



## 2021 AHP Homeownership Set-aside Program Training – New Users

---

January 15, 2021

---

Maxima Sims  
Ownership Production Manager

Cassandra Madden  
Ownership Coordinator

ShaDonte Butler  
Community Investment Relationship Manager

- AHP Homeownership Set-aside Program Overview
- What's New for 2021?
- 2021 Product Details
- Eligibility Guidelines
- Workflow
- Compliance/Risk Management
- Helpful Resources
- Questions and Answers

# AHP Homeownership Set-aside Program Overview

- FHLBank Atlanta's Affordable Housing Program (AHP) Homeownership Set-aside Program provides funds for the purchase or disaster recovery rehabilitation of a home

Eligible homebuyer(s)/  
homeowner(s) include low- and  
moderate-income households

Can be used to reduce  
principal and assist in down  
payments, closing costs,  
and/or rehabilitation costs

- Homeownership products “get the phones ringing”



First-time Homebuyer  
Product (\$7,500)



Community Partners  
Product (\$10,000)



Community Rebuild and  
Restore (\$10,000)



Structured Partnership  
Products

## Availability

first-come, first-served basis

- 
- Each shareholder is limited to **\$1 million in funds** during an annual offering period
  - **\$7,500 – \$10,000** available to eligible low- to moderate-income homebuyers(s)
  - **Funds can be used for:**
    - Reducing principal
    - Assisting in down payments, closing costs, rehabilitation costs

Our **AHP Homeownership Set-aside Program** products have been streamlined to offer you and your customer more down payment and closing cost assistance to increase product impact and meet the current and emerging housing needs in your communities.

## Highlights include:

- ✓ Increased First-time Homebuyer Product funding from \$5,000 to \$7,500
- ✓ Increased Community Partners Product funding from \$7,500 to \$10,000 and expanded the occupation definition to include veterans and active-duty military, or their surviving spouse, and COVID-19-related essential workers
- ✓ Expanded Community Rebuild and Restore product to include COVID-19-related FEMA disaster declaration areas
- ✓ Use of funds has been increased from six business days to 10 business days from the date of closing on the preliminary closing disclosure
- ✓ Introducing Credit.org as an additional homebuyer counseling provider
- ✓ Introducing the COVID-19 Structured Partnership Product that provides funding for home purchase and rehabilitation
- ✓ FHLBAsap® multi-browser compatibility functionality
- ✓ Veterans Purchase, Returning Veterans Purchase, and Foreclosure Recovery products being retired



## First-time Homebuyer

**Maximum Amount: \$7,500**

Assistance for borrowers that meet the definition of first-time homebuyer as defined by HUD HOC reference guide [chapter 3](#), which includes recovering victims of catastrophic loss or natural disasters



## Community Partners

**Maximum Amount: \$10,000**

Assistance for currently employed or retired law enforcement officers, educators, health care workers, firefighters, other first responders; veterans and active-duty military, or their surviving spouse; and COVID-related essential workers

Note: See a more detailed definition in Affordable Housing Program Implementation Plan.



## Community Rebuild and Restore

**Maximum Amount: \$10,000**

The Community Rebuild and Restore Product facilitates the rehabilitation of an existing owner-occupied property located in “Major Disaster Declaration” areas or COVID-19 disasters as designated by the Federal Emergency Management Agency (FEMA) located within the United States and its territories.

## Use of Funds

Funds must be used to correct defects or deficiencies resulting from the identified disaster no more than 36 months prior to the date of the application submission, and must be used for repairs not covered by insurance currently in place for the property.

FEMA ID# required at submission.

## 80% Area Median Income

Household income must be at or below 80 percent of the county area median income, or the state median family income, adjusted for family size as published by HUD (whichever is higher).

## \$1,000 Minimum Homebuyer Contribution

Borrower must contribute a minimum of \$1,000 toward eligible product transaction (not applicable to Community Rebuild and Restore Product).

## \$250 Maximum Cash Back

Borrower can receive no more than \$250 cash back at closing. This is a regulatory requirement.

## Borrower Counseling

Borrowers must complete homebuyer counseling program provided by an FHLBank Atlanta designated counseling provider.

## Five-year Retention Period

Purchase Products Only – Borrowers must sign AHP Homeownership Set-aside note and security instrument.

