Pre and Post Documentation Requirements”)	✓	✓
	Rent roll that should include, but is not limited to detailed tenant information such as: <ul style="list-style-type: none"> • name • address • move-in date • household income • scheduled rent • amount of utility allowance or rent subsidy • number of bedrooms 	✓	✓

Reported Complete		Rental: LIHTC	Rental: Non LIHTC
	Current leases for the sample units should include, but is not limited to: <ul style="list-style-type: none"> • name • unit number • the tenant paid portion of the rent 	✓	✓
	Final Cost Certification	✓	
	Documentation confirming implementation of empowerment activities	✓	✓

B. Ownership Projects

				
		Ownership Development	Ownership OOR	Ownership – Down-payment Assistance
Conditions of Funding	Prior to the date that the Member wishes to receive funding for a subsidized advance or direct subsidy, the Member must confirm that the project meets the applicable eligibility requirements and all obligations committed to in the approved AHP application by generally providing the Bank each of the following:			
	Sample of Retention documents acceptable to the Bank and meeting the Bank’s retention document requirements attached as Appendix A hereto	✓		✓
	Updated online application to show actual conditions at funding	✓	✓	✓
	Final commitments of all funding sources	✓	✓	✓
	Site control documentation evidencing the Sponsor or Project Owner’s title of the property. If AHP is being used for acquisition, purchase contract or similar <u>and</u> preliminary settlement statement showing AHP as a source of funds	✓		
	“As Is, subject to completion” or “As Completed”, as applicable, arm’s length appraisal performed by a certified appraiser commissioned by the member or an unrelated funder; or an appraisal performed by a certified appraiser, and reviewed and accepted by the member ; to support the sponsor’s reasonable costs in the acquisition and development budget.	✓ (1)		

		Ownership Development	Ownership OOR	Ownership – Down Payment Assistance
	Construction contract	✓ (1)		
	Proper zoning and land use designation	✓ (1)		

At Funding	Prior to the funding of AHP Competitive subsidy by the Bank, a Member must generally provide the Bank each of the following:				
		Ownership Development	Ownership OOR	Ownership – Down Payment Assistance	
		Acceptable evidence of costs incurred and work performed (e.g., invoices, AIA G702/G703).	✓ (1)	✓	
		Income verification documents in accordance with the Bank’s income eligibility guidelines.	✓	✓	✓
		Pre- and post-rehabilitation 3rd party inspection reports and the Bank’s standard forms including scope of work write-ups, and sign-off by homeowner). a. The scope of the rehabilitation is limited to the correction of a defect or deficiency in the structure or access to the structure. b. Rehabilitation must be done in compliance with applicable health, fire prevention, building, and housing codes and standards and at completion of rehabilitation the unit meets commonly accepted habitability standards.	✓ (1)	✓	
		When AHP Competitive is the source of funds, the developer fee is only paid at unit completion for ownership projects	✓	✓	✓

At Funding		Ownership Development	Ownership OOR	Ownership – Down Payment Assistance
	Documentation confirming Housing for Homeless Households (e.g., agency referral letters or certifications)	✓ (2)		✓
	When Veterans points are awarded, documentation of veteran eligibility	✓	✓	✓
	Documentation confirming implementation of empowerment activities	✓		✓
	“As Completed” arm’s length appraisal performed by a certified appraiser appraisal commissioned by the member or an unrelated funder; or an arm’s length appraisal performed by a certified appraiser, commissioned by the sponsor, and reviewed and accepted by the member; to support the reasonable cost of acquisition by the homebuyer	✓ (2)		
	Copy of preliminary Closing Disclosure Statement reflecting the AHP funds	✓ (2)		
	Sponsor-Provided First Mortgage Worksheet	✓ (2)		

(1) If AHP funds are disbursed **for development purposes**, for Ownership Development projects

(2) If AHP funds are disbursed **for homebuyer settlement**, for Ownership Development projects

Post-funding	Following funding of AHP Competitive subsidy by the Bank, a Member must generally provide the Bank each of the following:			
		Ownership Development	Ownership OOR	Ownership – Down Payment Assistance
	Evidence that Members used AHP Competitive subsidies for approved purposes within 30 calendar days of funding by the Bank	✓	✓	✓
	Copy of executed Closing Disclosure Statement reflecting the AHP funds	✓		✓
	Fully executed and recorded copies of retention documents meeting the Bank’s retention requirements, attached as Appendix A hereto	✓		✓

Reporting Complete	Prior to reporting complete a Member must generally provide the Bank each of the following:			
		Ownership Development	Ownership OOR	Ownership – Down Payment Assistance
	Certificate of Occupancy, if required by the local governing agency	✓	✓	
	Final cost documentation (e.g., documentation required by other funders or AIA G702 & G703, or similar documentation)	✓	✓	✓
Final documents for each permanent funding source	✓	✓	✓	

Reported Complete	After reporting complete, and during the project’s compliance period, a Member must generally provide the Bank each of the following:			
		Ownership Development	Ownership OOR	Ownership – Down Payment Assistance
Documentation confirming implementation of empowerment activities			✓	

3.7 AHP COMPETITIVE PROJECT COST GUIDELINES

Pursuant to [Section 1291.5\(c\)](#), paragraphs (2), (3), (4) and (5) of the AHP Regulation, the Bank has established guidelines for determining:


- The need for subsidy
- That project’s costs are reasonable
- That the project is feasible, including developmental, market, and operational factors

These guidelines serve as a benchmark for evaluating projects and may be used as a basis for setting, adjusting, or rejecting requests for subsidies at any stage of the project.

The Bank reserves the right to review all project costs, expenses, and fees whether or not the items are listed as part of these guidelines. Additionally, the Bank may, at its discretion, defer all or in part to the requirement of a third party permanent lender.


A. Rental Development Budget Guidelines		
1. LIHTC Projects		
1.	Construction / Rehabilitation Cost	The Bank will utilize Marshall & Swift, RS Means and/or other industry construction cost data to determine whether the construction or rehabilitation costs appear reasonable, or other basis of measurement as determined by the Bank.
2.	Developer Fee	<ul style="list-style-type: none"> • Developer fees are not allowed for projects with no transfer of ownership • For projects utilizing state-administered funding, the Bank may defer to the published calculation methodology by the state HFA or its equivalent • 15% maximum of total development costs, net of developer fee, capitalized reserves, and acquisition costs for development projects <ul style="list-style-type: none"> • Developer fee includes fees paid to consultants for services normally provided by a developer • Developer fee cannot increase if construction financing has closed and there is not a proportional increase in hard cost • Deferred Developer Fee <ul style="list-style-type: none"> • If financing has closed on or before application with deferred developer fee or other subordinate funding from a related party (“bridge” funds e.g. owner equity) as a source of funding: <ul style="list-style-type: none"> ○ Then up to 50% of the AHP award can be used to reduce deferred developer fee or other subordinate funding from a related party; and ○ At least 25% of the total developer fee remains deferred ○ Does not apply if AHP funds are used to replace short-term debt or equity from the sponsor or a related party for property acquisition prior to the AHP funding.

