



2025 AHP
Homeownership Set-aside Program
Rehab Training

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- AHP Homeownership Set-aside Program Overview
- Program Details
- Eligibility Guidelines
- Member Engagement
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Our **AHP Homeownership Set-aside Program rehab** product has been enhanced to address the overwhelming need across the country to assist our members' customers in their efforts to rebuild after a disaster strikes.

Highlights include:

- Increased Community Rebuild and Restore subsidy from \$10,000 to \$25,000
- Eligible properties: Located within the U.S. or its territories in an “Emergency Declaration” area as designated by FEMA or a local, state, or other federal government agency
- Documentation Update: Intake Certification updated to include asset attestation and Zero Income Certification

AHP Homeownership Set-aside Program Overview

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



- Homeownership products are an excellent marketing tool and can help connect you to other key stakeholders

Community Rebuild and Restore Overview



Community Rebuild and Restore (\$25,000)

- Available on a first-come, first-served basis
- Rehabilitation of an existing owner-occupied unit
- \$25,000 available to eligible low- to moderate-income homeowner(s)

Availability first-come, first-served basis



Each member can receive up to **\$750,000 in funds** during an annual offering period



\$25,000 available to eligible low- to moderate-income homeowners

Funds can be used for:

- Repairs resulting from a natural disaster as designated by FEMA or local, state, or other federal government agency

Community Rebuild and Restore

Maximum Amount:

\$25,000

The Community Rebuild and Restore Product facilitates the rehabilitation of an existing owner-occupied property located within the United States and its territories in a “Emergency Declaration” or “Major Disaster” Declaration area designated by the Federal Emergency Management Agency (FEMA) or by a local, state, or other federal government agency.


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



Eligibility Guidelines – Calculating Household Income

Enter Calculation Criteria 

HUD Year *

Household Size *

State *

Household Income *


County *

Maximum 80% Income	\$88,050.00
Household AMI %	71.32 %
Household Income <= 80% AMI	

MSA *

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
80%	\$68,500.00	\$78,250.00	\$88,050.00	\$97,800.00	\$105,650.00	\$113,450.00	\$121,300.00	\$129,120.00

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

Who is eligible to receive funds?

- Households with an income at or below 80% of the county area median income, or the state median family income, adjusted for family size as published by HUD based on the Bank’s methodology (whichever is higher)
 - **This is a regulatory requirement**
- Homeowners with at least 30 days of current ownership by:
 - 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 “Emergency Declaration” or “Major Disaster” declaration, as designated by FEMA

- **What types of properties are eligible?**
 - Properties located within the United States or its territories in “Emergency Declaration” or “Major Disaster” declaration areas as designated by FEMA, that are:
 - Owner-occupied 1-4 family properties
 - Condominiums
 - Townhouses
 - Cooperatives
 - Manufactured Housing (deeded as real estate)

Community Rebuild and Restore Product: Eligible Uses



Rehabilitation of an existing owner-occupied property located in an “Emergency Declaration” or “Major Disaster” declaration area, as designated by FEMA, to correct defects or deficiencies resulting from an identified disaster, that impacts the habitability of the property, not associated with repairs covered under an insurance claim

Scope of work is limited to the following:

