



2024 AHP
Homeownership Set-aside Program
Rehab Training

February 1, 2024

Maxima Sims
Homeownership Portfolio Manager

Cassandra Madden
Senior Homeownership Portfolio Analyst

ShaDonte Butler
*Senior Affordable Housing Program Relationship
Manager*



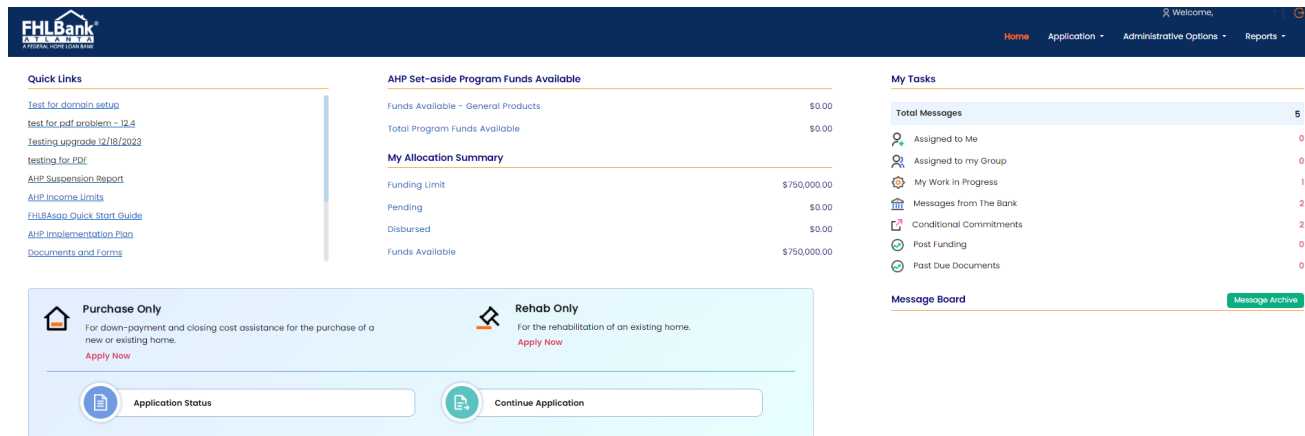
- What's New for 2024?
- AHP Homeownership Set-aside Program Overview
- Program Details
- Eligibility Guidelines
- Workflow
- How Can I Be Successful?
- Compliance/Risk Management
- Best Practices – Use Case
- Helpful Resources
- Questions and Answers

What's New for 2024?

When submitting applications for our AHP Homeownership Set-aside Program, our online platform has a new look and feel!

We've made functionality changes to:

- Make the systems more user friendly
- Enhance the user experience
- Maintain the performance members know and trust



The screenshot displays the FHLBank Atlanta online platform interface. The top navigation bar includes the FHLBank Atlanta logo, a search bar with "Welcome," and menu items for Home, Application, Administrative Options, and Reports. The main content area is divided into three columns:

- Quick Links:** A list of links for testing and documentation, including "Test for domain setup," "Test for pdf problem - 12.4," "Testing upgrade 12/18/2023," "Testing for PDF," "AHP Suspension Report," "AHP Income Limits," "FHLAsaga Quick Start Guide," "AHP Implementation Plan," and "Documents and Forms."
- AHP Set-aside Program Funds Available:** A table showing funding details:

AHP Set-aside Program Funds Available	
Funds Available - General Products	\$0.00
Total Program Funds Available	\$0.00
My Allocation Summary	
Funding Limit	\$750,000.00
Pending	\$0.00
Disbursed	\$0.00
Funds Available	\$750,000.00
- My Tasks:** A list of tasks with counts:

My Tasks	
Total Messages	5
Assigned to Me	0
Assigned to my Group	0
My Work in Progress	1
Messages from The Bank	2
Conditional Commitments	2
Past Funding	0
Past Due Documents	0

At the bottom, there are two application paths: "Purchase Only" (for down-payment and closing cost assistance) and "Rehab Only" (for rehabilitation of an existing home). Below these are two input fields: "Application Status" and "Continue Application".