A. Rental Development Budget Guidelines		
1. LIHTC Projects		
3.	Related Party Property Sales	<ul style="list-style-type: none"> No cash out to a related party seller. 100% of net proceeds to the seller from the purchase of a property from a related party must become a source of funds for the subject project <ul style="list-style-type: none"> Not applicable for governmental or quasi-governmental sellers <u>Not applicable to return of a related party's equity or debt extended for the contemporaneous acquisition of property.</u>
4.	Acquisition	<ul style="list-style-type: none"> The cost of acquisition is to be included in the development budget For projects that receive donated property points, the appraised or tax value of the donated property is to be included in the development budget
5.	Federal LIHTC Sale Price	The Bank will conduct a rate survey to determine that the LIHTC sales price reflected appears reasonable, as determined by the Bank in its sole discretion
6.	Hard Cost Contingency	<ul style="list-style-type: none"> 10% maximum of hard costs (new construction), net of contingency 20% maximum of hard costs (rehabilitation), net of contingency Hard Cost Contingency shall be reduced to \$0 at project completion
7.	Soft Cost Contingency	<p>20% maximum of soft costs, net of contingency</p> <p>Soft Cost Contingency shall be reduced to \$0 at project completion</p>

A. Rental Development Budget Guidelines		
1. LIHTC Projects		
8.	Capitalized Reserves (includes all reserves and items requiring pre-payment that are otherwise normally paid as an operating expense)	<ul style="list-style-type: none"> ● Maximum nine months of operating expense (net of all reserves included in operating expenses) plus maximum nine months of hard debt service ● Capitalized reserves in excess of the established maximum must be lender required and managed as evidenced by funding commitments <ul style="list-style-type: none"> ○ For projects utilizing state-administered funding, the Bank may defer to the requirements published by the state HFA or its equivalent ● For projects with 100% of the units reserved for Supportive Housing households, maximum twelve months of operating expense (net of all reserves included in operating expenses) plus maximum twelve months of hard debt service <div style="text-align: center;">  </div>
9.	Soft Costs	<ul style="list-style-type: none"> ● 9% LIHTC: Soft costs, defined as all costs other than acquisition and hard costs, shall not exceed 28% of total development costs ● 4% LIHTC with bonds: Soft costs, defined as all costs other than acquisition and hard costs, shall not exceed 35% of total development costs


A. Rental Development Budget Guidelines		
2. Non-LIHTC Projects		
1.	Construction / Rehabilitation Cost	The Bank will utilize Marshall & Swift, RS Means and/or other industry construction cost data to determine whether the construction or rehabilitation costs appear reasonable, or other basis of measurement as determined by the Bank.

A. Rental Development Budget Guidelines		
2. Non-LIHTC Projects		
2.	Developer Fee	<ul style="list-style-type: none"> • Developer fees are not allowed for projects with no transfer of ownership • For projects utilizing state-administered funding, the Bank may defer to the requirements published by the state HFA or its equivalent. • 15% maximum of total development costs, net of developer fee, capitalized reserves, and acquisition costs for development projects <ul style="list-style-type: none"> • Developer fee includes fees paid to consultants for services normally provided by a developer • 5% consultant fee maximum of total development costs, net of consultant fee, capitalized reserves, and acquisition costs for rental projects with no transfer in ownership where the project is 100% owned by the non-profit sponsor • Deferred Developer Fee • If financing has closed on or before application with deferred developer fee or other subordinate funding from a related party (“bridge” funds e.g. owner equity) as a source of funding: <ul style="list-style-type: none"> ○ Then up to 50% of the AHP award can be used to reduce deferred developer fee or other subordinate funding from a related party; and ○ At least 25% of the total developer fee remains deferred ○ Does not apply if AHP funds are used to replace short-term debt or equity from the sponsor or a related party for property acquisition prior to the AHP funding.
3.	Related Party Property Sales	<ul style="list-style-type: none"> • No cash out to a related party seller. 100% of net proceeds to the seller from the purchase of a property from a related party must become a source of funds for the subject project. <ul style="list-style-type: none"> ○ Not applicable for governmental or quasi-governmental sellers ○ Not applicable to return of a related party’s equity or debt extended for the contemporaneous acquisition of property.

A. Rental Development Budget Guidelines		
2. Non-LIHTC Projects		
4.	Acquisition	<ul style="list-style-type: none"> The cost of acquisition of property for the project are to be included in the development budget. For projects that receive donated property points the appraised or tax value of the donated property is to be included in the development budget.
5.	Hard Cost Contingency	<ul style="list-style-type: none"> 10% maximum of hard costs (new construction), net of contingency 20% maximum of hard costs (rehabilitation), net of contingency Hard Cost Contingency is to be reduced to \$0 at project completion
6.	Soft Cost Contingency	<p>20% maximum of soft costs, net of contingency</p> <p>Soft Cost Contingency shall be reduced to \$0 at project completion</p>
7.	Capitalized Reserves (includes all reserves and items requiring pre-payment that are otherwise normally paid as an operating expense)	<ul style="list-style-type: none"> Maximum nine months of operating expense (net of all reserves included in operating expenses) plus maximum nine months of hard debt service Capitalized reserves in excess of the established maximum must be lender required and managed as evidenced by funding commitments For projects utilizing state-administered funding, the Bank may defer to the requirements published by the state HFA or its equivalent <div style="display: flex; align-items: center; margin-top: 10px;">  <ul style="list-style-type: none"> For projects with 100% of the units reserved for Supportive Housing households, maximum twelve months of operating expense (net of all reserves included in operating expenses) plus maximum twelve months of hard debt service </div>

A. Rental Development Budget Guidelines		
2. Non-LIHTC Projects		
8.	Soft Costs	Non LIHTC: Soft costs, defined as all costs other than acquisition and hard costs, shall not exceed 22% of total development costs