Exterior doors

HVAC

Insulation

Roof

Windows

Low-flow plumbing fixtures

Bathrooms including toilets, sinks, vanities, and showers

Kitchen cabinets/sink

Replacement of floor coverings

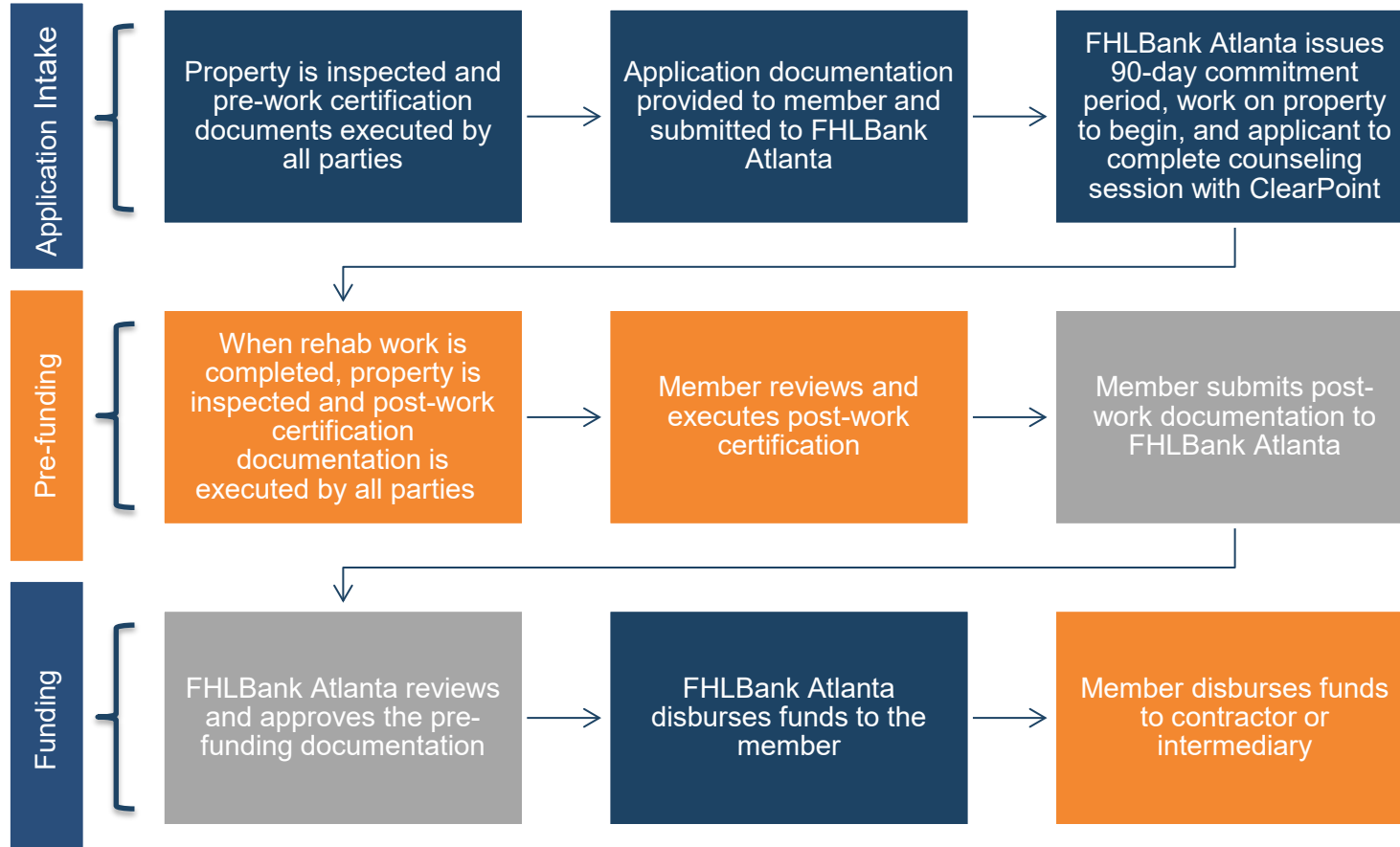
Other rehabilitation, not related to the defined scope, at the Bank’s sole discretion

Soft costs of up to 20 percent of hard costs are allowed, but all member fees plus intermediary fees may not exceed 12 percent of hard costs

- Member Testimonial

What is the Workflow?