Highlights include:

- Member cap increased from \$500,000 to \$750,000

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

**Eligible Homebuyer(s)/
Homeowner(s)**
include low- and moderate-
income households



Funds Can Be Used
to reduce principal and
assist in down payments,
closing costs,
and/or rehabilitation costs



- Homeownership products are an excellent marketing tool and can help connect you to gatekeepers

Community Rebuild and Restore Overview



Community Rebuild and Restore (\$10,000)

- Available on a first-come, first-served basis
- Rehabilitation of an existing owner-occupied unit
- \$10,000 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



\$10,000 – available to eligible low- to moderate-income homeowners

Funds can be used for:

- Repairs resulting from a natural disaster as designated by FEMA

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 “Emergency Declaration” or “Major Disaster” Declaration areas 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



Eligibility Guidelines – Calculating Household Income

FHLBank Atlanta - AHP Income Limits Calculator

Enter Calculation Criteria

HUD Year *

State *

County *

MSA *

Household Size *

Household Income *

Maximum 80% Income	\$87,680.00
Household AMI %	71.62 %
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

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%	\$68,160.00	\$77,920.00	\$87,680.00	\$97,360.00	\$105,200.00	\$112,960.00	\$120,800.00	\$128,560.00
65%	\$55,380.00	\$63,310.00	\$71,240.00	\$79,105.00	\$85,475.00	\$91,780.00	\$98,150.00	\$104,455.00
50%	\$42,600.00	\$48,700.00	\$54,800.00	\$60,850.00	\$65,750.00	\$70,600.00	\$75,500.00	\$80,350.00

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

- Who is eligible to receive funds?
 - Households with income 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 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

