



FIRST ROUND 2010

AFFORDABLE HOUSING PROGRAM

APPLICATION INSTRUCTIONS AND SCORING CRITERIA FOR OWNER-OCCUPIED PROJECTS

Applications that are completed in hard copy must be physically delivered no later than **5:00 PM on Friday, March 19, 2010** to:

Joseph Gallo
Vice President
Federal Home Loan Bank of New York
101 Park Avenue – 5th Floor
New York, NY 10178-0599

An application that is prepared in electronic format must be saved on a compact disk and delivered to the above address no later than **5:00 PM on Wednesday Friday, March 24, 2010**.

Additional inquiries should be directed to:

Phone: (212) 441-6850
Fax: (212) 949-0652
www.fhlbny.com
e-mail: ahp@fhlbny.com

GENERAL INSTRUCTIONS

The FHLB-NY has established the following submission deadlines for the First Round 2010:

- (a) Housing organizations that choose to prepare and present a hard copy in a traditional paper format must physically submit the AHP Application and all related Exhibits to our office on or before **5:00 PM Friday, March 19, 2010**.
- Be sure to print out the cover page of each Exhibit on colored paper and use it to separate each section of related documentation.
 - Please *do not* permanently bind or enclose the AHP Application and related Exhibits in a ringed binder. *Do not* staple or paper clip sections of the AHP Application together. Kindly use a binder clip in order to keep the entire AHP Application and supplemental Exhibits together.
- (b) Housing organizations that choose to prepare and present an electronic version of the AHP Application and all related Exhibits must submit a CD-ROM disk to our office on or before **5:00 PM Wednesday, March 24, 2010**.
- Be sure that the AHP Application is signed by authorized representatives of both the primary sponsor and FHLB-NY member bank and scanned as a PDF file and saved as "Application.pdf".
 - The narrative portions of all Exhibits should be saved as an unprotected Microsoft Word file and named "Exhibits.doc."
 - Deeds, contracts of sale, leases, legal records, photographs, loan agreements, and other supporting documentation must be scanned as PDF files and saved using the letter for the Exhibit followed by a document name. Documentation may be saved as one file named by using the letter for the Exhibit followed by a unique document name for each file. For example, a sponsor with two deeds could scan and save each one as a separate file named "E Deed Site 1.pdf" for the first parcel and "E Deed Site 2.pdf," for the second one or save all the deeds as one file named "E Site Control.pdf."
 - The financial documentation worksheets ([AHP/APP-104](#)) which are part of Exhibit C should be saved as an unprotected Excel file and named "C Homeowner Project Worksheet.xls".

Review the following prior to completing the AHP Application:

- The "Application Package" materials located on the Federal Home Loan Bank of New York's ("FHLB-NY") website at the following link: <http://www.fhlbny.com/community/forms/ahpapplication.htm>.
- Only a stockholder institution ("Member") of the FHLB-NY in good standing may submit an AHP application and request AHP subsidy on behalf of the Project sponsor(s). A "Membership List" is available on the FHLB-NY website at the following link: <http://www.fhlbny.com/aboutus/membership/memberlist.htm>.
- While a Member may defer completion of the AHP Application to other parties, the Member ultimately accepts full responsibility for its content and is bound by all information submitted in the AHP Application. A managing officer of the Member must sign the AHP Application. Such officers are limited to the Chairman, President, Executive Vice President, or Senior Vice President.
- The AHP Application must also be signed by an authorized signatory of the primary sponsor.
- Only AHP Applications marked "First Round 2010" will be accepted for consideration. Submit only CD-ROM or one paper version of the AHP Application form, with Exhibits. No additional copies are necessary.
- You may check the boxes on the Application form by double clicking on the box and selecting "Checked" as the default value.
- Review the detailed instructions for each section of the AHP Application prior to completing the form.

- No fee is required in order to submit the AHP Application.
- Each AHP Application received by the deadline will be evaluated in order to insure that the provisions identified in the AHP Regulations are properly satisfied.
- For further assistance, please call our department's general information number at (212) 441-6850.
- All AHP Applications will be scored on a competitive basis and the decisions of the FHLB-NY are final.
- A complete AHP Application package consists of the AHP Application form followed by Exhibits A through T.
- The AHP Application form and accompanying Exhibits must be written in English or include English translations of any documents written in another language.
- If an Exhibit is applicable to the Project, failure to submit appropriate documentation may result in a loss of points or, in some cases, the elimination of the AHP Application from the competitive process. If a particular Exhibit is not applicable to the Project, simply insert a page stating "Not Applicable." Furthermore, failure to submit a properly organized and completed AHP Application package may result in its elimination from the competitive scoring process.