Application to Funding Process





Documentation

Provide income documentation for all household members 18 and over dated within 30 days of the application submission

- Written Verification of employment (VOE) fully completed
- Thirty (30) days of current and consecutive paystubs
- **Signed Offer Letters that list a start date and salary amount are acceptable**



Verification

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



Certification

Executed intake certification

- Both pages of the two-page fillable PDF must be provided.
- If the application includes a non-occupant co-borrower, they must execute page 2 of the document and list any financial support that will be provided to the household. The document also includes certifications for household members 18 and over with zero income and asset certification
- The document can be signed electronically or printed and signed. We do not accept typed initials or signatures

Other Income Sources

- All income sources must be documented including self-employment
 - If the homebuyer is receiving financial support, such as non-court ordered child support or financial support from a family member, a statement over HUD1010 language must be provided

See the AHP Product Income Documentation Requirements document for HUD1010 language

Workflow – Homebuyer Counseling Session



FHLBank Atlanta provides **Money Management International, Inc. (MMI) or Credit.org** contact information and a unique counseling reservation number for each borrower to the member within the conditional commitment notification email once the application has been approved

Member provides MMI or Credit.org contact information and the unique reservation number to the borrower(s) in order to schedule the counseling session

A certified counselor will contact the borrower(s) to complete the scheduled counseling session

The counselor will provide the borrower(s) with a certificate of completion when the counseling session has been completed

The borrower(s) will need to provide the certificate of completion to the member prior to funding

Purchase: The member or their closing agent is responsible for mailing funds in the amount of **\$275** to MMI or Credit.org per the payment instructions located in the AHP pre- and post-funding documentation requirements document

Workflow – Funding Documents (Step 8)

After completing the scope of work, the following required documents must be provided:

- Fully completed and executed post-work certification
- Certificate of counseling completion from FHLBank Atlanta designated provider
- Proof of payment to counseling provider (i.e. check and proof the check has been mailed or wired)



Workflow – Post-closing (Step 9)



20 business days or less from the disbursement of funds, the following must be provided:

- Copy of the check or wire transfer/instructions showing funds have been transferred to the intermediary and/or contractor

What Are the Member's Responsibilities?



- Confirm the contractor and intermediary, if applicable, have completed the required rehab product training prior to executing the pre-work certification and starting any work
 - If the contractor listed in the AHP pre-work certification is not listed in FHLBAsap® as approved the application will be returned
- Confirm the homeowner has title to the property for at least 30 days, and at the time of the natural disaster
 - If there are others on the title that do not reside in the property, confirm that they have provided signed documentation of their authorization to have the work completed
- Approve the selection of the third-party inspector
- Establish and maintain adequate and effective internal control environment, including, but not limited to, policies and procedures to assure the prevention, detection, and reporting of fraud or abuse or other suspicious activity in connection with any element of the AHP Homeownership Set-aside Program transaction, including, but not limited to, the appropriate countersignatures and notarization of document

What Are the Member's Responsibilities? (cont.)



- Represent and warrant that all documents and other information delivered to the Bank are and will be true, complete and correct in all material respects at the time of delivery to FHLBank Atlanta
 - Documentation materially consistent with corresponding documentation and information provided to other funding sources
- Notify the Bank promptly after discovery or notice of any material change, either positive or negative, in the financial condition, operations, properties, or prospects of any material party associated with the transaction
 - Examples include:
 - Any material party to the unit who lost their requisite license or has been suspended by any applicable government agency
 - Any party been barred from participation in any affordable housing program or any event which has or may have a material impact on the transaction

What Are the Contractor's Responsibilities?



- Certify that the work being completed is to correct a defect or deficiency with the property that resulted from the natural disaster
- Inform the member of any changes needed to the scope of work that results in 10% +/- change in cost prior to the start of construction
- Provide the homeowner(s) with a one-year full builder's warranty for all rehabilitation work completed that covers repair or replacement of workmanship defects
- Complete the contractor pre- and post-work certification documents
 - If there are any items within either document that the contractor is unable to certify to, inform the member prior to executing the forms

What are the Inspector's Responsibilities?