B. Rental Operating Budget Guidelines		
1.	Debt Coverage Ratio	<p>1.00 minimum 1.50 maximum at application 1.75 maximum, after application, if new or additional sources of equity are secured that results in a reduction in hard debt service</p> <ul style="list-style-type: none"> • The Debt Coverage Ratio (DCR) will be calculated using hard debt payments. Soft debt shall not be considered in calculating the DCR • Soft debt payments must be manually calculated and shown on the Soft Debt or Residual Repayments line of the proforma in FHLBAccess ® • The Bank will review the project's 15-year proforma and cash flow for feasibility. Projects with a DCR that exceeds these established guidelines must justify the variance and will be evaluated on a case by case basis <ul style="list-style-type: none"> ○ For projects with no hard debt payments or a DCR outside of stated guidelines, an alternate need for subsidy test as determined by the Bank will be applied ○ The 1.00 min. DCR does not apply when using the alternate need for subsidy test.
2.	Net Cash Flow	15% maximum of effective gross income
3.	Vacancy Ratio	<ul style="list-style-type: none"> • 5% minimum • 9% maximum, up to 10% for special needs
4.	Rental Income Annual Increase	2%
5.	Operating Expense Annual Increase	3%

B. Rental Operating Budget Guidelines		
6.	Annual Operating Expense	<ul style="list-style-type: none"> 80% maximum, of effective gross income (in year one)  <p>90% for projects receiving Maximum Targeting points</p>
7.	Management Fees	<ul style="list-style-type: none"> 9% maximum, of gross rent
8.	Replacement Reserves	<ul style="list-style-type: none"> Up to \$450 per unit per year For projects utilizing state-administered funding, the Bank may defer to the requirements published by the state housing finance agency (HFA) or its equivalent.



NOTE: Expenses for the operation of or providing of empowerment or social service-related activities cannot be in the project's proforma. Such expenses should be contained in the separate social services budget.

C. Acquisition and Construction or Rehabilitation of For Sale Owner-Occupied Units (OAR) Development Budget Guidelines		
1.	Construction / Rehabilitation Cost	The Bank will utilize Marshall & Swift, RS Means and/or other industry construction cost data to determine whether the construction or rehabilitation costs appear reasonable, or other basis of measurement as determined by the Bank.
2.	Acquisition	<ul style="list-style-type: none"> The cost of acquisition of property for the project are to be included in the development budget For projects that receive donated property points (excluding property that is leased to the project), the appraised or tax value of the donated property is to be included in the development budget
3.	Hard Cost Contingency	<p>10% maximum of hard costs (new construction), net of contingency</p> <p>20% maximum of hard costs (rehabilitation), net of contingency</p> <p>Hard Cost Contingency is to be reduced to \$0 at project completion</p>

C. Acquisition and Construction or Rehabilitation of For Sale Owner-Occupied Units (OAR) Development Budget Guidelines		
4.	Soft Cost Contingency	20% maximum of soft costs, net of contingency Soft Cost Contingency shall be reduced to \$0 at project completion
5.	Developer Fee	15% maximum of total development cost, net of developer fee Developer fee includes fees paid to consultants for services normally provided by a developer
6.	Soft Costs	Soft costs, defined as all costs other than acquisition and hard costs, shall not exceed 25% of total development costs

D. Rehabilitation of Currently Owner-Occupied Units (OOR) Development Budget Guidelines		
1.	Soft Costs	Soft costs, defined as all costs other than acquisition and hard costs, shall not exceed 20% of total development costs for each unit
2.	Rehabilitation Costs	The Bank will utilize Marshall & Swift, RS Means and/or other industry construction cost data to determine whether the rehabilitation costs appear reasonable, including remaining useful life, as determined by the Bank The scope of rehabilitation for an owner-occupied unit is limited to the correction of a defect or deficiency in the structure or access to the structure. Rehabilitation must be done in compliance with applicable health, fire prevention, building, and housing codes and standards. At completion of the rehabilitation the unit must meet commonly accepted habitability standards.

E. In-Kind Sources and Uses Development Budget Guidelines



In accordance with the AHP Regulations, the Bank elects to include the market value of in-kind donations and voluntary professional labor or services in project development budgets. As such, all applications must include these amounts as sources and uses in the financial feasibility (development budget) section of the application.

F. Development Feasibility – Market Analysis

Market Analysis	<p>The Bank will utilize commercially available market data including absorption analysis, trend analysis or other acceptable tools as determined by the Bank to assess the market feasibility of the project.</p> <p>For projects utilizing state-administered program funding, the Bank may rely on market analysis approved by the state HFA or its equivalent.</p>
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3.8 AHP COMPETITIVE MONITORING REQUIREMENTS

This section outlines monitoring requirements for projects applicable to the Bank and to Members, Sponsors, and Project Owners who participate in the AHP Competitive program.

A. Progress Reports

Beginning six months after the Bank’s approval date and continuing until project completion, the Sponsor must submit to the Member, and the Member must submit to the Bank, a progress report, on at least a semiannual basis, as to whether reasonable progress is being made toward the drawdown of AHP Competitive subsidy and project completion.

- The Bank, in its discretion, may require more frequent progress reporting.
- The Bank has adopted [AHP Competitive project progress milestones](#) as stated herein (Plan section 3.3).

B. Initial Monitoring Review (IMR)



Within a reasonable period of time after project completion, the Bank will complete a review of each completed project to determine the following:

- Subsidy was used for eligible purposes according to the commitments made in the approved AHP Competitive application;
- Household income and rents comply with the income targeting and rent commitments made in the approved application;
- Project’s actual costs were reasonable and customary in accordance with the Bank’s project feasibility and cost guidelines and the subsidies were necessary for the completion of the project as currently structured;
- Fully executed and recorded AHP retention agreement that meets the requirements of the AHP regulations for:
 - Rental projects or
 - Each AHP Competitive-assisted unit of owner-occupied projects that are for purchase or purchase in conjunction with rehabilitation. A retention agreement is not required for owner-occupied rehabilitation units that do not include a transfer of ownership.

- Services and activities promised in the AHP Competitive application have been provided.

C. On-site Monitoring



The Bank, at its discretion may conduct or commission an on-site monitoring of AHP projects. The decision to conduct and the methodology for an on-site visit will be based on factors related to the project's status, including, but not limited to, compliance with AHP requirements, AHP subsidy amount, material changes to the project since approval and information from other monitoring entities.

D. Long-Term Monitoring

For completed rental projects that have been allocated federal Low Income Housing Tax Credits (LIHTC), the Bank may rely on the monitoring by the state-designated agency responsible for administering and compliance monitoring of the income targeting and rent requirements applicable under the LIHTC program, or may conduct monitoring if the AHP application is materially different than the LIHTC application.