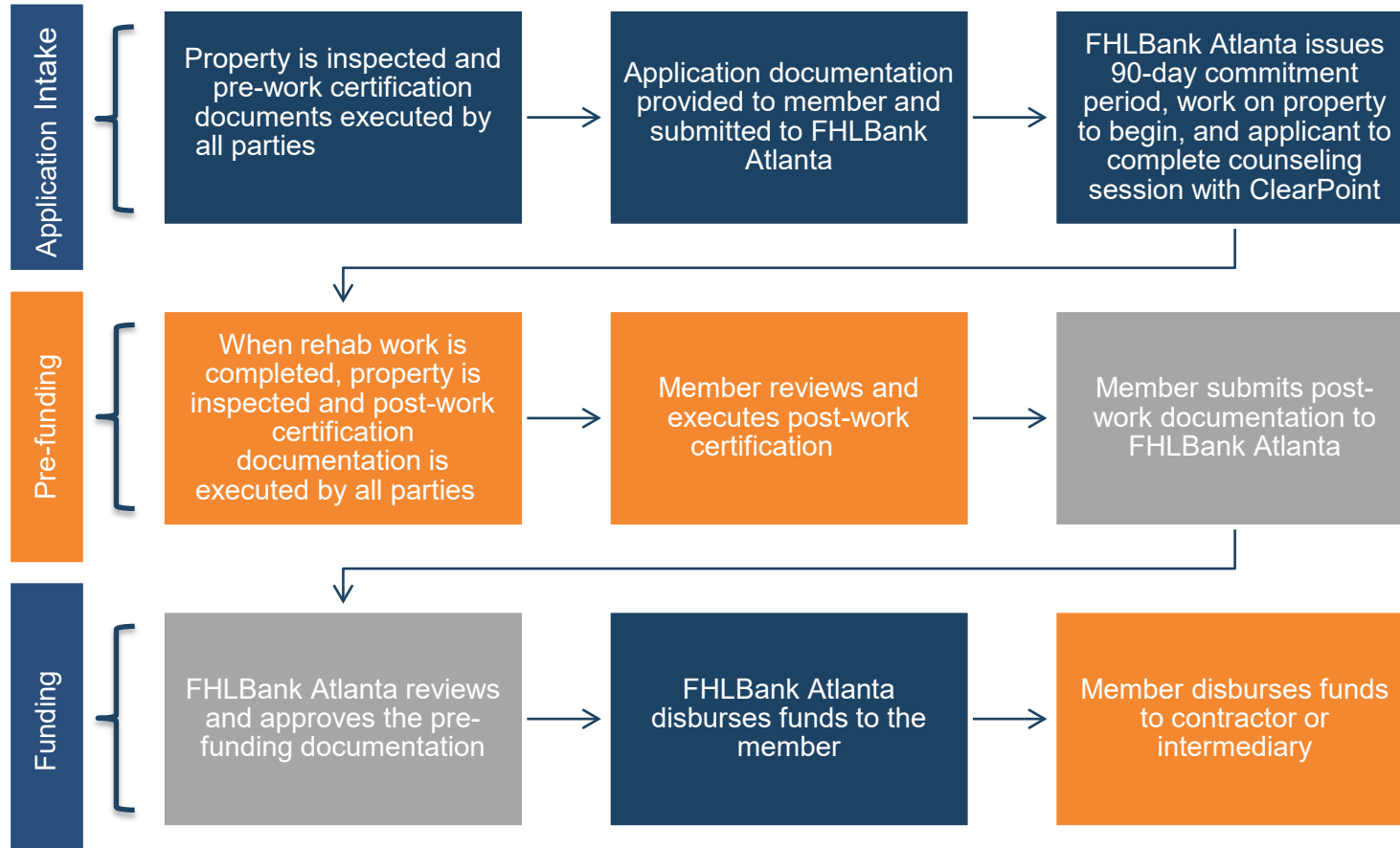
Replacement of floor coverings

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

What is the Workflow?

Application to Funding Process





Documentation

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

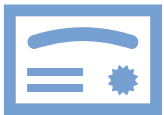
- Written Verification of Employment (VOE) fully completed
- Thirty (30) days of current and consecutive paystubs
- Zero income certification required for any household member 18 and over that has no income



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

- This is a two-page fillable PDF, and both pages must be provided; if the application includes a non-occupant co-borrower, they must execute page two of 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

Asset Statements

- Provide interest earnings from asset accounts on Step 2 (e.g. stock, bonds, CDs, etc.), but **only if the assets total \$50,000 or greater** (does not include retirement accounts)

Other Income Sources

- All income sources must be documented including self-employment sources and other sources
 - 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 Pre and Post Funding 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

Counseling fee increased to \$275 per session in 2023

Workflow – Funding Documents (Step 8)

After completion of 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
- 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, 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 the Bank
 - 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 percent +/- 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?

The following reminders will help with the submission and review of your applications in 2024:



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

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
- Closing Agents
- Contractors/Inspectors
- Realtors



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
- The Bank'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>



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 FHLBank Atlanta followed up, the applicant did not realize that 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 Income Documentation Requirements	https://corp.fhlbatl.com/files/documents/ahp-income-documentation-requirement.pdf
<ul style="list-style-type: none">• AHP Zero Income Certification	http://corp.fhlbatl.com/files/documents/ahp-zero-income-certification.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

Management Team

Maxima Sims

Homeownership Portfolio Manager
msims@fhlbatl.com

800.536.9650, option 3

Email: fhlbasap@fhlbatl.com

Business Development

ShaDonte Butler

Senior Affordable Housing Program Relationship Manager
sbutler@fhlbatl.com

Cassandra Madden

Senior Homeownership Portfolio Analyst
cmadden@fhlbatl.com

Pearlie Jackson

Homeownership Portfolio Analyst II
pjackson@fhlbatl.com

Thank You