*Failure to own and occupy the property for five years could result in the recapture of funds on a pro rata basis.*

The following eligibility guidelines apply to all loans that are part of the AHP Homeownership Set-aside Program transaction:



## Application Charges/Fees

- Interest rates, fees, points, and any other charges for all loans may not exceed a reasonable market rate of interest, fees, points, and any other charges for loans of similar maturity, terms, and risk



## Term

- Minimum five-year term



## Amortization

- Fully amortizing



## Mortgage Type

- Fixed-rate mortgages are eligible
- Adjustable-rate mortgages are eligible with certain parameters
- Balloon mortgages that have minimum 10-year balloon end date

The following are not eligible for AHP Homeownership Set-aside Program funds:

## **Mortgage Type**

- Interest-only or pay option loans



## **Amortization**

- Negative amortization

## **Application Charges/Fees**

- Processing, pre-payment, and reserve accounts are prohibited for transactions with AHP funds

# Expanding Your Eligible Customer Base



## FHLBank Atlanta - AHP Income Limits Calculator

Enter Calculation Criteria ?
🖨️

HUD Year \*

State \*

County \*

MSA \*

Household Size \*

Household Income \*

Maximum 80% Income	\$60,000.00
Household AMI %	62.50 %

Household Income <= 80% AMI

### To calculate household Income:

- Select HUD Year from drop down
- Select State, County, Household Size, and input household income for all household members 18 years of age and over
- Click “Calculate AMI%”

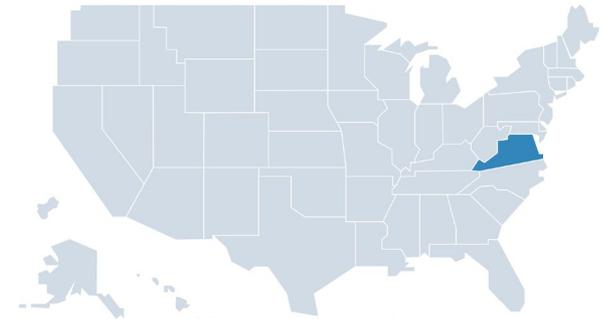
AHP Income Limits 📌	1 Person Household	2 Person Household	3 Person Household	4 Person Household	5 Person Household	6 Person Household	7 Person Household	8+ Person Household
<b>80%</b>	\$42,000.00	\$48,000.00	\$54,000.00	\$60,000.00	\$64,800.00	\$69,600.00	\$74,400.00	\$79,200.00
<b>65%</b>	\$34,125.00	\$39,000.00	\$43,875.00	\$48,750.00	\$52,650.00	\$56,550.00	\$60,450.00	\$64,350.00
<b>50%</b>	\$26,250.00	\$30,000.00	\$33,750.00	\$37,500.00	\$40,500.00	\$43,500.00	\$46,500.00	\$49,500.00

<https://cis.fhlbatl.com/incomecalculation>

# Shareholder Perspective – Powell Valley National Bank



Mary Beth Baker  
Senior Vice President and Retail Loan Administrator  
Powell Valley National Bank



Markets Served: VA

## Total AHP Usage

**\$100K AHP since 2018**

- 16 units
- Development budget \$980K

**AHP Usage  
Purchase**

**\$100K AHP usage since 2018**

- 16 units
- Leverage ratio = 1:9

**AHP Usage  
Rehab**

**\$0 AHP usage**



POWELL VALLEY  
NATIONAL BANK

Online processing takes place in three submission steps:



## Intake

Applications are reviewed within five business days or less from submission



## Funding Documents

Funds are quickly disbursed to your existing Demand Deposit Account (DDA) within three business days of the closing date on your preliminary closing disclosure