The following long-term monitoring requirements will apply only to rental projects that have not utilized federal LIHTC:

Long-term Monitoring (LTM) Certifications

- Project Owner - Beginning in the second year after project completion, Project Owners will certify to the Bank annually until the end of the project's 15-year retention period that tenant rents and incomes comply with rent and income targeting commitments in the AHP Competitive application.

Documentation Required for LTM Review



- Project Owner must maintain documentation regarding tenant incomes and rent, which shall be provided to the Bank upon request. Such documentation will include, among other things:
 - Rent roll
 - Move-in income verification
 - Current leases for the sampled units
 - Other documents may be requested at the Bank's discretion.
 - Additional details can be found on the Bank's website, www.fhlbatl.com.

LTM Review Schedule

- In accordance with the requirements of [Section 1291.7\(a\)\(4\)](#) of the AHP Regulations, the Bank will review samples of source documentation for projects based on the following schedule:

LTM REVIEW SCHEDULE			
AHP Competitive subsidy amount	\$50,001 - \$250,000	\$250,001 - \$500,000	\$500,001 or more
Timing	At least once every six years	At least once every four years	At least once every two years

Projects with outstanding or material compliance issues may be subject to additional requirements and more frequent reviews, at the discretion of the Bank.



AHP Set-aside Program

4

4.1 OVERVIEW

A. Use of AHP Set-aside Funds



The Bank's AHP Set-aside program provides funds to Members to assist in their customer's purchase or purchase/rehabilitation of a home or the rehabilitation of a home currently owner-occupied. AHP Set-aside funds will be available:

- To all current Bank Members in good standing;
- Members must be compliant with the [Community Support Regulations](#) in order to be eligible to submit an AHP application;
- On a unit-by-unit, first-come, first-served basis;
- During the Bank's annual offering cycle;
- Continuing until the allocated AHP Set-aside funds are exhausted or December 15th, whichever occurs first.

The Bank does not permit Members to reserve AHP Set-aside funds for unidentified households for later funding to eligible households.

B. Member Funding Limit

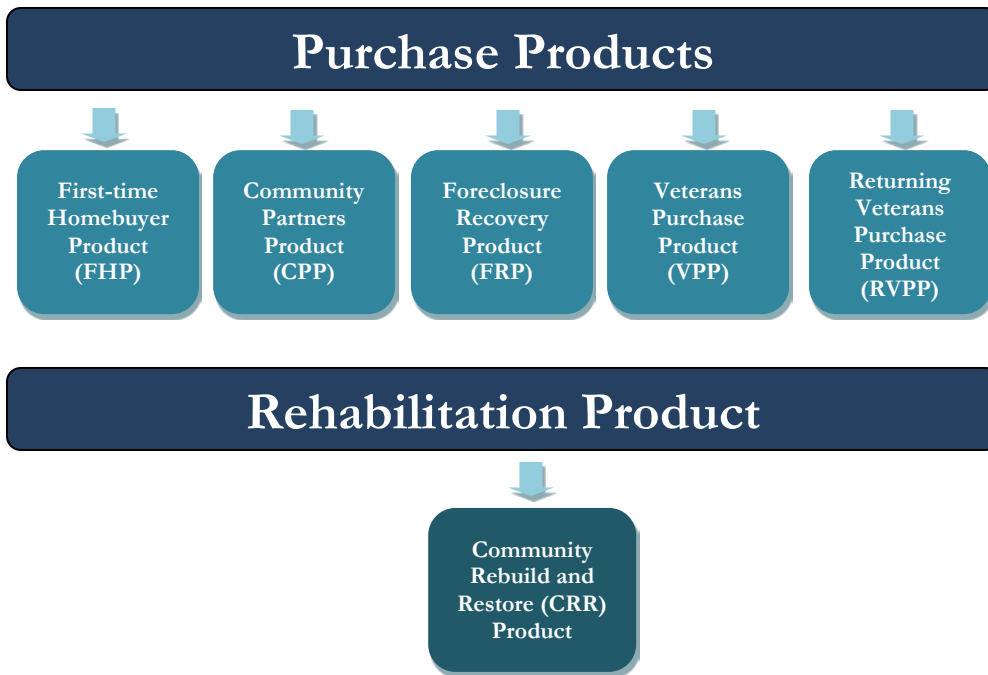


Members are limited to \$1,000,000 in AHP Set-aside funds during an annual offering period.

- On or after July 31st, the Bank, at its discretion, may remove the \$1,000,000 per Member funding limit for the remainder of the year

C. Product Offering

The Bank's AHP Set-aside program includes six distinct AHP Set-aside products. Full product descriptions are available in [Plan Section 4.4](#).



D. Time Limits for Funding of AHP Set-aside Subsidy

<p>Funding Deadline - Purchase Upon the Bank’s issuance of a conditional commitment, funding will be reserved for 45 calendar days</p> <p>Extension(s) to the Funding Deadline may be granted upon the request by the member.</p>
<p>Funding Deadline – Community Rebuild and Restore Upon the Bank’s issuance of a conditional commitment, funding will be reserved for 90 calendar days</p> <p>Extension(s) to the Funding Deadline may be granted upon the request by the member.</p>
<p>Use Deadline – Purchase and Rehabilitation A Member must use all AHP Set-aside funds for approved purposes within six (6) business days of projected closing date, as shown in the preliminary CD submitted at the time the funding is requested</p> <p>A request for an extension of up to four (4) business days may be granted automatically upon the request by the member. No other extensions will be granted.</p>

4.2 MEMBER ROLES AND RESPONSIBILITIES

To participate in the AHP Set-aside program, Members must:

- ✓ Complete a [one-time set-up process](#)
- ✓ Designate Program Manager(s) who acts as a liaison with Bank staff
- ✓ Have controls and processes in place, including the bifurcation of submission and approval roles and responsibilities, to verify truthfulness and accuracy of all information and documents submitted to the Bank
- ✓ Be compliant with the [Community Support Regulations](#) at the time the application is submitted.

A. Additional Reminders for Members:



- Members can only provide AHP Set-aside funds to homebuyers or households that complete the Bank’s prescribed homebuyer counseling.
- Members must provide AHP Set-aside funds to households as a direct subsidy, and must pass on the full benefit of the AHP Set-aside subsidy to the household for which the subsidy was approved.



