



## 2021 AHP Homeownership Set-aside Program Training – Loan Officers

---

January 11, 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
- Loan Officer Responsibilities
- Best Practices – All Applications
- 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”

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  
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



## 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%”

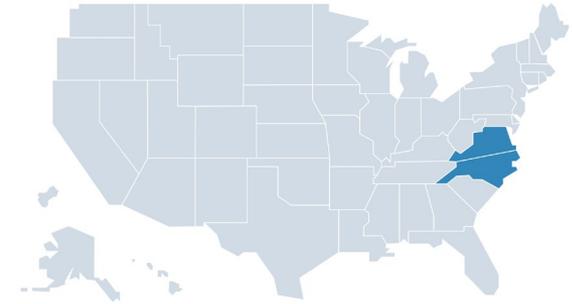
AHP Income Limits ?	1 Person Household	2 Person Household	3 Person Household	4 Person Household	5 Person Household	6 Person Household	7 Person Household	8+ Person Household
<b>80%</b>	\$42,000.00	\$48,000.00	\$54,000.00	\$60,000.00	\$64,800.00	\$69,600.00	\$74,400.00	\$79,200.00
<b>65%</b>	\$34,125.00	\$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>

# Loan Officer Perspective – TowneBank



Mary White  
Vice President, Mortgage Loan Officer  
TowneBank



Markets Served: NC, VA

## Total AHP Usage

**\$8.4M AHP since 1999**

- 1,456 units
- Development budget \$228 million

## AHP Usage Purchase

**\$8.4M AHP usage since 1999**

- 1,456 units
- Leverage ratio = 1:27



- Ensure the following information is provided to the submitter:
  - All compliance income documentation for household members 18 years of age and over
    - Ask questions to ensure all household members and income are included; e.g. is child support being received?
    - Is the household member receiving unemployment benefits? If so, this income must be included
  - Fully executed and complete Intake Certification. If the document is signed electronically, provide verification pages. There should be no typed initials or names
    - Is there a non-occupant co-borrower? If so, they must execute the Intake Certification and list any income being provided to the household
  - Review all asset documentation to ensure all household income is being counted – any consistent deposits or amounts larger than a nominal amount (e.g. larger than \$50) should be addressed prior to submittal
    - Is the applicant earning interest from the asset accounts? If so, request two months of current and consecutive asset statements

- Is the subject property a duplex that could possibly have rental units? If so, current and future rental income must be included
- Review the 1003 to ensure all household information and household income has been provided
- If any changes in household size or household income are discovered after submission to FHLBank Atlanta or during the commitment period, contact the submitter so additional documentation can be submitted for review
  - Do not wait until closing to alert the submitter or FHLBank Atlanta of any changes that could trigger a second review
- If the paystubs do not list a year-to-date total for all income listed, request a verification of employment (VOE) from the employer
  - Providing this at submission will assist FHLBank Atlanta in completing a timely review

## 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?

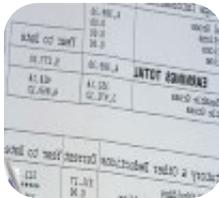
- Provide compliance income documentation vs. qualifying income for all household members 18 and over
  - Including but not limited to wages, self-employment, child support, alimony, SSI for minor children, unemployment, and any income being earned by an employed full-time student
  - Provide interest 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



## DO NOT SUBMIT YOUR APPLICATION IF THE FOLLOWING REQUIRED DOCUMENTATION IS NOT ATTACHED!



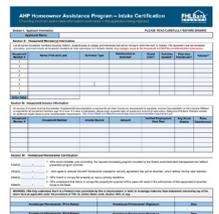
Income documentation for all household members 18 and over

- 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 are not sufficient and will require a VOE
- The last paystub that indicates total earnings for the prior year must be provided for all applications submitted between January 19 – March 31
- A Zero Income Affidavit is required for any adult household member with 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