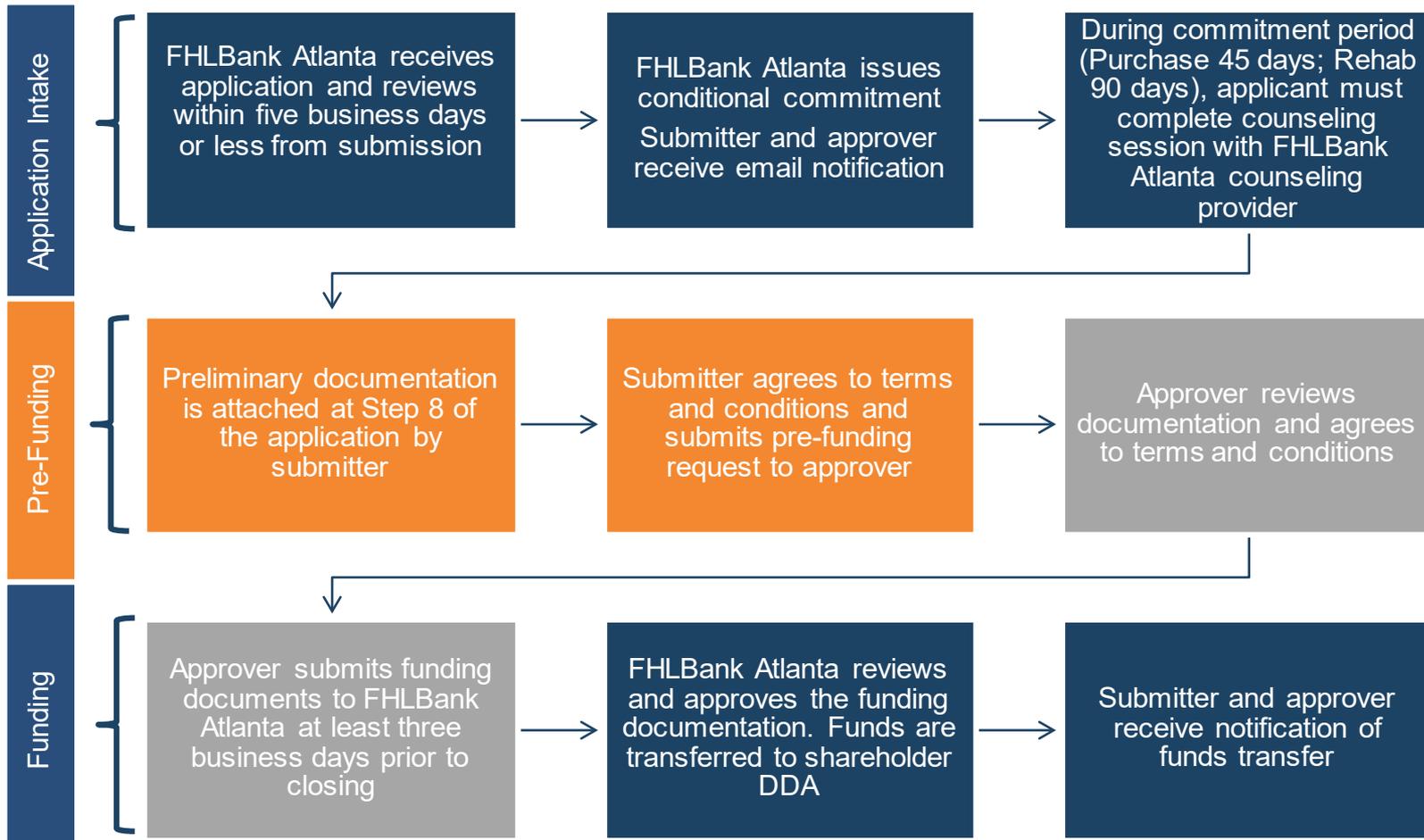


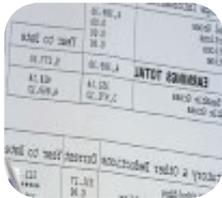
## Post-closing

Final documents must be submitted within 20 business days of the closing date on your preliminary closing disclosure to prevent pending transactions from being delayed

*Intake and funding are the only two steps that require a dual submission process by a submitter and an approver*

# Workflow – Application Funding Process





## Provide income documentation for all household members 18 and over

- 30 days worth of current and consecutive paystubs
  - Must receive paystubs that include pay periods for the current year. Paystubs that reflect income received in 2020, but paid in 2021 is not sufficient and will require a VOE
- The last paystub that indicates total earnings for the prior year must be provided (applications submitted January 19 through March 31)
- Shareholder must confirm employment start date on Intake Certification form
- A Zero Income Affidavit is required for any household member 18 over that has no income



## Census tract verification document that matches the property address and census tract selected on Step 3

- We will also accept the Flood Certification, if it lists a census tract number, or the first three pages of the appraisal



## Executed Intake Certification

- This is a two-page document, and both pages must be provided. If the application includes a non-occupant co-borrower, they must also execute the document and list any financial support that will be provided to the household
- The document can be signed electronically or printed and signed. We do not accept typed initials or signatures

# Workflow – Funding Documents (Step 8)



At least three business days prior to closing attach the following required documents on Step 8:

- Fully prepared preliminary closing disclosure that lists the same closing and disbursement dates, seller, lender, line item for counseling, line item for FHLBank Atlanta funds, no more than \$250 cash back at closing, etc.
- Certificate of Counseling Completion from FHLBank Atlanta designated provider
- Conditions of funding documentation, if applicable. Please review commitment email to confirm if any conditions of funding are indicated
- If the closing is delayed, you must contact FHLBank Atlanta to determine next steps