II. AFFORDABLE HOUSING PROGRAM REQUIREMENTS

The AHP Application form has been revised and updated to reflect the requirements of the AHP Regulations issued by the Federal Housing Finance Agency ("FHFA") and the current policies, procedures, and guidelines affecting the local administration of the AHP by the FHLB-NY. Before completing the AHP Application, carefully review the following items:

- (a) the federal regulations that govern the FHLB-NY's administration of the AHP as promulgated by the FHFA;
- (b) the FHLB-NY's *AHP Project Financial Feasibility Analysis Guidelines* ([AHP-101](#));
- (c) the median income guidelines as determined by HUD, the USDA, and state mortgage revenue bonds;
- (d) the tri-party *AHP Direct Subsidy Agreement and Memorandum of Understanding ("MOU") for Owner-Occupied Projects* ([AHP-108](#));
- (e) the *Repayment Mortgage for Owner-Occupied Projects* ([AHP-111](#)) and the *Repayment Mortgage Note for Owner-Occupied Projects* ([AHP-112](#)) which are the FHLB-NY's standardized retention documents to be completed, executed and recorded upon the disbursement of subsidy if the project is selected for funding;
- (f) the FHLB-NY's *AHP Compliance Monitoring Guidelines* ([AHP-102](#));
- (g) the FHLB-NY's *AHP Compliance Late Receipt Policy* ([AHP-104](#)); and
- (h) the FHLB-NY's *AHP Recapture Guidelines* ([AHP-105](#)).

1. LOCATION

Provide the name of the project or program for which AHP funds are requested. Specify the building, street, If street address, city, county, state, zip code + 4 data (obtained from <http://zip4.usps.com/zip4/welcome.jsp>), census tract obtained from <http://www.ffiec.gov/Geocode/default.aspx> and Congressional District for each site. If additional space is needed, submit a supplemental sheet in Exhibit A. If funds will be provided either to current homeowners to rehabilitate existing properties or to assist prospective homebuyers to purchase homes on the open market, write "Scattered Sites" in the space labeled "Building Street Address(es)" and specify the applicable city, county, state, Congressional District(s) and Congressional representative(s) that the Project will serve. Whether or not a pipeline of sites has been selected, you must still identify the zip code + 4 data, census tract and Congressional District by using a range of hypothetical addresses within the project's geographical scope.

2. PROJECT DEVELOPMENT PARTICIPANTS

Check the box labeled "Primary contact for questions about the AHP Application" next to the name of the appropriate person whom the FHLB-NY should contact first if any questions arise regarding the AHP Application.

A) MEMBER

Provide the requested information for the Member's contact person. The contact person should be the one most familiar with the AHP Application and need not be the same person who signs the AHP Application.

B) PRIMARY SPONSOR

Provide the requested information for the primary sponsor's contact person. The contact person should be the person most familiar with the AHP Application. If the project has more than one sponsor, note the following:

- (a) Review the instructions for the "Sponsorship by a Non-Profit or Government Entity" section of the AHP Application before designating the primary sponsor, because the designation of the primary sponsor may affect the AHP Application's score.
- (b) If necessary, include supplemental information with the AHP Application form regarding all Project co-sponsors.

C) CONSULTANT

If a consultant assisted in the preparation of the AHP Application, provide the requested information for the consultant's contact person. The contact person should be the person most familiar with the AHP Application. If the primary sponsor did not use a consultant, this section may be left blank. Note that AHP funds may not be used to pay the consultant fees associated with preparing the AHP Application.

D) DEVELOPER

If the primary sponsor is not serving as the project's developer, provide the requested information for the Developer's contact person. The contact person should be the person most familiar with the AHP Application. If the primary sponsor is serving as the project's developer, this section may be left blank.

3. PROJECT INFORMATION

A) PROJECT TYPE

Check one or more boxes for the type of homes included in the project. Note that each two-to-four-family owner-occupied home is counted as one AHP unit. The rental unit(s) will not be treated or counted as AHP-assisted. The project will be scored and monitored as a single-family owner-occupied project. Answer "Yes" to the question that best describes the project and "No" to the other questions.

B) TOTAL NUMBER OF UNITS AND UNIT CLASSIFICATION

Fill in the number of units of each category below. Please note that this information will have no bearing on the project's score or competitive performance except for the number of very low-income units. It is requested for regulatory reporting purposes.

- (a) **Total Project** - The total number of units in the project (*including* rental units in two-to-four-family owner-occupied homes).