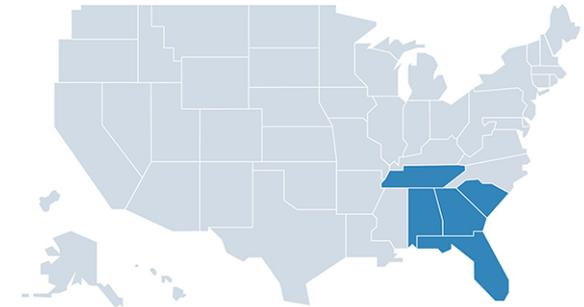
Executed Intake Certification

- 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

# Loan Officer Perspective – Synovus Bank



Marco Elcock  
Mortgage Loan Originator  
Synovus Mortgage



Markets Served: AL, FL, GA, SC, TN

## Total AHP Usage

**\$2.9 million AHP since 2009**

- 442 units
- Development budget \$47.9 million

## AHP Usage Purchase

**\$2.07 million AHP usage since 2009**

- 377 units
- Leverage ratio = 1:24

## AHP Usage Rehab

**\$842K AHP usage since 2014**

- 65 units



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



Application Resources	
• AHP Implementation Plan	<a href="http://corp.fhlbatl.com/files/documents/ahp-implementation-plan.pdf">http://corp.fhlbatl.com/files/documents/ahp-implementation-plan.pdf</a>
• AHP Income Limits Calculator	<a href="https://cis.fhlbatl.com/ahp/utilities.portal">https://cis.fhlbatl.com/ahp/utilities.portal</a>
• AHP Pre- and Post-funding Documentation Requirements	<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>
• AHP Products Income Documentation Requirements	<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>
• Zero Income	<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>
• Intake Certification	<a href="http://corp.fhlbatl.com/files/documents/intake-certification.pdf">http://corp.fhlbatl.com/files/documents/intake-certification.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.

**COMMUNITY PARTNERS PRODUCT**  
UP TO \$10,000 AVAILABLE FOR HOME PURCHASE

At [Member Bank], we are committed to supporting families and individuals who make their living serving others in the community. As part of this commitment, we offer a unique financial opportunity for current or retired law enforcement officers, educators, health care workers, firefighters, and other first responders, veterans and active-duty members of the military or their surviving spouse, and COVID-related essential workers who are purchasing a home.

[Member Bank] can help homeowners access up to \$10,000 to assist with the down payment, closing costs, and origination costs incurred when purchasing a home.

Funding is available to qualified homeowners that meet product and income eligibility requirements, including first-time homebuyers or families and individuals that currently own a home or have previously owned a home.

In addition to meeting eligibility requirements, the homeowner must:

- Contribute at least \$1,000 toward the purchase of the home
- Occupy the home as a primary residence
- Complete a homebuyer education and financial literacy course specified by FHLBank Atlanta

Please contact one of our loan officers to determine if you are eligible for Community Partners Funding to begin your application process.

INSERT YOUR LOGO HERE  
Your contact information goes here  
Your [Member Bank] information goes here

\*Community Partners Product is a product of FHLBank Atlanta. FHLBank Atlanta is not a lender. Homeowner income verification and other requirements apply. Please see the terms and conditions of the Community Partners Product for more information.

**AFFORDABLE HOUSING PROGRAM  
HOMEOWNERSHIP SET-ASIDE PROGRAM**

**MARKETING AND PUBLICITY GUIDE**

OPEN DOORS TO NEW BUSINESS OPPORTUNITIES

**FIRST-TIME HOMEBUYER**  
UP TO \$7,500 AVAILABLE FOR HOME PURCHASE

Buying your first home is an important milestone in your life. Here at [Member Bank], we understand that finding the right financing plan is as important as finding a home that fits your lifestyle.

To help you get started on your journey, [Member Bank] can help first-time homebuyers access up to \$7,500 to assist with the down payment and closing costs incurred when purchasing a home. Funding is available to qualified first-time homebuyers.

In addition to meeting income eligibility requirements, the homeowner must:

- Contribute at least \$1,000 toward the purchase of the home
- Occupy the home as a primary residence for at least five years
- Complete a homebuyer education and financial literacy course specified by FHLBank Atlanta

[Member Bank] prides itself on providing accessible and feasible financial resources and mortgage products to first-time homebuyers. Please contact one of our loan officers to determine if you are eligible for First-time Homebuyer Funding and to begin your application process.

INSERT YOUR LOGO HERE  
Your contact information goes here  
Your disclosure information goes here

\*First-time Homebuyer Product is a product of FHLBank Atlanta. FHLBank Atlanta is not a lender. Homeowner income verification and other requirements apply. Please see the terms and conditions of the First-time Homebuyer Product for more information.

Do You Have Any Questions?



We are happy to help!

**Thank You**