# Workflow – Post-closing (Step 9)



20 business days or less from the closing date on the preliminary closing disclosure attach the following required documents on Step 9:

- Fully prepared preliminary closing disclosure that lists the same closing and disbursement dates, seller, lender, line item for counseling, line item for FHLBank Atlanta funds, no more than \$250 cash back at closing, etc.
- Executed and notarized AHP security instrument. If the document includes an exhibit for the legal description, it must be provided
- Executed closing disclosures or additional documentation that addresses other funding sources subordinate to the first mortgage, if applicable


Home
Help | Logout

Welcome, Laps Submitter

Isupplier

Wed Dec 11 4:03:02 PM

Home File View Application Administrative Options Reports

### My Tasks

Total Messages (4)

- Assigned to Me (0)
- Assigned to my Group (0)
- My Work in Progress (4)
- Messages from The Bank (0)
- Conditional Commitments (0)
- Post Funding (0)
- Past Due Documents (0)

### AHP Set-aside Program Funds Available

Funds Available - General Products	\$6,974,824.53
Funds Available - Restricted for SPPs	\$0.00
<b>Total Program Funds Available</b>	<b>\$6,974,824.53</b>

### My Allocation Summary

Funding Limit:	\$1,000,000.00
Pending:	2,500.00
Disbursed:	0.00
Funds Available:	\$997,500.00

[Application Status](#)
[Continue Application](#)

### Quick Links

- AHP Income Limits
- ClearPoint Counseling Flyer
- FHLBAsap Quick Start Guide
- AHP Implementation Plan
- Products Brochure
- AHP Set-aside Agreement
- Documents and Forms
- AHP Suspension Report
- Pen Test



**Purchase Only**

Apply Now

For down-payment and closing cost assistance for the purchase of a new or existing home.



**Purchase and Rehab**

Apply Now

For the purchase and rehabilitation of a new or existing home.



**Rehab Only**

Apply Now

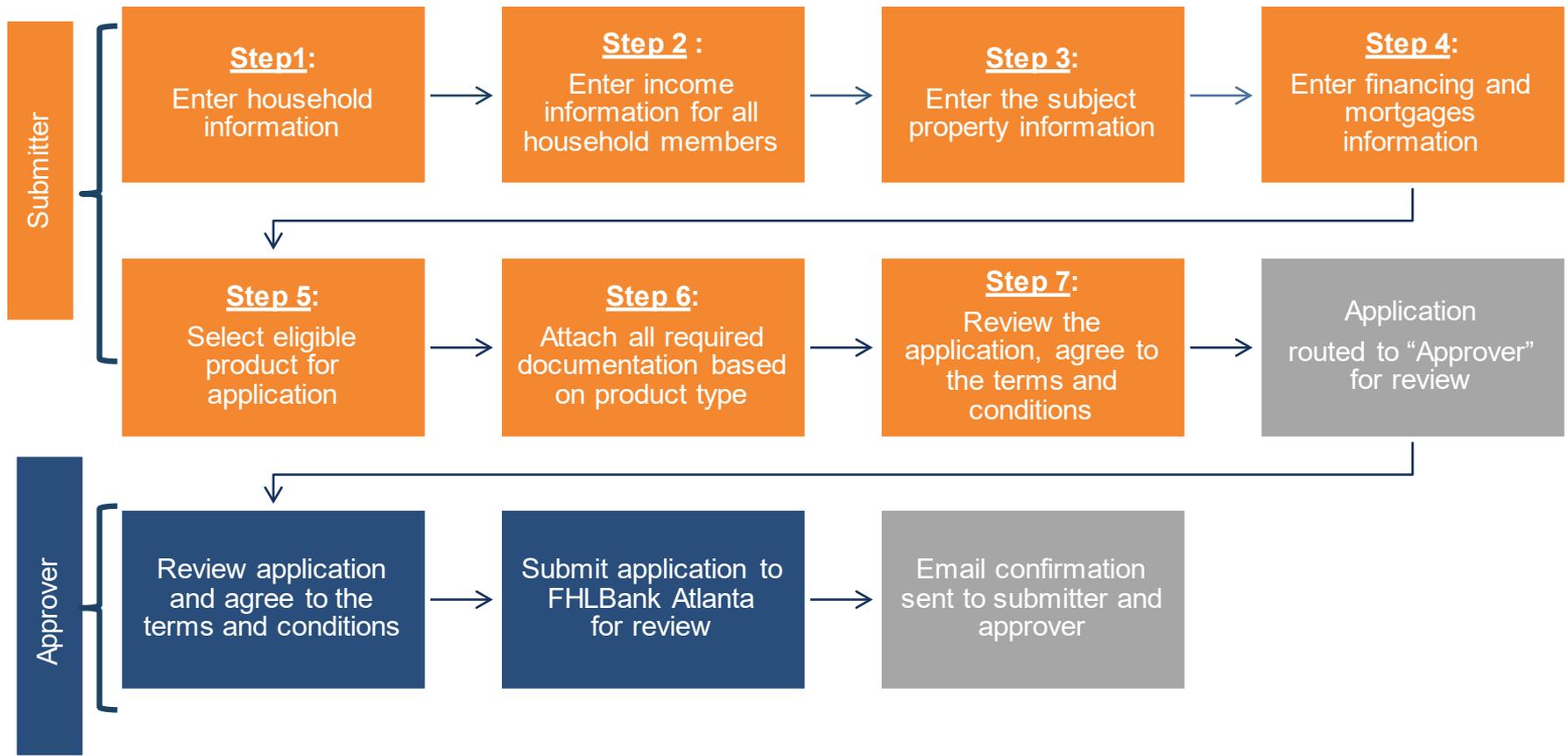
For the rehabilitation of an existing home.