- (b) AHP-Assisted units** - The total number of units for which AHP subsidy is requested (**excluding** rental units in two-to-four-family owner-occupied homes).
- (c) Very Low-Income units** - The number of AHP-assisted units reserved for households earning 50% or less of the area median income (AMI) as determined by HUD, USDA, or state mortgage revenue bonds.
- (d) Income of 30% or Less** - The number of AHP-assisted units you anticipate will be for households earning 30% or less of the area median income (AMI) using the median income standard selected in the "Income Guidelines" section of the AHP Application. (Note this information is requested for reporting purposes and will not be used in scoring).
- (e) First-time Homebuyer** - The number of AHP-assisted units you anticipate will be for households who are first-time homebuyers.
- (f) Rehabilitation** - The number of AHP-assisted units, if any, to be rehabilitated using AHP subsidy.
- (g) New Construction** - The number of AHP-assisted units, if any, to be constructed using AHP subsidy.
- (h) Elderly** - The estimated number of AHP-assisted units, if any, which are or will be occupied by elderly households.
- (i) Handicapped** - The estimated number of AHP-assisted units, if any, which are or will be occupied by handicapped households.
- (j) Rural** - The total number of AHP-assisted units, if any, located in an area designated as rural by the United States Department of Agriculture.

4. SUBSIDY REQUEST

AHP funds may be provided in the form of a Direct Subsidy, which is a grant, or as a Subsidized Advance, which is a loan to the Member that enables the Member to provide a below-market rate loan to the project. Complete Section 1 (a) and (b) if a Direct Subsidy is requested or Section 2 if a Subsidized Advance is requested. Be sure to also complete Section 3 (a) and (b) in order to confirm whether or not subsidy from another Federal Home Loan Bank is part of the project's financial structure. Please be advised of the following:

- (a) The total amount of AHP subsidy requested per Project unit is a scoring category worth up to 5 points. Projects will be competitively scored based on the use of the least amount of *average* AHP subsidy per unit.
- (b) The calculation of the total AHP subsidy provided to the project will be based on the current subsidy request plus any prior AHP subsidy committed to the project.
- (c) The calculation of the total AHP subsidy provided to the project will be based on the current subsidy request plus any funds set aside under the FHLB-NY's First Home ClubSM for households who are purchasing units in this project.
- (d) Only the owner's unit in a two-to-four-family dwelling is counted as an AHP-assisted unit.
- (e) If a subsidized advance is requested, the terms of the subsidized advance (maturity and amortization) must exactly match the terms of the proposed end loan. The FHLB-NY will allow up to a 200 basis point spread between the advance rate and the rate on the end loan.
- (f) If a Subsidized Advance is requested, contact the FHLB-NY's Affordable Housing Department prior to submission of the AHP Application. Upon notification, the FHLB-NY's AHP staff will calculate the present value of the AHP subsidy that is needed to support the interest rate of the requested subsidized advance. This AHP subsidy estimate is needed to properly assess whether or not the request conforms to the FHLB-NY's maximum subsidy limits.

- (g) Although the FHLB-NY will make every effort to consider the full amount of AHP subsidy requested, the actual interest rate on a subsidized advance (or the actual amount of Direct Subsidy that a project may qualify for) will ultimately be subject to verification and approval by the FHLB-NY.
- (h) Prepare Exhibit C (Financial Documentation) and the appropriate Worksheet ([AHP/APP-104](#)) before completing this section of the form.
- (i) Any subsidy request that exceeds the FHLB-NY's maximum AHP subsidy limits may cause the AHP Application to be eliminated from the competitive scoring process.

5. INCOME ELIGIBILITY GUIDELINES

Owner-occupied projects may choose either one of the median income standards specified in the "Income Eligibility Guidelines" section of the AHP Application. Before selecting a particular standard, be sure that the standard chosen is consistent with other funding sources. That standard must be used to set the occupancy goals listed in the "Targeting" section of the AHP Application and to determine income eligibility for all households provided with AHP assistance. The HUD income limits may be accessed at: <http://www.huduser.org/DATASETS/il.html>. The USDA standards may only be used by projects serving rural areas as designated by the USDA. Please note that the occupancy targets identified at time of application to the AHP must coincide with targeting commitments made to other funding sources.

6. PROPOSED USE OF AHP SUBSIDY IN RELATION TO OTHER FUNDING SOURCES

The use of AHP subsidy is limited to costs directly related to the acquisition, rehabilitation, and/or construction of residential units. Other funding sources must finance social services or non-housing related programs provided to project residents. Other funding sources must finance work in any non-residential areas of the buildings included in the project. Fill in the chart to indicate how the AHP proceeds and other funding sources will be used for the project. Information on this chart should be consistent with the information included in Exhibit C (Financial Documentation) and the appropriate worksheet ([AHP/APP-104](#)). Consider the following when determining how the AHP subsidy will be utilized:

- (a) Purchase Price - AHP subsidy may be used toward the contract sales price for properties purchased after the AHP commitment is issued. The FHLB-NY requests an "as-is" appraisal to verify a "reasonable" purchase price unless the site(s) will be donated.
- (b) Rehabilitation/Construction Costs - AHP subsidy may be used to reimburse the primary sponsor for reasonable hard costs (including contractor's overhead and profit) incurred to construct and/or rehabilitate residential units. Conversely, AHP subsidy may not be used for work in non-housing areas (such as management offices, meeting rooms, social service or recreational areas or commercial space). Furthermore, AHP subsidy should not be used to fund contingency or reserve accounts.
- (c) Mortgage Buydown - AHP subsidy may be used as a "soft" second mortgage to reduce the principal amount of conventional financing for qualified income-eligible homebuyers.
- (d) Down Payment Assistance - AHP subsidy may be used to directly assist income-eligible households at time of closing in order to finance a down payment on the purchase of a home.
- (e) Closing Cost Assistance - AHP subsidy may be used to directly assist income-eligible households in order to finance closing costs associated with the purchase of a home.
- (f) Interest Rate Write-Down - AHP subsidy may be used to directly assist income-eligible households by providing funding to buy-down the lender's interest rate to reduce the purchaser's mortgage payment to the level affordable to the purchaser.
- (g) Counseling Costs – A maximum of \$500 in AHP subsidy per household may be used to defer the cost of providing homebuyer education and counseling costs to qualified households, only in cases where: (i) Such costs were incurred in connection with a qualified household who has attended and successfully

completed a formal counseling program that the FHLB-NY has approved and ultimately purchases an AHP-assisted unit; (ii) The cost of such counseling has not been covered by another funding source, including the Member; and (iii) The comprehensive amount of the AHP subsidy funded to each household, including any homebuyer counseling costs, must be reflected in the AHP retention agreements and enumerated on the HUD-1 settlement statement.

(h) Developer's Retention - AHP subsidy may be used for an amount within the FHLB-NY's *AHP Project Financial Feasibility Analysis Guidelines*.

Please note that AHP subsidy may not be used to refinance existing mortgages on owner-occupied properties.

7. FIRST HOME CLUBsm ("FHC") FUNDS

Indicate whether households to be assisted through the Project are or will be enrolled in the FHLB-NY's FHC and provide the requested information. The calculation of the total AHP subsidy provided to the Project will be based on the amount requested through the AHP Application plus any funds that the primary sponsor anticipates households will obtain through the FHLB-NY's FHC.

III. MINIMUM PROJECT ELIGIBILITY THRESHOLD REQUIREMENTS

Projects must meet all of the eligibility requirements listed on the "Eligibility Requirements" Section of the AHP Application as a prerequisite to scoring.

1. **Project Type** – The Project must involve the purchase, construction or rehabilitation of owner-occupied residential properties for households earning **80%** or less of the AMI based on the income standard selected in the "Income Guidelines" section of the AHP Application. The FHLB-NY will consider the "Project Type", "Subsidy Use" and "Targeting" sections of the AHP Application to assess whether the project meets this requirement.
2. **Timing of Subsidy Use** – The FHLB-NY will review the Project schedule provided in Exhibit B in order to assess whether or not the Project satisfies the requirement that the primary sponsor will take to the proposed Project site(s) and begin to draw down AHP subsidy or use the AHP commitment to procure all other proposed financing commitments by July 31, 2011, if the Project is approved for funding.
3. **Feasibility Requirements** –The FHLB-NY will evaluate the site control evidence (Exhibit D), the "as-is" appraised value (Exhibit E), the status of necessary governmental approvals (Exhibit F) and whether the project's financial structure is reasonable (Exhibits C and G) to make this determination. Any variations from the FHLB-NY's *AHP Project Feasibility Analysis Guidelines (AHP-101)* must be adequately justified. Failure to furnish the FHLB-NY with the appropriate supporting documentation as evidence that the Project is feasible may result in the elimination of the AHP Application's from the competitive scoring process.

Projects that are designed to provide AHP assistance either to existing owner-occupants in order to rehabilitate their dwellings or to prospective homebuyers in order to purchase homes on the open real estate market satisfy these requirements de facto.

4. **Non-eligible Costs** – The box must be checked as confirmation that the Member and primary sponsor agree that AHP funds will not finance any of the ineligible costs specified on the AHP Application.
5. **Refinancing** – The box must be checked as confirmation that the Member and primary sponsor agree that AHP funds will not be used to refinance any existing mortgages on owner-occupied properties.
6. **Retention Requirements** – The box must be checked as confirmation that the Member and primary sponsor agree that Project households will execute the FHLB-NY's standardized AHP retention agreements. The long-term retention period for owner-occupied projects is 5 years.

- 7. Sponsor Qualifications** – The FHLB-NY will assess the items submitted in Exhibit H to determine whether the primary sponsor and/or a development team member meet the threshold requirements.

Sponsors of scattered site, programmatic-type homeownership projects with existing AHP commitment(s) that were issued on behalf of a previous phase of a similar housing-type proposal (e.g., Habitat for Humanity developments, rehabilitation programs for existing owner-occupied dwellings, downpayment/closing cost assistance programs) who have not currently drawn down at least 50% of such AHP commitment(s) will be considered as not having satisfactorily met the sponsor qualification criterion.

