



2012 AFFORDABLE HOUSING PROGRAM IMPLEMENTATION PLAN

Adopted December 15, 2011

Executive Summary

The Federal Home Loan Bank of New York ("FHLB-NY") herein presents its 2012 Affordable Housing Program ("AHP") Implementation Plan ("Plan"). Sub section 1291.3(a) of the regulation that governs the FHLB-NY's administration of the AHP ("AHP Regulation"), that the Federal Housing Finance Agency has promulgated and published in the Code of Federal Regulations at Part 1291, requires each Federal Home Loan Bank to develop an implementation plan that will govern the administration of the program. The Plan details how the FHLB-NY will administer the program throughout 2012. The Plan also reflects the FHLB-NY's desire to implement an AHP that is prudent, responsible, and simple to use.

I. Introduction

The FHLB-NY created its AHP in accordance with the requirements of § 721 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA") in order to assist its member stockholder institutions ("Members") in financing affordable housing for very low- and low- or moderate-income households. § 1291.3(a)(3) of the AHP Regulation requires the FHLB-NY's Board of Directors to adopt a written implementation plan for the AHP that addresses the following:

- The applicable median income standard or standards, adopted by the FHLB-NY consistent with the definition of median income for the area in § 1291.1 of the AHP Regulation;
- The requirements for any homeownership set-aside programs adopted by the FHLB-NY pursuant to § 1291.6 of the AHP Regulation;
- The FHLB-NY's project feasibility guidelines, adopted consistent with § 1291.5(c) of the AHP Regulation;
- The FHLB-NY's schedule for competitive AHP funding periods pursuant to § 1291.5(b) of the AHP Regulation;
- Any additional District minimum eligibility requirements, adopted by the FHLB-NY pursuant to § 1291.5(d)(5)(viii) of the AHP Regulation;
- The FHLB-NY's scoring guidelines, adopted by the FHLB-NY consistent with § 1291.5(d)(5) of the AHP Regulation;
- The FHLB-NY's time limits on use of AHP subsidies and procedures for verifying compliance upon disbursement of AHP subsidies pursuant to § 1291.7(a)(1)(A) of the AHP Regulation;
- The FHLB-NY's practices for carrying out its monitoring obligations pursuant to § 1291.7 of the AHP Regulation;
- The FHLB-NY's policies for remedying and resolving projects that fail to comply with the requirements of the AHP Regulation; and
- Any requirements, including time limits, for re-use of repaid AHP subsidy, adopted by the FHLB-NY pursuant to § 1291.8(f) of the AHP Regulation.
- Retention agreements that owners (or their related entities) of AHP-assisted properties must duly execute with a stockholder financial institution of the FHLB-NY ("Member") that is providing the AHP subsidy.

The FHLB-NY reserves the right to amend the Plan as necessary throughout the year. Amendments will be reviewed by the FHLB-NY's Affordable Housing Advisory Council and approved by the FHLB-NY's Board of Directors in accordance with § 1291.3(a) of the AHP Regulation. Within 30 days of approval by its Board of Directors, the FHLB-NY shall publish any amended Plan on its website.

II. Median Income Standards

In accordance with § 1291.1 of the AHP Regulation, the FHLB-NY has designated certain specific area median income ("AMI") standards that can be used to qualify AHP-assisted households, depending on the nature of the project.

All sponsors of owner-occupied projects must select one of the following AMI standards:

- (i) The median income for the area, as published annually by U.S. Department of Housing and Urban Development ("HUD");

- (ii) The applicable median family income, as determined under 26 U.S.C. 143(f) (Mortgage Revenue Bonds) and published by a State agency or instrumentality;
- (iii) The median income for the area, as published by the United States Department of Agriculture.

All sponsors or developers of rental projects must select one of the following AMI standards:

- (i) The median income for the area, as published annually by HUD;
- (ii) The median income for the area obtained from the Federal Financial Institutions Examination Council ("FFIEC").

Please note that the FHLB-NY will verify that the occupancy targets identified at time of application to the AHP are consistent with targeting commitments made to other funding sources. As such, the selected AMI standard must ensure that the project can feasibly attain its proposed targets in conformity with the requirements of the AHP and any applicable federal or state financing programs.

At time of initial application, the project sponsor must choose one of the available AMI standards from the preceding lists. The standard chosen will be applied to the project for the life of the AHP monitoring period. The FHLB-NY may, on a case-by-case basis, allow a project sponsor the option to substitute one approved income standard for another, provided that only one income standard pertains to all households within a given project.