- Members must ensure that AHP Set-aside-assisted units, that are for purchase or purchase in conjunction with rehabilitation, are subject to retention documents acceptable to the Bank, meeting the requirements outlined in [Appendix A. Retention agreements may not be executed and/or recorded for owner-occupied rehabilitation units without transfers of ownership.](#)
- Members must ensure compliance with all applicable residential lending laws and regulations.
- AHP Set-aside funds may only be disbursed to Bank Members in a manner consistent with the policies related to advances and credit risk ratings expressed in the Bank’s [Member Products and Services Guide](#). AHP Set-aside funds may not be disbursed for the purpose of reimbursing Members for funds they advance to their customers on purchase transactions, prior to the funding of AHP set-aside funds at loan closing.

B. One-time Set-up Process

- [Program Manager Designation Form](#), duly executed by the member

- An [AHP Agreement for AHP Set-aside Program](#), duly executed by the Member



Note: A Member does not need to execute multiple AHP Set-aside Agreements for multiple AHP Set-aside awards.

4.3 HOMEBUYER / HOMEOWNER ELIGIBILITY

The following eligibility requirements apply to homebuyers / homeowners participating in the AHP Set-aside program:



- At the time of each application submission and at closing by the Member to the Bank, the homebuyer or the homeowner's households must have incomes at or below 80 percent of the area median income, adjusted for family size.
- A homebuyer / homeowner must be the owner-occupant of the home purchased and/or rehabilitated with AHP Set-aside funds.



- Homebuyers / homeowners must sign retention documents acceptable to the Bank, meeting the Bank's retention document requirements meeting the requirements of both the AHP Set-aside Agreement and [Section 1291.15](#) of the AHP Regulations, as outlined in [Appendix A](#).
 - [Applicable only for transactions that include purchase or purchase and rehabilitation of an owner-occupied unit.](#)
- Homebuyers / homeowners must complete the Bank's prescribed homebuyer counseling, debt management planning, and default prevention program.
- For the AHP Set-aside **First-time Homebuyer Product (FHP) only**, funds may only be made available to a "first-time homebuyer," as such term is defined by [HUD HOC reference guide chapter 3](#): expanded to include recovering victims of catastrophic loss or natural disasters.

4.4 PRODUCT OVERVIEW			
A. Purchase Products			
Product Name	First-time Homebuyer Product (FHP) <i>Funds for the purchase of a home by a first-time homebuyer</i>	Community Partners Product (CPP) <i>Funds for the purchase of a home by homebuyers employed in any of the following professions: healthcare, law enforcement, education, firefighting, or other first responders</i>	Foreclosure Recovery Product (FRP) <i>Funds for the purchase and/or rehabilitation of a home that is being sold by any Member from any Member's or Member's affiliate or housing associate Member's REO portfolio.</i>
Available Subsidy	\$5,000	\$7,500	\$15,000
Eligible Borrowers	First-time homebuyers only, as defined by HUD HOC reference guide chapter 3	See definition of Community Partner Eligible Borrower under Definitions	First-time homebuyer or Non First-time homebuyer
Eligible Use of Funds	Down payment, closing cost, counseling, or rehabilitation assistance in connection with the purchase or purchase/rehabilitation of an existing unit		
Eligible Geographic Area	Within the United States or its territories		
Eligible Properties	<ul style="list-style-type: none"> • Owner-occupied 1-4 family properties • Townhouses • Condominiums • Cooperatives • Manufactured housing deeded as Real Estate <p><i>Foreclosure Recovery Product (FRP) Only:</i></p> <ul style="list-style-type: none"> ▪ <i>Any Member's or Member's affiliate or housing associate Member's REO inventory</i> ▪ <i>Purchase price shall not exceed "as-is" market value at the time the purchase price was agreed on</i> 		
Occupancy Type	Primary residence		
Income Eligibility	Household income must be equal to or less than 80% of HUD Median Income, adjusted for family size		
Borrower Minimum Contribution	\$1,000		

4.4 PRODUCT OVERVIEW			
A. Purchase Products			
Product Name	First-time Homebuyer Product (FHP) <i>Funds for the purchase of a home by a first-time homebuyer</i>	Community Partners Product (CPP) <i>Funds for the purchase of a home by homebuyers employed in any of the following professions: healthcare, law enforcement, education, firefighting, or other first responders</i>	Foreclosure Recovery Product (FRP) <i>Funds for the purchase and/or rehabilitation of a home that is being sold by any Member from any Member's or Member's affiliate or housing associate Member's REO portfolio.</i>
Maximum Cash Back to Homebuyer at Closing	\$250		

B. Veterans Purchase Products		
Product Name	Veterans Purchase Product (VPP) <i>Funds for the purchase of a home by a qualifying US military veteran.</i>	Returning Veterans Purchase Product (RVPP) <i>Funds for the purchase of a home by a qualifying US military veteran serving in or having served in an overseas military intervention environment.</i>
Eligible Subsidy	\$7,500	\$10,000
Eligible Borrowers	First-Time or Non-first-time homebuyers that are currently serving or have served in any branch of the US military, spouses, or their surviving spouses.	First-time or Non-first-time homebuyers that are currently serving or have served in an overseas military intervention environment for any branch of the US military, spouses, or their surviving spouses.
Documentation Requirements	<ul style="list-style-type: none"> • A copy of current orders showing duty posting in a conflict environment, for current active-duty personnel; or • Military Service Record DD214 or • Veterans ID card; or • Use of VA Certificate of Eligibility (http://www.benefits.va.gov/HOMELOANS/purchaseco_certificate.asp) • A copy of one of the above, along with a Death Certificate for a surviving spouse application; and • Any other documentation that may be determined acceptable at the Bank's sole discretion 	
Eligible Use of Funds	Down payment, closing cost, counseling, or rehabilitation assistance in connection with the purchase or rehabilitation of an existing unit by a qualified first time or non-first time homebuyer.	
Eligible Geographic Area	Within the United States or its territories	
Eligible Properties	<ul style="list-style-type: none"> • Owner-occupied 1-4 family properties • Townhouses • Condominiums • Cooperatives • Manufactured housing deeded as Real Estate 	
Occupancy Type	Primary residence	
Income Eligibility	Household income must be equal to or less than 80% of HUD Median Income, adjusted for family size	
Borrower Minimum Contribution	None	

B. Veterans Purchase Products

Maximum Cash Back to Homebuyer at Closing	\$250
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C. Community Rebuild and Restore (CRR) Product