The FHLB-NY will give such sponsors credit for pending AHP draw downs that are “in process,” provided that such funding requisitions were received at the FHLB-NY at least two weeks prior to the commencement of a given competitive offering.

- 8. Fair Housing** – The FHLB-NY will assess the items submitted in Exhibit I to determine whether the marketing and occupancy of the Project will satisfy all fair housing laws and regulations.
- 9. Maximum Subsidy Limits** – Inclusive of all AHP Application submissions related to the Project (or affiliated housing initiative), the Project cannot receive more than \$20,000 in AHP subsidy *per unit* and cannot request more than 10% of the total available AHP subsidy offered for a particular competitive offering. (See the Subsidy Request section on page 2 of the AHP Application form.)

IV. SCORING CRITERIA

AHP Applications that meet the thresholds described above will advance to the scoring phase of the AHP competition. The FHLB-NY will evaluate the information presented in the AHP Application form as well as the supplemental documentation furnished in the Exhibits. The FHLB-NY will objectively rate each project based on its ability to satisfy each of the nine scoring categories that collectively total 100 points.

The score for each category is designated as either fixed or variable. A fixed criterion means that all projects meeting the criterion will be awarded the maximum number of points for that criterion. A variable criterion means that points awarded will vary depending on the extent to which the project meets the criterion in comparison with the other projects applying in the funding round. The FHLB-NY’s Board of Directors will subsequently approve AHP Applications for subsidy in descending order, starting with the highest scoring AHP Application, until the total amount of AHP subsidy available for this funding period is exhausted.

The scoring categories are as follows:

1. DONATED GOVERNMENT OWNED OR OTHER PROPERTIES (5 points – variable)

An AHP Application will be awarded points for the creation of housing units on property that has been donated or conveyed by the federal government or any agency or instrumentality thereof, or by any other party. In order for the Project to qualify for points in this category, at least 20% of total Project units must be built or generated on property that has either been transferred by the U.S. Department of Housing and Urban Development or other U.S. government agency (regardless of the conveyance price or acquired “significantly below fair market value” either privately or from a state, county, or local government entity. “Significantly below fair market value” is defined as \$100 per vacant parcel of land or \$250 per existing building. Properties that are obtained at a substantially discounted price, but cost greater than either \$100 per vacant lot or \$250 per building cannot be considered as “donated.” Acceptable documentation of the actual or proposed sales price must be included in Exhibit D.

2. SPONSORSHIP BY A NON-PROFIT OR GOVERNMENT ENTITY (10 points – variable)

Projects will receive 10 points if the Project’s primary sponsor is a not-for-profit organization, a state or political subdivision of a state, a state housing agency, a local housing authority or Native American tribe and the primary sponsor will perform at least one of the following roles:

- a) Own the land or building(s) that comprise the project during the construction and/or rehabilitation phase of development, and/or;
- b) Act as the primary contractor and/or construction manager for the properties that comprise the Project. Sponsors of scattered-site rehabilitation projects who use rehabilitation specialists or similar professionals who directly oversee the renovation of properties that comprise the Project may also qualify for 10 points.

Projects will receive 5 points if the Project's primary sponsor is a not-for-profit organization, a state or political subdivision of a state, a state housing agency, a local housing authority or Native American tribe and the primary sponsor will perform at least one of the following roles:

- a) Screening or qualifying prospective Project households;
- b) Arranging or providing mortgage financing for eligible households who are purchasing Project units,
- c) Conducting credit or homeownership counseling for Project households,
- d) Participating in the marketing of Project properties, or
- e) Other roles that demonstrate that the sponsor is integrally involved in the project.

In any case, if the primary sponsor is a private not-for-profit corporation as defined in Section 501(c)(3) or Section 501(9)(a) of the Internal Revenue Code, Exhibit H must include a copy of the entity's nonprofit designation letter that was issued by the U.S. Department of the Treasury.

3. TARGETING (20 points – variable)

Owner-occupied projects that target the largest percentage of households earning 50% or less of the AMI will receive the highest score and all other projects which target households with incomes at or below 80% of the AMI will receive points on a declining scale. To determine the score for this criterion, the FHLB-NY will evaluate information specified in the "Targeting" section of the AHP Application.

Select one income standard in the "Income Guidelines" section of the AHP Application form. This standard must pertain to all Project households. The targets for projects that are comprised of two-to-four-family dwellings must pertain to the income of the owner-occupant family only, *excluding* any tenants or rental units.