### Message Board

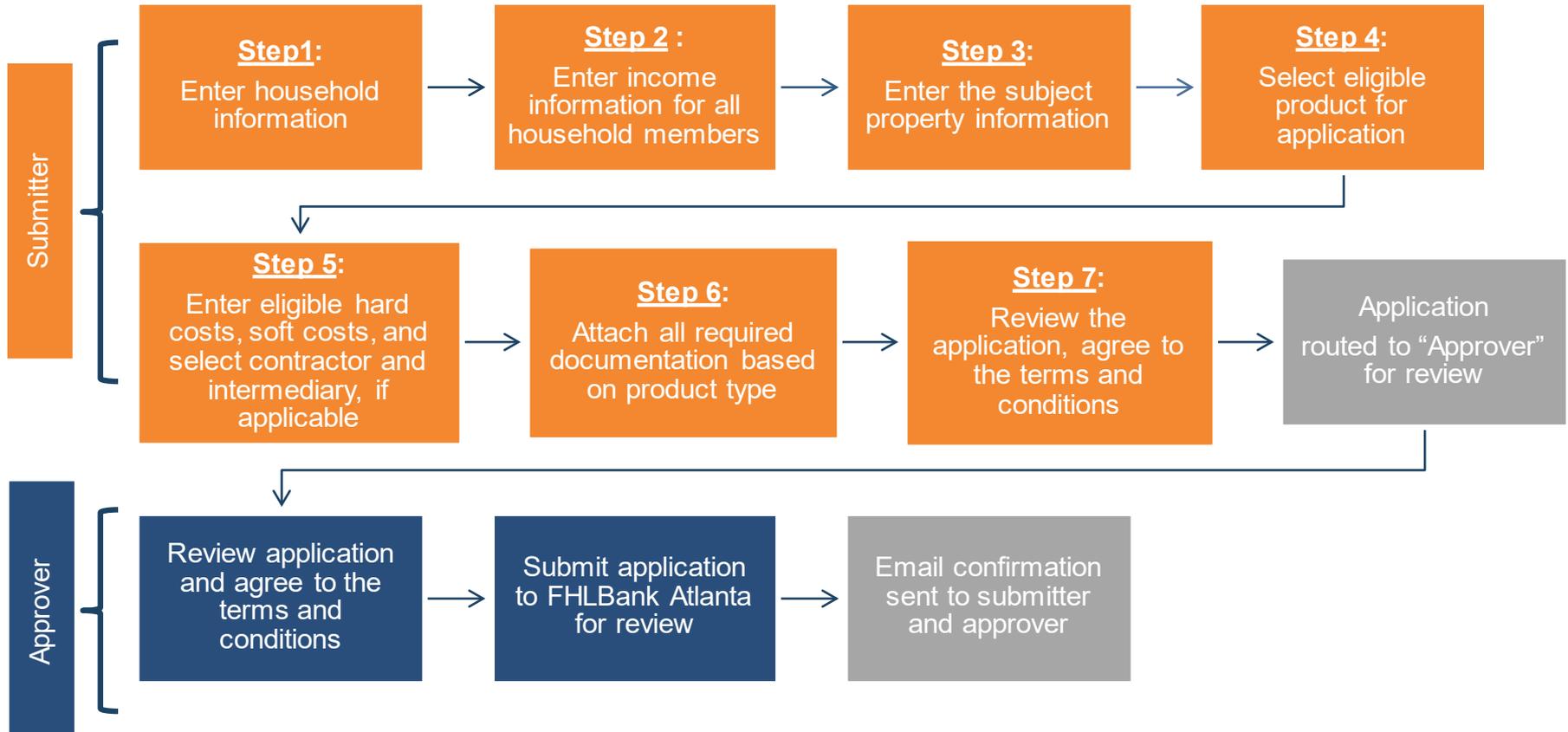
- 04/04/2019: IMPORTANT UPDATES: UPDATED DOCUMENTS AND TURNAROUND TIMES
- 05/15/2019: IMPORTANT UPDATES