Product Name	Community Rebuild and Restore (CRR) Product <i>Funds for rehabilitation of an existing owner-occupied property located in "Major Disaster Declaration" areas as designated by FEMA</i>
Maximum Subsidy	\$10,000
Eligible Borrowers	Homeowner(s) affected by natural disasters <ul style="list-style-type: none"> • Have at least 30 days current ownership by: <ul style="list-style-type: none"> ○ A life estate or a full interest in the fee simple title, life estate, surface rights, or leasehold estate; and ○ Ownership of the subject property at the time of the "Major Disaster Declaration"
Eligible Geographic Area	Properties located within the United States or its territories in "Major Disaster Declaration" area as designated by FEMA occurring no more than 36 months prior to the date of the application submission A list of these "Major Disaster Declaration" areas can be found at http://www.fema.gov/disasters
Eligible Properties	<ul style="list-style-type: none"> • Owner-occupied 1-4 family properties • Townhouses • Condominiums • Cooperatives • Manufactured housing deeded as Real Estate
Income Eligibility	Household income must be equal to or less than 80% of HUD Median Income, adjusted for family size
Homeowner Minimum Contribution	None
Eligible Use of Funds	<ul style="list-style-type: none"> • Rehabilitation of an existing owner-occupied unit. <ul style="list-style-type: none"> ○ Rehabilitation to correct defects or deficiencies, resulting from the identified disaster, that impacts the habitability of the property not associated with repairs covered under an insurance claim. Scope is limited to the following: <ul style="list-style-type: none"> ▪ Exterior doors ▪ HVAC ▪ Insulation ▪ Roof ▪ Windows ▪ Low flow plumbing fixtures

	<ul style="list-style-type: none"> ▪ Bathrooms including toilets, sinks, vanities, and showers ▪ Kitchen cabinets / sink ▪ Replacement of floor coverings ▪ Other rehabilitation, not related to the defined scope, at the Bank’s sole discretion <ul style="list-style-type: none"> ○ Soft costs of up to 20% of hard costs are allowed with the following limitation: <ul style="list-style-type: none"> ▪ All Member fees plus all Intermediary fees may not exceed 12% of hard costs ● Rehabilitation must be done in compliance with applicable health, fire prevention, building, and housing codes and standards ● Energy saving features shall be consistent with applicable energy standards promulgated by any applicable code ● At completion of rehabilitation the unit meets commonly accepted habitability standards as determined by the third party inspector ● Rehabilitation work associated with the scope defined must not be started prior to the submission of the application for funds under this product
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4.5 GENERAL REQUIREMENTS

A. Eligible Loan Requirements

All loans, interest rates, fees, points, and any other charges for all loans, made in conjunction or association with the Bank’s AHP must comply with all applicable state and federal regulations and may not exceed a reasonable market rate for loans of similar maturity, terms, and risk

- The following additional eligibility requirements also apply:
 - Fixed rate mortgages are eligible
 - Adjustable rate mortgages are eligible with certain parameters:
 - Member qualifies customers based on cap rate or “impact” period (to avoid payment shock if a high rate environment exist during rate reset period); and
 - No negative amortization loans.
 - Fully amortizing.
 - No interest only or pay options.
 - Term not less than five years, with an amortization of any period equal to or greater than the loan term



Note: The product eligibility requirements must be met at origination as well as following any refinance or subordination during the five year retention period.

B. Need for Subsidy and Reasonable Costs

The Bank, in its discretion, may establish guidelines for the AHP Set-aside program that will assist in the determination of:

- the amount or need for subsidy, and
- that the financing costs to the borrower are reasonable.

These guidelines will serve as a benchmark for evaluating funding requests and may be used as a basis for adjusting or rejecting requests for subsidy.

A member may provide cash back to a household at closing for AHP purchase products in an amount not exceeding \$250, so long as the homebuyer's contribution meets the minimum described above. A member shall use any funding in excess of \$250 as a principal prepayment on the homebuyer's mortgage.

C. AHP Set-aside Documentation Requirements



- The Bank will conduct a review of the documentation to determine that the incomes of the approved households do not exceed 80 percent of the area median income.
- The Member must provide to the Bank supporting documentation as outlined in the grid below.

	Purchase	Rehabilitation - CRR
Application	<ul style="list-style-type: none"> • Intake certification • Census tract verification • <u>Income (including income from assets) documentation</u>, as listed on the Bank’s website • Anticipated closing date • Foreclosure Recovery Product (FRP) Only - Purchase contract and current appraisal showing that the price paid did not exceed the “as is” market value as of the date that the purchase price was agreed upon 	<ul style="list-style-type: none"> • Intake certification • Census tract verification • Pre-work certification • <u>Income (including income from assets) documentation</u>, as listed on the Bank’s website • Anticipated disbursement date • Documentation of property located in a FEMA “Major Disaster Declaration” area within 36 months of application submission date
Pre-funding	<ul style="list-style-type: none"> • Closing Disclosure reflecting the AHP funds. • Proof of completion of the Bank prescribed counseling session • Such other documents as may be required by the Bank. 	<ul style="list-style-type: none"> • Post-work certification • Proof of completion of the Bank prescribed counseling session, including evidence of payment • <u>Note:</u> Proposals, invoices, pre and post inspection reports and evidence of owner’s title to the property must be retained by the Member for the five-year retention period and may be requested at any time by the Bank during that period.
Post-funding	<ul style="list-style-type: none"> • Copy of executed Closing Disclosure reflecting the AHP funds • Such other documents as may be required by the Bank 	<ul style="list-style-type: none"> • Evidence of AHP funds disbursement to Contractor or Intermediary • Such other documents as may be required by the Bank



Note: For Veterans, Returning Veterans, and Community Partners eligibility and additional required documentation, please refer to [“AHP Homeowner Assistance Products – Pre and Post Funding Documentation Requirements”](#) link found on our website.

4.6 AHP SET-ASIDE MONITORING REQUIREMENTS

- The Member must submit recorded retention documents as set forth in Appendix A.

Questions?
Contact Us Today to Learn More

On the Web:

www.fhlbatl.com

[Affordable Housing Program \(AHP\)](#)

By Phone:

1.800.536.9650

By Mail:

FHLBank Atlanta
P.O. Box 105565
Atlanta, GA 30348-5565

Appendix A

RETENTION AGREEMENT REQUIREMENTS

A. General Requirements

To assist Members in ensuring that a legally enforceable retention agreement satisfies the AHP regulations, the Bank has prepared templates for the Affordable Housing Program retention agreements. The templates and the instructions for their use are provided on FHLBank Atlanta's corporate website: <http://corp.fhlbatl.com/files/documents/ahp-retention.pdf>.