4. HOMELESS HOUSING (8 points – variable)

A project that has at least 20% of its units reserved for occupancy by formerly homeless households may qualify for points in this category. Points will be awarded on an escalating scale based on the total percentage of units that will be reserved for and occupied by formerly homeless households. To determine if the criterion is met, the FHLB-NY will evaluate the information specified in the "Homeless Housing" section of the AHP Application as well as the evidence furnished in Exhibit J. A "homeless household" is an individual or a group of related individuals who is not imprisoned or otherwise detained pursuant to state or federal law, who:

1. Lack a fixed, regular, and adequate nighttime residence; or
2. Have a primary nighttime residence that is:
 - i. A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
 - ii. An institution that provides a temporary residence for individuals intended to be institutionalized;
 - iii. A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.
3. May be viewed as homeless or at the risk of homelessness, such as:
 - i. Victims of domestic violence in rural areas where no organized shelters exist, forcing victims to live in the homes of their abusers;

- ii. Related or unrelated individuals living in shared overcrowded housing in extremely cold climates where there is a shortage of organized shelter and it is not possible to live on the streets or cars;
 - iii. Children living in foster care who are about to reach the age of 18 and must leave the foster care system;
 - iv. Households facing imminent loss of their homes due to condemnation or eviction.
4. Any household whose current living arrangements conform to any of the following situations shall not be considered homeless:
- Residing in standard or supportive housing;
 - Residing in boarding homes or an adult congregate facility;
 - Residing in transitional housing (even if homeless prior to entry into transitional housing);
 - Independently paying to stay in a hotel or motel (except for those households who are being evicted or expelled from a hotel or motel due to their inability to continue to privately pay for such housing accommodations);
 - Individuals who are incarcerated or in the process of being released from prison on parole or probation;
 - Being discharged from a hospital, treatment center, or other medical/health care facility if their stay exceeded 30 days; and
 - Wards of the state or children under the age of 18 who are under foster care.

5. EMPOWERMENT (10 points – variable)

An AHP Application will be awarded points for providing housing in combination with a program offering certain services or activities (e.g., employment, education, training, homebuyer or tenant counseling, daycare, resident involvement, the establishment of formal homeowners' association, or welfare to work initiatives) that economically empower project residents. The maximum number of points will be awarded to the project providing the most services or activities with the remaining projects awarded points on a declining scale. To determine if the criterion is met, the FHLB-NY will evaluate information furnished in Exhibit K.

Please note that AHP funds may not be used to finance supportive services or other empowerment activities.

6. COMMUNITY STABILITY (27 total points – variable)

Projects will be awarded points if they promote certain community stability initiatives specified below. This category is broken down into five categories. In order to qualify for points, check off each criterion that the Project will satisfy and, if applicable, furnish appropriate documentation in Exhibits L, M, N, O, and P. Points will be awarded based on the Project's ability to meet each of the five following categories, including all relevant supporting documentation:

A) REHABILITATION OF VACANT, ABANDONED, OR FORECLOSED PROPERTIES (10 points – variable)

Any project in which at least 25% of its proposed units or dwellings are being developed on a site(s) that contain(s) residential buildings or structures that have been vacated, abandoned, or placed in loan or tax foreclosure will be awarded 2.5 points. Thereafter, a maximum up to 10 points will be awarded on an ascending scale to those projects that demonstrate that up to 100% of its proposed dwellings are being developed on such sites. Projects that involve the new construction of housing units on vacant land do not qualify for points in this category. To determine if the criterion is met, the FHLB-NY will evaluate the Project Description (Exhibit A) and other relevant information furnished in the Site Control (Exhibit E), Appraisal section (Exhibit F) and Exhibit L.

B) PRESERVATION OF EXISTING HOUSING UNITS (7 points – fixed)

If a project preserves existing occupied housing units, 7 points will be awarded, subject to a project's satisfaction of the following conditions:

- i) Confirmation that a homeownership project involves the rehabilitation of dwellings that are owned and occupied by existing homeowners;
- ii) The project will undergo rehabilitation, renovation, or other housing-capital improvements that average at least \$10,000 per unit; and
- iii) The rehabilitation work for each household must be sufficient to address all local building code requirements and ensure that the remaining economic life of the major building systems will survive the 5-year AHP compliance period.

To determine if the criterion is met, the FHLB-NY will evaluate information furnished throughout the AHP Application and Exhibit M, if applicable.

C) HISTORIC PRESERVATION (2 points – fixed)

Points will be awarded to a project that has either qualified for historic tax credits or is specifically identified in the National Register of Historic Places. To determine if the criterion is met, the FHLB-NY will evaluate evidence provided in Exhibit N.

D) SMART GROWTH (4 points – fixed)

Points will be awarded to a project that enacts smart growth strategies, is part of a village or community center concept, includes planned units (or areas) of development, contains in-fill construction, or allows for increased residential density. To determine if the criterion is met, the FHLB-NY will evaluate evidence provided in Exhibit O.