III. Requirements for Homeownership Set-aside Programs

§ 1291.6(c) of the AHP Regulation requires the FHLB-NY to include standards for its homeownership set-aside program in the Plan. The FHLB-NY originally established its First Home Clubsm program in 1996 as a special set-aside under the AHP in order to assist very low-, low- or moderate-income first-time homebuyers in the purchase of a home. This assistance is provided in the form of matching funds based on the homebuyer's systematic savings within a dedicated savings account. The FHLB-NY's matching funds may be used toward the down payment and/or closing costs for the purchase of a home.

The following guidelines will apply to the First Home Club program effective January 3, 2012:

1. In accordance with § 1291.2(b)(2) of the AHP Regulation, the FHLB-NY will reserve up to \$6.5 million in order to finance the First Home Club. The FHLB-NY may also set-aside up to an *additional* \$1 million of its annual required AHP contribution from the next year's AHP subsidy contribution if demand for funds exceeds the current year's initial set-aside.
2. The FHLB-NY will offer three First Home Club open enrollment offerings in 2012. The FHLB-NY will formally notify all participating Members of each enrollment period deadline.
3. Pending further notice, the FHLB-NY will not limit the number of households that Members choose to enroll in the First Home Club in 2012.
4. The FHLB-NY is responsible for managing the reservation of First Home Club set-aside funds as efficiently as possible. As such, throughout the year, pursuant to § 1291.3(a) (3), the FHLB-NY, in its sole discretion, reserves the right to use any First Home Club funds that are periodically deemed to be surplus to replenish its competitive AHP liability account for subsequent use by eligible projects in the FHLB-NY's upcoming competitive funding rounds over the next twelve months.
5. Members will provide set-aside funds only to households that meet the following criteria:
 - a) Satisfy the following definition of a first-time homebuyer:

- (i) an individual and his or her spouse who have not owned a home during the 3-year period prior to purchase of a home with assistance under Subchapter II of the National Affordable Housing Act, except that —
 - (ii) any individual who is a displaced homemaker may not be excluded from consideration as a first-time homebuyer under this paragraph on the basis that the individual, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse;
 - (iii) any individual who is a single parent may not be excluded from consideration as a first-time homebuyer under this paragraph on the basis that the individual, while married, owned a home with his or her spouse or resided in a home owned by the spouse; and
 - (iv) an individual shall not be excluded from consideration as a first-time homebuyer under this paragraph on the basis that the individual owns or owned, as a principal residence during such 3-year period, a dwelling unit whose structure is--
 - (A) not permanently affixed to a permanent foundation in accordance with local or other applicable regulations, or
 - (B) not in compliance with State, local, or model building codes, or other applicable codes, and cannot be brought into compliance with such codes for less than 45% of the total cost of constructing a permanent structure.
- b) have, at the time of initial enrollment (i.e., the date that a dedicated savings account is established, as specified below in subparagraph c) a household income of 80% or less of the area median for their current place of residence, adjusted for family size;
- c) open a dedicated account with an approved Member and agree to systematically save a portion of their income in the dedicated account by making at least 10 equivalent deposits, generally once in a calendar month, to achieve a specific amount of savings (“Equity Goal”);
- d) meet the requirements of the Member’s first-time homebuyer policy;
- e) complete the homebuyer counseling program that is approved by both the Member and the FHLB-NY; and
- f) agree to obtain mortgage financing from the Member, or a wholly owned subsidiary, for the purchase of a primary residence.
6. The FHLB-NY will utilize a 4:1 ratio in matching a household’s savings. For every \$1 saved and deposited into the dedicated account with the Member under a systematic schedule of savings, the FHLB-NY will match \$4 in set-aside funds, not to exceed \$7,500 in matching funds per household.
7. First Home Club funds may be used toward the down payment and/or closing costs for the purchase of a home by a qualified household.
8. A Member, or a wholly owned subsidiary thereof, must provide mortgage financing to the qualified household. First Home Club funds may only be disbursed to the Member bank and the appropriate retention agreement must be in the Member’s name.
9. A housing unit purchased using First Home Club funds will be subject to a standard AHP retention agreement that requires pro-rata repayment of the funds from any net gain realized upon the sale or refinancing prior to the conclusion of the 5-year retention period under the following circumstances:
- a) The AHP-assisted property is sold to another household whose income exceeds 80% of the area median, adjusted for family size, prior to the expiration of the 5-year compliance period; or