[Retention agreements may not be executed and/or recorded for owner-occupied rehabilitation units without transfers of ownership.](#)

Please note that the Member is responsible for ensuring that a legally enforceable retention agreement satisfying the federal regulations governing the AHP (“AHP regulations”) is in place. **The Member should consult with its legal counsel to ensure compliance with AHP regulations and the following requirements:**

- a. The Member is responsible for ensuring that the note and mortgage, or other acceptable form of retention, are enforceable and consistent with the AHP regulations and the Plan requirements.
- b. The Member is responsible for ensuring that the note and security instrument are enforceable under applicable law, that the security instrument is in a proper form for recording under applicable law and is properly recorded, and that the party granting the security instrument is the owner of the real property interest described therein.
- c. FHLBank Atlanta staff will review the draft note and mortgage of all projects for the following:
 - i. The documents are in the form of a note and mortgage or other acceptable form of retention;
 - ii. The Member is correctly named as mortgagee;
 - iii. All applicable AHP retention features as set forth herein are incorporated into the note and mortgage or other acceptable form of retention or are included as an exhibit and incorporated by reference in the note and mortgage or other acceptable form of retention.
- d. Unless otherwise approved in advance and in writing by FHLBank Atlanta, the retention agreement provisions must be contained within a promissory note and a real property security instrument (e.g. a mortgage, deed of trust, a deed to secure debt, or other appropriate security instrument under applicable law) of a type that is customarily used in the jurisdiction where the real property is located.

- e. The holder/beneficiary of the note and security instrument given by the owner must be the Member (and not the Sponsor or FHLBank Atlanta).
- f. AHP Competitive Projects Only – Rental AND Ownership Purchase (excluding Ownership projects that are only for the rehabilitation of an owner-occupied unit)
Bank staff will review the draft note and mortgage of all rental projects and ownership projects where AHP Competitive funds are disbursed prior to completion of the units for the following:
 - i. The property address is consistent with the application;
 - ii. The AHP project number is referenced in the note and mortgage.
 - iii. The correct amount is shown in the note; and
 - iv. The recapture language is incorporated if funds are disbursed prior to completion of the units;
 - v. The mortgagor name is consistent with the Project Owner (Rental) or Property Owner (Ownership) name;
 - vi. The Project Owner (Rental) or Property Owner (Ownership) address is shown in the note and mortgage.

B. AHP Competitive Rental Projects – Additional Requirements



The Member shall ensure that a rental project financed by the proceeds of a direct subsidy and/or a subsidized advance is subject to a deed restriction or other legally enforceable retention agreement requiring that:

- i. The project’s rental units, or applicable portion thereof, must remain occupied by and affordable for households with incomes at or below the levels committed to be served in the Member’s application, for the duration of the 15-year Affordable Housing Program (“AHP”) retention period, which ends 15 years from the date of project completion,
- ii. Each of the Federal Home Loan Bank of Atlanta (“FHLBank Atlanta”) and the Member is to be given notice of any sale or refinancing of the project occurring prior to the end of the 15-year AHP retention period,
- iii. In the case of a sale or refinancing of the project prior to the end of the 15-year AHP retention period, (a) with respect to a direct subsidy, an amount equal to the full amount of the direct subsidy shall be repaid to FHLBank Atlanta; and (b) with respect to a subsidized advance, the full amount of the interest-rate subsidy received by the Project Owner, based upon a pro rata portion of the interest-rate subsidy imputed to the subsidized advance during the period the Project Owner owned the property prior to the sale or refinancing, shall be repaid to FHLBank Atlanta, in each case unless the project continues to be subject to a deed restriction or other legally enforceable retention agreement incorporating the income-eligibility and affordability restrictions committed to in the Member’s AHP application for the duration of the 15-year AHP retention period, and
- iv. The income-eligibility and affordability restrictions applicable to the project terminate after foreclosure, deed in lieu of foreclosure, or assignment to the Secretary of HUD. However,

any obligation to repay the AHP subsidy for any period of non-compliance arising prior to the foreclosure, deed in lieu, or assignment to the Secretary of HUD shall not be extinguished by such actions. The obligation to repay AHP subsidy to FHLBank Atlanta shall not terminate after any foreclosure, deed in lieu of foreclosure, or assignment to the Secretary of HUD, and is subject to reasonable collection efforts.

- v. The project may not receive funds from multiple AHP Competitive or AHP Set-aside product(s) offered by FHLBank Atlanta during the 15-year AHP retention period.

As used in (i.) above, “project completion” means that construction of the project is 100 percent complete, at least 75 percent of the units have been leased, a certificate of occupancy (or equivalent document) has been issued, all requested documents have been received and approved by the Bank, and all AHP funds have been disbursed to the project.



- Other Reminder:
Except as set forth in the immediately following bullet point, the holder/beneficiary of the note and security instrument given by the Project Owner must be the Member (and not the Sponsor or FHLBank Atlanta).
- In the event that the Member lends a direct subsidy to the project, the holder/beneficiary of the note and security instrument given by the Project Owner may be either the Sponsor or the Member (but not FHLBank Atlanta). If the Sponsor is the holder/beneficiary, then the Member must obtain from the Sponsor (and perfect by possession of the note) a pledge of that note in favor of the Member, to secure the Sponsor’s obligations under the AHP regulations with respect to this project.
- In the event that the subsidy is disbursed to the Project Owner prior to completion of construction of the project, then, in addition to the full retention period for the project which terminates 15 years from the project completion date, at all times prior to completion, the project shall be made subject to a recapture agreement, pursuant to which (a) any sale of the property (or any portion thereof) to any person or entity shall be prohibited without the prior written consent of the Member; and (b) any failure to develop the property in accordance with the AHP agreement for the project, or any other failure by the Sponsor to comply with said agreement, the recapture agreement, or any AHP regulation, shall result in a default requiring repayment of the subsidy to FHLBank Atlanta.
- The retention agreement must also include:
 - a. The name and address of the Project Owner;
 - b. The name and address of the project;
 - c. The amount of the AHP direct subsidy and/or subsidized advance; and
 - d. The AHP project number.