[Message Archive](#)

# Application Process – Purchase Products



# Application Process – Rehabilitation Products

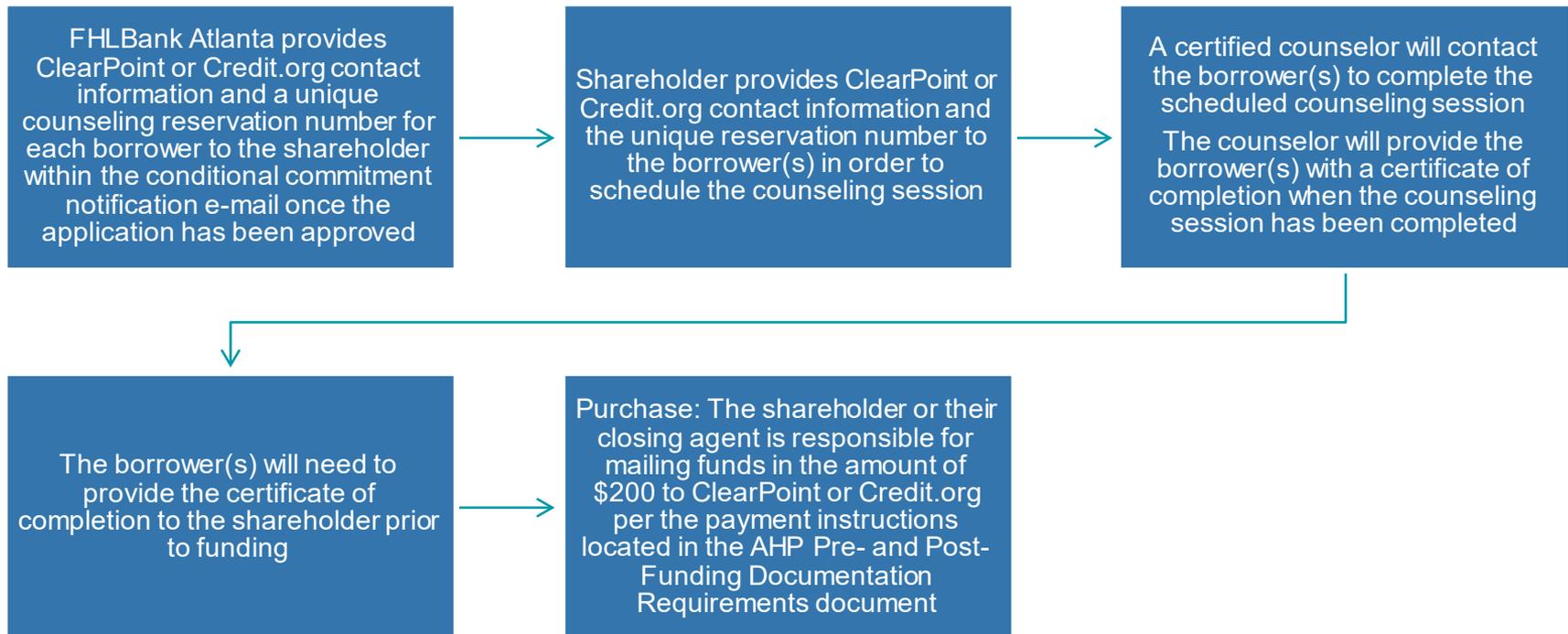


## Review of Asset Statements

- ***Are there consistent deposits that are not from employment?*** If so, have applicant address in writing, this could possibly be additional household income
- ***Is the applicant working a part-time job in addition to their regular employment?*** If so, you must provide supporting documentation for this income.
  - If the applicant has interest bearing asset accounts, the interest being earned must be included on Step 2 as income, and two months of current and consecutive asset statements provided on Step 6
- If there is an income source like child support and/or self-employment (i.e. Lyft, Uber, Amway, side jobs, etc.), then enter amount on Step 2, attach supporting income documentation per documentation policy, and list on the Intake Certification