E) CONVERSION AND RE-USE (4 points –variable)

A project will be awarded a minimum of 2 points for demonstrating that at least 50% of its proposed units are being developed on converted and/or re-used site(s) that contain buildings or other structures that are not currently used for permanent housing (e.g., hotel, office building, school, commercial property, etc.). Thereafter, a maximum up to 4 points will be awarded on an ascending scale to projects that demonstrate that up to 100% of their proposed units are being developed on such sites. To determine if the criterion is met, the FHLB-NY will evaluate the Project Description (Exhibit A), other relevant information furnished in the Appraisal section (Exhibit F), and Exhibit P.

7. FIRST DISTRICT PRIORITY (5 total points – variable)

The AHP Regulations authorize the FHLB-NY to establish regional District priorities. The FHLB-NY's First District Priority is comprised of the following two objectives:

A) ECONOMIC DIVERSITY (2 points – fixed)

Points will be awarded to a project that fosters economic diversity by providing market rate units in low- and moderate-income neighborhoods or low- and moderate-income units in an upper income area. To determine if the criterion is met, the FHLB-NY will evaluate evidence provided in Exhibit Q.

B) IN-DISTRICT PROJECTS (3 points – fixed)

Projects that are located within the jurisdiction of the FHLB-NY's geographic district, namely, New Jersey, New York, Puerto Rico, or the Virgin Islands, will receive a 3-point scoring preference. To determine if the criterion is met, the FHLB-NY will evaluate information furnished throughout the AHP Application and Site Control evidence (Exhibit D).

8. SECOND DISTRICT PRIORITY (10 total points – variable)

A) 2-to-4-FAMILY OWNER-OCCUPIED DWELLINGS (10 points – variable)

Points will be awarded to Projects that create or preserve the stock of 2-to-4 family owner-occupied dwellings. The maximum number of points will be awarded to the project(s) that include the greatest percentage of project sites containing one owner-occupied unit along with 2 to 3 rental units. To receive any points in this category, at least 20% of the properties must be 2-to-4 family owner-occupied dwellings. To assess how this criterion is being achieved, the FHLB-NY will evaluate documentation that is included in Exhibit R of the AHP Application.

B) INSTALLATION OF ENERGY-EFFICIENT PRODUCTS & SYSTEMS (10 points – variable)

Projects that involve the installation of energy-efficient products or renewable energy systems in either existing owner-occupied homes or dwellings that are being constructed or fully renovated for subsequent sale to income eligible households can qualify for up to 10 points.

A minimum of 2 points will be awarded to a project that certifies that at least 20% of its proposed dwellings involve the installation of such products. Thereafter, a maximum up to 10 points will be awarded on an ascending scale to projects that demonstrates that up to 100% of their proposed units will involve the installation of such products.

Existing owner-occupied properties will qualify for points if the sponsor's contractor or rehabilitation professional confirms that the scope of work includes replacement or installation of the following items:

- Biomass stoves;
- Air source heat pumps;
- Gas, propane, or oil hot water boilers;
- Gas, propane, oil, or electric heat pump water heaters;
- Natural gas or propane furnaces;
- Insulation;
- Energy Star qualified metal and asphalt roofs;
- Energy Star qualified windows, doors, and skylights; and
- Energy Star qualified storm doors and windows.
- Geothermal heat pumps;
- Small residential wind turbines;
- Solar water heaters; and
- Solar panels or photovoltaic systems; and
- Residential fuel cells and microturbine systems.

Dwellings that are being newly constructed or substantially rehabilitated for subsequent sale to income-eligible households, in addition to existing owner-occupied dwellings, will qualify for points if the sponsor's architect, contractor, or rehabilitation professional confirms that the scope of work will include replacement or installation of any of the following items:

- Geothermal heat pumps;
- Small residential wind turbines;
- Solar water heaters;
- Insulation;
- Solar panels or photovoltaic systems; and
- Residential fuel cells and microturbine systems.

A homeownership project may meet more than one of the aforementioned scoring components, however, it will be limited to a maximum of 10 points in this category. To assess how this

criterion is being achieved, the FHLB-NY will evaluate documentation that is included in Exhibit S of the AHP Application.

9. SUBSIDY PER UNIT (5 points – variable)

The project(s) that will use the least amount of AHP subsidy per unit will be awarded the maximum number of points in this category. The remaining projects will receive points on a declining scale. To determine the score for this criterion, the FHLB-NY will use the information specified in the "Number of Units" and "Subsidy Request" sections of the AHP Application form.

V. MISCELLANEOUS

1. EMPLOYMENT

In the "Employment" section of the AHP Application, list the type and number of permanent jobs to be created in the project for anyone, not just project residents. This section is for informational purposes only and does not affect the score of the AHP Application.