- b) The homeowner refinances or obtains additional subordinate debt (including a home equity loan) prior to the expiration of the 5-year compliance period *unless* the AHP-assisted property continues to be subject to a legally enforceable AHP retention agreement.
10. Pursuant to § 1291.6(c)(6), a Member providing mortgage financing to a participating household must provide financial or other incentives and concessions in connection with such mortgage financing, such as special rates on systematic savings accounts, special CRA-related products and loan underwriting standards, discounted loan origination fees and loan processing fees, and/or below-market rates of interest on end loans. Furthermore, the rate of interest, points, fees, and any other charges by the Member must not exceed a reasonable market rate of interest, points, fees, and other charges for a loan of similar maturity, terms, and risk;
 11. In order to assess compliance with § 1291.6(c)(9) of the AHP Regulation, the Member may provide cash back to a homebuyer at the time of their closing on the permanent mortgage loan in an amount not exceeding \$250 plus all expenses paid outside of closing (such as mortgage application fees, credit report fees, appraisal fees, property inspection fees, hazard insurance premiums, real estate taxes, or home heating oil adjustments). Any cash that the Member returns to the homebuyer at time of closing that exceeds this limit must be used as a credit in order to reduce the outstanding principal of the first mortgage or as a credit toward the household's monthly payments on the mortgage loan. The FHLB-NY shall evaluate the transmittal summary or HUD-1 Settlement Statement in order to effectively comply with the AHP Regulation.
 12. The FHLB-NY will continue to offer AHP homeownership set-aside subsidy in order to reimburse approved not-for-profit housing advocacy agencies for the cost of providing formal homebuyer training, including credit counseling, to qualified households who are enrolled in the First Home Club, only in cases where:
 - a) 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;
 - b) The cost of such counseling has not been covered by another funding source, including the Member; and
 - c) The comprehensive amount of the AHP subsidy funded to each household, including any homebuyer counseling costs (e.g., \$7,500 + \$500 = \$8,000), must be reflected in the First Home Club retention agreements and enumerated on the HUD-1 settlement statement.

In accordance with the FHLB-NY's current First Home Club practices, the FHLB-NY will provide this subsidy to the participating Member in order to directly reimburse the not-for-profit agency up to \$500 per household at time of closing, subject to receipt of the following:

- a) A copy of a syllabus that verifies the timeframe and the curriculum that the course and/or counseling sessions covered;
- b) Appropriate supporting documentation that confirms the cost of counseling the household; and
- c) A copy of a certificate or other appropriate evidence that the household has satisfactorily completed an approved homebuyer training and/or credit counseling.

IV. Schedule for Competitive AHP Funding Periods

§1291.5 (b)(1) requires the FHLB-NY to specify a schedule for AHP funding periods in the Plan. The FHLB-NY will conduct one application period in 2012.

Paper applications must be physically delivered to the FHLB-NY by 5:00 PM EDT on Tuesday, April 3, 2012. Applications in electronic format must be received by the FHLB-NY by 5:00 PM EDT on Friday, April 6, 2012. For this application period, qualifying applications will be presented to the FHLB-NY's Board of Directors for approval at their next regularly scheduled meeting following the final analysis by FHLB-NY staff.

V. Minimum Eligibility Requirements for the Competitive AHP

In accordance with § 1291.5(c) of the AHP Regulation, the FHLB-NY requires all projects that apply for and receive AHP assistance to meet the following minimum eligibility requirements:

1. Owner-Occupied Housing

- a) As required by § 1291.5(c)(1)(i) of the AHP Regulation, AHP subsidy must be used exclusively to assist in financing the purchase, construction, or rehabilitation of a 1-to-4-family owner-occupied dwelling, condominium, or cooperative unit for a qualified household whose income does not exceed 80% of the area median, adjusted for family size, based on the median income standard that the project sponsor selected from the list specified in Section II of the Plan.
- b) Furthermore, at the time that a household is qualified for participation in an AHP-assisted owner-occupied housing project by the sponsor, the household must have an income that meets the income targeting commitments that were specified and approved in the competitive application to the AHP.
- c) Subject to the consent of the FHLB-NY, a maximum of \$500 in AHP subsidy per household may be used to finance homebuyer education and counseling costs, 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.