## Other Income

- If the applicant is receiving child support that is not court ordered or financial assistance from a family member or someone other than the non-occupant co-borrower a Letter of Explanation over HUD1010 language that details the amount and frequency of receipt must be provided
- If bonus is only earned once per year, provide written explanation from employer and attach with income documents on Step 6. Any explanation regarding income must come from the employer



## Who is considered a household member?

- Any person(s) moving in at purchase or within 12 months of purchase should be considered a household member at application

## What income should be included?

- Provide compliance income documentation vs. qualifying income for all household members 18 and over
  - Including but not limited to wages, self-employment, child support, alimony, SSI for minor children, unemployment, and any income being earned by an employed full-time student
  - Provide interest earnings from asset accounts (must be documented with two months of current and consecutive asset statements)
- Provide part-time and seasonal employment
- Provide future income from rental units associated with property being purchased

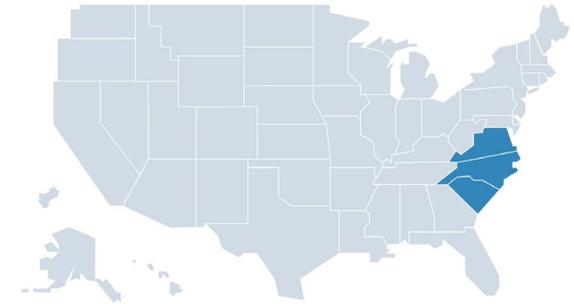
## Other information

- Any information that will help FHLBank Atlanta in making a decision to issue a commitment should be provided
- Information regarding the current or future status of income must be addressed in writing by the employer
- Manufactured housing must be converted from personal property to real property
  - Shareholder should have sufficient documentation to evidence that the manufactured housing is titled as real property

# Shareholder Perspective – Truliant Federal Credit Union



Beth Eller  
Vice President of Mortgage Services  
Truliant Federal Credit Union



Markets Served: NC, SC, VA

## Total AHP Usage

**\$12K AHP since 2001**

- 2 units
- Development budget \$298K

**AHP Usage  
Purchase**

**\$12K AHP usage since 2001**

- 2 units
- Leverage ratio = 1:25

**AHP Usage  
Rehab**

**\$0 AHP usage**



- Is your institution listed in the Find A Member Locator Tool?
  - Access the Find A Member locator tool on the Bank’s website to ensure the contact person(s) listed for your institution is still current and correct
  - If your institution is not listed, we will be happy to add it to the list, and can include as many contacts as necessary based on their location
  - This is an excellent tool to increase your mortgage and customer base

## Find a Member Near You

Select the type of member you'd like to find

Member Financial Institutions

Lenders that participate in AHP  
Ownership Products

Lenders that participate in  
Multifamily Housing

Add or Update your Institution  
Today!

Forward Institution Name and  
contact information to:

[fhlbasap@fhlbatl.com](mailto:fhlbasap@fhlbatl.com)

Any person who knowingly makes a false statement or misrepresentation to FHLBank Atlanta is subject to penalties that may include fines, imprisonment, or both, under the provision of Title 18, United States Code, Sec. 1014, including, but not limited to:

- Shareholders
  - Loan Officers
  - Processors (submitters)
  - Underwriters (approvers/program managers)
  - Closers
- Closing Agents
- Contractors/Inspectors
- Realtors