- Inspect the home and provide a written report to the member and/or intermediary, if applicable
- Confirm the scope of work and cost associated are reasonable based on inspector's experience and expertise
- Complete the inspector pre- and post-work certification documents
 - Inform the member if there are items on either document the inspector is unable to certify to
- Inspect the home at completion of work and certify the work is acceptable and meets all habitability standards

What are the Intermediaries' Responsibilities?



- Ensure all required application documentation has been provided to the member
 - Intake certification (completed and executed)
 - Household income required documentation
 - Product certifications (completed and executed)
- Ensure no work identified in the pre-work certification has started or been completed on the property
 - No scope of work item(s) are associated with repairs covered under an insurance claim
- Ensure the defects and deficiencies identified in the pre-work are associated with a natural disaster, as designated by FEMA, within the past three years
 - Including but not limited to the appropriate countersignatures and notarization of documents
- Notify the member promptly of any changes to a scope of work item prior to the work beginning on the property, or as soon as it is discovered

How Can I Be Successful?



To help you be successful with your application submissions, the chart below details the reasons applications were returned during 2024 so these instances can be avoided going forward.

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 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

- Financial institutions participating in the Bank's programs must comply with applicable law including all fair housing, equal credit opportunity and unfair and deceptive acts and practices laws.
- 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:
 - Members
 - Loan Officers
 - Processors (submitters)
 - Underwriters (approvers/program managers)
 - Closers
 - Third-party Lenders
 - Real Estate Professional (Realtors)
 - Closing Agents
 - Contractors/Inspectors
 - Appraisers



Civil / Criminal
Court System



Professional
Licensing




Enforcement
of Contract

Unreasonable Rehabilitation Costs or Excessive Mark-ups

- Customer complaint about reasonable cost for elements of rehab completed at his home
- Prompted request for detailed documentation from contractor to establish reasonable costs
- FHLBank Atlanta's due diligence review revealed the cost to be excessive and had the appearance of being marked-up by contractor
- Resulted in: **“Three Defendants who Participated in Kickback and Bribery Schemes Involving Federal Housing Grant Programs Sentenced in Federal Court”**

<https://www.justice.gov/usao-sc/pr/three-defendants-who-participated-kickback-and-bribery-schemes-involving-federal-housing>



United States Attorney's Office
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PRESS RELEASE

Three Defendants who Participated in Kickback and Bribery Schemes Involving Federal Housing Grant Programs Sentenced in Federal Court

Tuesday, June 21, 2022

For Immediate Release
U.S. Attorney's Office, District of South Carolina

CHARLESTON, SOUTH CAROLINA — Charles "Chuck" Willy Mincey, Jr., 65, of Flora, Mississippi, Karl Henry Zerbst, Jr., 62, of Mount Pleasant, and Brian Daniel Herndon, 46, of Summerville, were sentenced in federal court after pleading guilty for their roles in various kickback and bribery schemes involving federal housing grant programs in the Charleston area.

Evidence presented to the Court showed that from December of 2014 until at least March of 2019, Mincey and Zerbst participated in a scheme to unlawfully profit from their work on certain Affordable Housing Program grants disbursed by the Federal Home Loan Bank of Atlanta to low income households of United States Military veterans and spouses of veterans for house rehabilitation.

In 2014, Mincey approached Zerbst to be an intermediary for grants for which Mincey and his company, Palmettos at Folly, was the designated contractor. As an intermediary, it was Zerbst's role to locate prospective program participants, hire and manage the contractors conducting the rehabilitative work, and hire and manage third-party inspectors to inspect the work and assess it for cost reasonableness. As part of their arrangement, Mincey and Zerbst agreed to split the profits they made from the grants 50/50. This agreement was in violation of the express rules of the grant program, which prohibited an intermediary from receiving more than 12% of the grant funds, and also prohibited any conflict of interests or appearance of a conflict of interest with any other party to the grant application.