2. Rental Housing

- a) As required by § 1291.5(c)(1)(ii) of the AHP Regulation, AHP subsidy must be used exclusively to assist in financing the purchase, construction, or rehabilitation of a single-family or multi-family rental housing project where at least 20% of the units (or beds, if applicable) in the project are reserved for and occupied by qualified households whose income does not exceed 50% of the area median, adjusted for family size, based on the median income standard that the project sponsor selected from the list specified in Section II of the Plan.
- b) Furthermore, upon initial occupancy of the AHP-assisted rental unit, a household must have an income that meets the income targeting commitments that were specified and approved in the competitive application to the AHP.
- c) In the case of an AHP-assisted rental project that is already occupied, a household must have an income that meets the income targeting commitments that were specified and approved in the competitive application to the AHP at the time that the competitive AHP application is submitted to the FHLB-NY for approval.

- d) In accordance with § 1291.1 of the AHP Regulation, a rental unit must be affordable, which means that:
- i. The rent charged to a household for a unit that is to be reserved for occupancy by a household with an income at or below 80 percent of the median income for the area, does not exceed 30 percent of the income of a household of the maximum income and size expected, under the commitment made in the AHP application, to occupy the unit (assuming occupancy of 1.5 persons per bedroom or 1.0 persons per unit without a separate bedroom); or
 - ii. The rent charged to a household, for rental units subsidized with Section 8 assistance under 42 U.S.C. 1437f or subsidized under another assistance program where the rents are charged in the same way as under the Section 8 program, if the rent complied with this §1291.1 of this part at the time of the household's initial occupancy and the household continues to be assisted through the Section 8 or another assistance program, respectively.

3. Project Feasibility

- a) As required by § 1291.5(c)(4)(i) of the AHP Regulation, it must be likely for a project to be completed and occupied. The FHLB-NY has established certain reasonable and customary cost guidelines (AHP-101). The FHLB-NY will analyze and evaluate all projects in conformity with these guidelines at the time of application for AHP funding, prior to disbursing reservations of AHP subsidy, in connection with a proposal to modify a project, and until the time that the project's construction and/or capital improvements are completed and an independent auditor's financial report (or other comparable third-party final cost certification statement) is issued. The FHLB-NY reserves the right to consider exceptions to these guidelines, on a case-by-case basis, if reasonable explanations and adequate documents are presented in order to justify the exception.
- b) During the initial AHP application review process, the FHLB-NY will assess a project's demonstrated need for AHP subsidy, likelihood to be developed in a timely manner, and capacity to be operated in a financially sound manner. Homeownership projects that involve the use of AHP subsidy to provide either rehabilitation assistance to existing owner-occupants or downpayment/closing cost assistance to qualified households who are acquiring 1-to-4-family dwellings on the open housing market must demonstrate that the proposed targets are reasonable and AHP funds can be used effectively in order to complete the project within a three-year period. The FHLB-NY shall evaluate all other projects in accordance with the following criteria:
 - i. A detailed schedule of project completion that indicates the sponsor's projected dates for taking title to the project site(s), obtaining building permits and other necessary municipal approvals, procuring all proposed funding sources, commencing and completing construction (or rehabilitation), requesting disbursement of AHP subsidy, and lease-up (or sale) of the project units.
 - ii. A copy of an executed deed, lease, contract of sale, or other documentation that evidences that the sponsor either owns or will be able to take title to the proposed project site(s) within 12 months of the date of approval of the application for AHP subsidy.
 - iii. Evidence that the proposed acquisition costs are reasonable shall include a copy of an independent report of the "as is" appraised value of the proposed project site(s) or comparable third-party documentation.
 - iv. Copies of municipal resolutions, letters from local officials, preliminary assessment reports, remediation plans, permits, or other evidence that the project complies with required zoning, environmental, and other governmental approvals.
 - v. A development budget (excluding the estimated market value of any in-kind donations and voluntary professional labor services) that confirms that the project's estimated sources of funds equal its estimated uses of funds.