# Helpful Resources



Program Guidelines	Links
<ul style="list-style-type: none"><li>AHP Implementation Plan</li></ul>	<a href="http://corp.fhlbatl.com/files/documents/ahp-implementation-plan.pdf">http://corp.fhlbatl.com/files/documents/ahp-implementation-plan.pdf</a>
Application Resources	
<ul style="list-style-type: none"><li>AHP Income Limits Calculator</li></ul>	<a href="https://cis.fhlbatl.com/incomecalculation">https://cis.fhlbatl.com/incomecalculation</a>
<ul style="list-style-type: none"><li>AHP Pre and Post Funding Documentation Requirements</li></ul>	<a href="http://corp.fhlbatl.com/files/documents/ahp-pre-post-documentation-requirements.pdf">http://corp.fhlbatl.com/files/documents/ahp-pre-post-documentation-requirements.pdf</a>
<ul style="list-style-type: none"><li>AHP Products Income Documentation Requirements</li></ul>	<a href="http://corp.fhlbatl.com/files/documents/ahp-income-documentation-requirement.pdf">http://corp.fhlbatl.com/files/documents/ahp-income-documentation-requirement.pdf</a>
<ul style="list-style-type: none"><li>Zero Income</li></ul>	<a href="http://corp.fhlbatl.com/files/documents/ahp-zero-income-certification.pdf">http://corp.fhlbatl.com/files/documents/ahp-zero-income-certification.pdf</a>
<ul style="list-style-type: none"><li>Intake Certification</li></ul>	<a href="http://corp.fhlbatl.com/files/documents/intake-certification.pdf">http://corp.fhlbatl.com/files/documents/intake-certification.pdf</a>
<ul style="list-style-type: none"><li>FHLBAsap QuickStart Guide</li></ul>	<a href="http://corp.fhlbatl.com/files/documents/fhlbasap-quickstart.pdf">http://corp.fhlbatl.com/files/documents/fhlbasap-quickstart.pdf</a>
Marketing Resources	
<ul style="list-style-type: none"><li>AHP Marketing and Publicity Guide</li></ul>	<a href="http://corp.fhlbatl.com/files/documents/ahp-marketing-publicity-guide.pdf">http://corp.fhlbatl.com/files/documents/ahp-marketing-publicity-guide.pdf</a>



## Marketing:

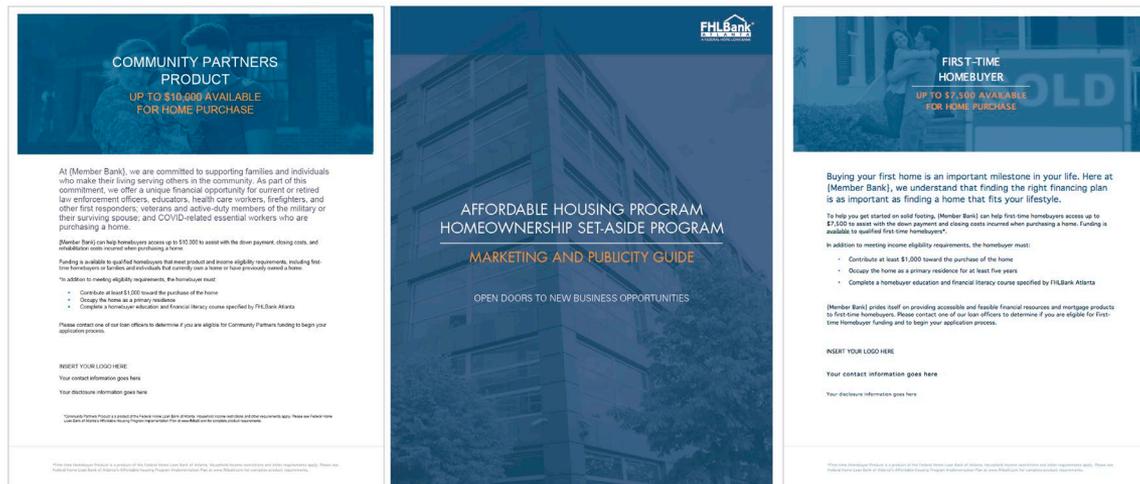
FHLBank Atlanta provides templates to assist with marketing the AHP Homeownership Set-aside Program.

- Templates available on our corporate website
- Direct assistance with shareholders



## Technical Assistance:

FHLBank Atlanta will conduct in collaboration with our shareholders: webinars, joint outreach, and business development events.



Do You Have Any Questions?



We are happy to help!

**We're here to help, and we encourage you to contact your Program Manager for assistance with program-related questions**

**800.536.9650, option 3**

**Email: [fhlbasap@fhlbatl.com](mailto:fhlbasap@fhlbatl.com)**

## **Management Team**

Maxima Sims  
Ownership Production Manager  
[msims@fhlbatl.com](mailto:msims@fhlbatl.com)

Tomeka Lambert Strickland  
Associate Director  
[tstrickland@fhlbatl.com](mailto:tstrickland@fhlbatl.com)

## **Business Development**

ShaDonte Butler  
Community Investment Relationship Manager  
[sbutler@fhlbatl.com](mailto:sbutler@fhlbatl.com)

Cassandra Madden  
Ownership Coordinator  
[cmadden@fhlbatl.com](mailto:cmadden@fhlbatl.com)

**Thank You**