C. AHP Competitive Owner-Occupied Units



The Member shall ensure that an owner-occupied unit that is purchased, constructed, or rehabilitated with the proceeds of a direct subsidy and/or a subsidized advance is subject to a deed restriction or other legally enforceable retention agreement requiring that:

- i. Each of the Federal Home Loan Bank of Atlanta (“FHLBank Atlanta”) and the Member is to be given notice of any sale or refinancing of the unit occurring prior to the end of the five-year Affordable Housing Program (“AHP”) retention period, which ends five years from the date of closing;
- ii. In the case of a sale of the unit prior to the end of the five-year AHP retention period, (a) with respect to a direct subsidy, an amount equal to the lesser of: (A) the AHP subsidy, reduced on a pro rata basis per month until the unit is sold, transferred, or its title or deed transferred during the AHP five-year retention period; or (B) any net proceeds from the sale, transfer, or assignment of title or deed of the unit, as applicable, minus the AHP-assisted household's investment; and (b) with respect to a subsidized advance the proceeds of which were used to finance construction or rehabilitation (in a rehabilitation-purchase transaction) of (and not permanent financing for) the unit, an amount equal to the lesser of: (A) the AHP interest rate subsidy imputed to the subsidized advance that financed the construction or rehabilitation loan for the unit, reduced on a pro rata basis per month until the unit is sold, transferred, or its title or deed transferred, during the AHP five-year retention period; or (B) any net proceeds from the sale, transfer, or assignment of title or deed of the unit, as applicable, minus the AHP-assisted household's investment, unless the unit is sold to a very low-, low- or moderate-income household, as defined in the AHP Regulations;
- iii. In the case of a refinancing of the unit prior to the end of the five-year AHP retention period, (a) with respect to a direct subsidy, an amount equal to the lesser of: (A) the AHP subsidy, reduced on a pro rata basis per month until the unit is refinanced, during the AHP five-year retention period; or (B) any net proceeds from the refinancing, minus the AHP-assisted household's investment, and (b) with respect to a subsidized advance the proceeds of which were used to finance construction or rehabilitation (in a rehabilitation-purchase transaction) of (and not permanent financing for) the unit, an amount equal to the lesser of: (A) the AHP interest rate subsidy imputed to the subsidized advance that financed the construction or rehabilitation loan for the unit, reduced on a pro rata basis per month until the unit is refinanced, during the AHP five-year retention period; or (B) any net proceeds from the refinancing, minus the AHP-assisted household's investment, unless the unit continues to be subject to a deed restriction or other legally enforceable retention agreement, as described in these four paragraphs; and
- iv. The obligation to repay AHP subsidy to FHLBank Atlanta shall terminate after any foreclosure, deed in lieu of foreclosure, or assignment to the Secretary of HUD.
- v. In the event that the subsidy is disbursed to the Sponsor prior to completion of construction of the owner-occupied units, then, in addition to the full retention period for the project which terminates 5 years from the project completion date, at all times prior to construction and transfer of the units to the initial owner-occupants, the project shall be made subject to a recapture agreement, pursuant to which (a) the Sponsor shall give the Member and

FHLBank Atlanta notice of the sale of the property (or any portion thereof) to an eligible homebuyer, at which time the homebuyer shall execute a retention agreement of the type contemplated above; (b) any sale of the property (or any portion thereof) to any person or entity (other than an eligible homebuyer) shall be prohibited without the prior written consent of the Member; and (c) any failure to develop the property in accordance with the AHP agreement for the project, or any other failure by the Sponsor to comply with said agreement, the recapture agreement, or the AHP Regulations, shall result in requiring repayment of the subsidy to FHLBank Atlanta.

As used in (i.) above, “date of closing” means (a) with respect to a unit purchased or constructed with the proceeds of AHP subsidy, the date on which the owner-occupant acquires the unit; and (b) with respect to a unit rehabilitated with the proceeds of AHP subsidy, the date on which the owner-occupant executes and delivers the retention agreement.



Other Reminders:

- The retention agreement and promissory note must also include:
 - i. The name of the owner;
 - ii. The address of the unit;
 - iii. The amount of the AHP subsidy;
 - iv. The AHP project number

D. AHP Set-aside Owner-Occupied Units



The Member shall ensure that an owner-occupied unit that is purchased or constructed with the proceeds of a direct subsidy and/or a subsidized advance is subject to a deed restriction or other legally enforceable retention agreement requiring that:

- i. Each of the Federal Home Loan Bank of Atlanta (“FHLBank Atlanta”) and the Member is to be given notice of any sale or refinancing of the unit occurring prior to the end of the five-year Affordable Housing Program (“AHP”) retention period, which ends five years from the date of closing;
- ii. In the case of a sale of the unit prior to the end of the five-year AHP retention period, (a) with respect to a direct subsidy, an amount equal to the lesser of: (A) the AHP subsidy, reduced on a pro rata basis per month until the unit is sold, transferred, or its title or deed transferred during the AHP five-year retention period; or (B) any net proceeds from the sale, transfer, or assignment of title or deed of the unit, as applicable, minus the AHP-assisted household's investment; and (b) with respect to a subsidized advance the proceeds of which were used to finance construction or rehabilitation (in a rehabilitation-purchase transaction) of (and not permanent financing for) the unit, an amount equal to the lesser of: (A) the AHP interest rate subsidy imputed to the subsidized advance that financed the construction or rehabilitation loan for the unit, reduced on a pro rata basis per month until the unit is sold,

transferred, or its title or deed transferred, during the AHP five-year retention period; or (B) any net proceeds from the sale, transfer, or assignment of title or deed of the unit, as applicable, minus the AHP-assisted household's investment, unless the unit is sold to a very low-, low- or moderate-income household, as defined in the AHP Regulations;

- iii. In the case of a refinancing of the unit prior to the end of the five-year AHP retention period, (a) with respect to a direct subsidy, an amount equal to the lesser of: (A) the AHP subsidy, reduced on a pro rata basis per month until the unit is refinanced, during the AHP five-year retention period; or (B) any net proceeds from the refinancing, minus the AHP-assisted household's investment, and (b) with respect to a subsidized advance the proceeds of which were used to finance construction or rehabilitation (in a rehabilitation-purchase transaction) of (and not permanent financing for) the unit, an amount equal to the lesser of: (A) the AHP interest rate subsidy imputed to the subsidized advance that financed the construction or rehabilitation loan for the unit, reduced on a pro rata basis per month until the unit is refinanced, during the AHP five-year retention period; or (B) any net proceeds from the refinancing, minus the AHP-assisted household's investment, unless the unit continues to be subject to a deed restriction or other legally enforceable retention agreement, as described in these four paragraphs; and
- iv. The obligation to repay AHP subsidy to FHLBank Atlanta shall terminate after any foreclosure, deed in lieu of foreclosure, or assignment to the Secretary of HUD.

As used in (i.) above, “date of closing” means with respect to a unit purchased or constructed with the proceeds of AHP subsidy, the date on which the owner-occupant acquires the unit.



Other Reminders:

- The retention agreement must also include:
 - i. The name of the owner;
 - ii. The address of the unit;
 - iii. The amount of the AHP subsidy; and