2. INTEREST IN PROJECT

In the "Interest in Project" section of the AHP Application, indicate whether or not the Member has any past or present financial or ownership interest in the Project, in accordance with the conditions set forth in Exhibit T. Please indicate whether the Member be offering reduced closing costs, grants or in-kind services to the project (excluding the AHP Subsidy). Note that most Members do not offer reduced closing costs, grants or in-kind services to the project and whether they do or not will have no bearing on the project's score or competitive performance. It is requested for regulatory reporting purposes. If the Member answers "yes" to the questions in this section, furnish the appropriate statement(s) or supporting documentation in Exhibit T.

VI. CERTIFICATIONS

1. PRIMARY SPONSOR'S CERTIFICATION AND SIGNATURE

The AHP Application must be signed by an authorized signatory of the primary sponsor. *Please note that unsigned AHP Applications will not be processed.*

2. MEMBER'S CERTIFICATION AND SIGNATURE

The AHP Application must be signed and dated by an authorized managing officer of the Member (i.e. Chairman, President, Executive Vice President, or a Senior Vice President).

Please note that unsigned AHP Applications will not be processed. The AHP Application must be submitted to the FHLB-NY by a financial institution ("Member") that has been approved for membership in and has purchased capital stock in the FHLB-NY in accordance with the federal regulations that govern the FHLB-NY's operation of the AHP. Although a not-for-profit housing organization or a professional developer may complete substantial portions of the AHP Application, the Member accepts ultimate responsibility for the claims set forth in the AHP Applications as well as all accompanying attachment forms and Exhibits.

VII. EXHIBITS

Exhibits are an integral part of determining the Project's eligibility for funding and point allocation in each competitive scoring category. The cover page for each respective Exhibit contains concise instructions that pertain to the specific threshold or competitive scoring criterion. *Be sure to include all of the Exhibit cover pages in the AHP Application package, along with appropriate forms and supplemental documentation. Failure*

to include supporting Exhibits may jeopardize the Project's score and may, in some cases, result in the elimination of the AHP Application from the competitive review process.

If your organization is submitting a “hard” copy of the First Round 2010 Application package, print out the Exhibit cover pages on colored paper and use these colored Exhibit cover pages to separate each Exhibit. If you prefer, you may also place alphabetical divider tabs on each Exhibit cover page as added differentiation.

If your organization is submitting an electronic version of the First Round 2010 Application package on a CD-Rom, note the following:

- The narrative portions of all Exhibits should be saved as an unprotected Microsoft Word file and named “Exhibits.doc.”
- Deeds, contracts of sale, leases, legal records, photographs, loan agreements, and other similar types of documentation must be scanned as PDF files and saved using the letter for the Exhibit followed by a document name. Documentation may be saved as one file named by using the letter for the Exhibit followed by the Exhibit description or as multiple files named by using the letter for the Exhibit followed by a unique document name for each file. For example, a sponsor with two deeds could scan and save each one as a separate file named “D Deed Site 1.pdf” for the first parcel and “D Deed Site 2.pdf” for the second one or save all the deeds as one file named “D Site Control.pdf”.
- The Financial Documentation Worksheets ([AHP/APP-104](#)) which are a part of Exhibit C should be saved as an unprotected Excel file and named “C Homeowner Project Worksheet.xls”.

The 20 Exhibits that comprise the First Round 2010 AHP Offering Application package for Home Ownership Projects are as follows:

EXHIBIT A	Project Description
EXHIBIT B	Project Development Schedule – Timing of Subsidy Use
EXHIBIT C	Financial Documentation (Including Worksheets A, B, C, D, E, F & G)
EXHIBIT D	Site Control
EXHIBIT E	Appraisal Report(s)
EXHIBIT F	Required Approvals
EXHIBIT G	Other Financing Commitments
EXHIBIT H	Sponsor Qualifications
EXHIBIT I	Fair Housing
EXHIBIT J	Homeless Referral Letters
EXHIBIT K	Empowerment Activities
EXHIBIT L	Rehabilitation of Vacant, Abandoned, or Foreclosed Properties
EXHIBIT M	Preservation of Existing Housing Units
EXHIBIT N	Historic Preservation
EXHIBIT O	Smart Growth
EXHIBIT P	Conversion and Re-Use
EXHIBIT Q	Economic Diversity
EXHIBIT R	Member Interest
EXHIBIT Q	Economic Diversity
EXHIBIT R	2-to-4-Family Owner-Occupied Dwellings
EXHIBIT S	Installation of Energy-Efficient Products & Systems
EXHIBIT T	Member Interest

Before submitting the AHP Application, the Member is advised to review the completed contents of the AHP Application, all supplemental documentation, the attached AHP Application instructions and scoring guidelines, the federal AHP regulation, the FHLB-NY's 2010 AHP Implementation Plan ([AHP-100](#)), and all attachments thereto. All decisions of the FHLB-NY regarding the scoring and evaluation of the AHP Application are final.