During the relevant time period, the Federal Home Loan Bank of Atlanta sent the grant funds to community member banks, who then disbursed the funds to Zerbst's company KHZ. Zerbst retained his intermediary fees and then wrote checks for construction costs to Mincey's company, Palmettos at Folly. Mincey then funneled grant money back to Zerbst, by writing checks from Palmettos at Folly to Charleston Strategic Consultants LLC, a company controlled by Zerbst. In total, Mincey funneled at least \$246,689.99 in unlawful kickbacks to Zerbst.

Evidence showed that Mincey also participated in a bribery scheme with a City of Charleston employee Brian Herndon in order to win construction bids for housing projects funded by the United States Department of Housing and Urban Development. As a Project Manager for housing rehabilitation at the Charleston Department of Housing and Community Development, Herndon had access to non-public information regarding cost estimates generated for each project grant, which he shared with Mincey in exchange for cash payments between \$200 and \$500. In total, Herndon accepted at least \$15,000 in bribe money.

Senior United States District Court Judge Margaret B. Seymour sentenced all three individuals. Mincey was sentenced to eight months in federal prison, followed by a three-year term of court-ordered supervision, and ordered to pay \$19,950 in restitution. Zerbst was sentenced to five years of probation, and paid \$246,689.99 in restitution prior to his sentencing. Herndon was sentenced to six months in prison, followed by a year of court-ordered supervision. Judge Seymour also granted a money judgment against Herndon in the amount of \$15,000, equal to the amount of bribe money that Herndon received from Mincey from 2014 to 2020. There is no parole in the federal system.

The two cases were investigated by the Federal Housing Finance Agency, Office of Inspector General, and the Federal Bureau of Investigation. Assistant U.S. Attorney Alessandra Stewart prosecuted the cases.

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Contact
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Updated June 21, 2022

Non-disclosure of additional household member at application

- During the funding review of an application, an email was received from the member informing FHLBank Atlanta that the homeowner disclosed she was married and her spouse, who currently resides with her, had no income
- The application and Intake Certification submitted did not include the homeowners' spouse
- The funding for this transaction could not take place and the application became ineligible



Non-disclosure of additional household income at application

- During the funding review of an application, one of the conditions of funding documents (post-work certification) included an additional household member not disclosed at intake
- When the member followed up as requested by FHLBank Atlanta, the applicant informed them that she did not realize her husband needed to be on the application.

Scenario Issues	Scenario Outcome
<ul style="list-style-type: none">• The intake certification did not contain accurate information<ul style="list-style-type: none">– The intake certification is considered a legal document containing accurate, factual information as certified by the applicant• The spouse had a job, which was not disclosed at the intake or within the application documentation	<ul style="list-style-type: none">• The funding review resulted in an application QC• The additional income resulted in the AMI being over 80 percent and the application is no longer eligible to receive AHP funds

Helpful Resources

Program Guidelines	Links
<ul style="list-style-type: none">• Targeted Community Lending Plan	https://corp.fhlbatl.com/files/documents/targeted-community-lending-plan.pdf
<ul style="list-style-type: none">• AHP Implementation Plan	http://corp.fhlbatl.com/files/documents/ahp-implementation-plan.pdf
Application Resources	
<ul style="list-style-type: none">• AHP Pre-work Certification	https://corp.fhlbatl.com/files/documents/CRR-Pre-Work-Certification.pdf
<ul style="list-style-type: none">• AHP Post-work Certification	https://corp.fhlbatl.com/files/documents/CRR-Post-Work-Certification.pdf
<ul style="list-style-type: none">• AHP Pre and Post Funding Documentation Requirements	http://corp.fhlbatl.com/files/documents/ahp-pre-post-documentation-requirements.pdf
<ul style="list-style-type: none">• AHP Products Income Documentation Requirements	https://corp.fhlbatl.com/files/documents/ahp-income-documentation-requirement.pdf
Marketing Resources	
<ul style="list-style-type: none">• AHP Marketing and Publicity Guide	http://corp.fhlbatl.com/files/documents/ahp-marketing-publicity-guide.pdf

Do You Have Any Questions?



We are happy to help!

Contact Us for More Information



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

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Thank You