- vi. For rental projects, a current rent plan and valid 15-year forecast of income and expenses (i.e., an operating pro forma).
- vii. Copies of financing commitment letters from the project's other proposed construction and permanent funding sources that evidences that the sponsor is likely to either partially or fully draw down the AHP subsidy or use the AHP subsidy to procure other financing commitments within 12 months of the anticipated date of approval of the application for AHP subsidy (i.e. January 31, 2012).
- c) As required by § 1291.5(c)(10) of the AHP Regulation, a project's sponsor must be qualified and able to perform its responsibilities as committed to in the application for AHP subsidy. The FHLB-NY, in its sole discretion, will prohibit certain sponsor organizations from qualifying for any new funding reservations of AHP subsidy if they have already been issued an AHP funding commitment on behalf of a housing initiative that is programmatic in nature (i.e., downpayment/closing cost initiatives or owner-occupied rehabilitation programs) and not site-specific and less than 50% of the existing AHP funding commitment has been drawn down. The FHLB-NY will give such sponsors credit for any pending AHP funding requisitions that were received at the FHLB-NY at least two weeks prior to the commencement of a given AHP competitive offering.
- d) As required by § 1291.5(c)(11) of the AHP Regulation, a project, as proposed, must comply with applicable federal and state laws on fair housing and housing accessibility, including, but not limited to, the Fair Housing Act, the Rehabilitation Act of 1973, the Americans for Disabilities Act of 1990, and the Architectural Barriers Act of 1969. The sponsor must also demonstrate how the project will be affirmatively marketed.
- e) All owners of AHP-assisted units must execute the FHLB-NY's standard AHP retention agreements at time of funding and duly record the AHP subordinate mortgage with the appropriate municipal clerk's office.
- f) If AHP subsidy is proposed to refinance an existing mortgage loan on a single-family or multi-family residence, the application must furnish adequate evidence that the equity proceeds generated from the refinance, for an amount consistent with the requested AHP subsidy, shall be used only for the purchase, construction, or rehabilitation of additional housing units that meet the minimum eligibility requirements of this Section.

4. Additional District Eligibility Requirements

- a) As permitted under § 1291.5(b)(15) of the AHP Regulation, the FHLB-NY may establish additional AHP eligibility requirements. As such, the FHLB-NY hereby limits rental projects to a per unit average of \$20,000 in AHP subsidy.
- b) In addition, the FHLB-NY limits homeownership projects to a maximum of \$20,000 in AHP subsidy per dwelling (inclusive of all AHP subsidies provided under the FHLB-NY's set aside programs).
- c) The FHLB-NY also restricts the amount of AHP subsidy available to any project to the lesser of \$2,000,000 or \$20,000 per unit.
- d) Multiple AHP application submissions that pertain to a single project that is programmatic in nature (i.e., downpayment/closing cost initiatives or owner-occupied rehabilitation programs) and not site-specific cannot exceed a total AHP subsidy funding request in an amount that is \$2,000,000.

VI. Scoring Guidelines

The FHLB-NY will only score those applications that meet the AHP eligibility standards set forth in § 1291.5(c) of the AHP Regulation as well as specified above in Section V. Each FHLB-NY AHP scoring category, identified below, has been designated as either a fixed point or a variable point criterion in accordance with the following methodology:

- The criteria that comprise variable-point objectives may be satisfied in whole or in part. Therefore, the number of points awarded to an application for meeting a variable point objective may be partial and can vary, depending on the extent to which the project can realistically satisfy the criterion, in comparison to the other competitively scored applications. The application(s) best achieving each variable-point criterion shall receive the maximum point score available for that criterion, with the remaining applications scored on a declining scale.
- Fixed-point objectives cannot be achieved in varying degrees and are either satisfied, or not. An application that adequately meets a fixed-point criterion shall be awarded the total number of points allocated to that criterion.

The FHLB-NY has established 100 points as the highest possible score, allocated among 9 separate scoring categories. In accordance with the AHP Regulation, the Targeting objective must have a value of at least 20 points and each remaining category must carry a minimum value of 5 points.

Scoring Criteria

- (A) Use of donated or conveyed government-owned or other properties. The creation of housing using a significant proportion of units or land donated or conveyed by the Federal government (regardless of the conveyance price) or any agency or instrumentality thereof, or by any other party, for an amount significantly below the fair market value of the property.

“Significant proportion” will be defined as 20% or more of the total number of proposed units. “Significantly below fair market value” will be defined as having an acquisition cost of no more than \$100 per vacant parcel of land or no more than \$250 per existing building.

5 points - Variable

Points will be awarded based on the percentage of total units in the project meeting the above criteria based receipt of acceptable documentation (e.g., a copy of a settlement statement, formal letter from the donor, or other third party documentation) that confirms the sales price and terms of the transfer.

- (B) Sponsorship by a not-for-profit organization or government entity. Eligible projects are sponsored by either a private, not-for-profit corporation, as designated under the Internal Revenue Service (“IRS”) Code a state or political subdivision of a state, a state housing agency, a local housing authority, a Native American Tribe, an Alaskan Native Village, or the government entity for Native Hawaiian Home Lands. A project sponsor is defined as an organization that has ownership interest (including any partnership interest) in a rental project or an organization that is integrally involved in an ownership project, such as by exercising control over the planning, development, or management of the project, or by qualifying borrowers and providing or arranging financing for the owners of the units. Points will be awarded as follows:

- i. If a sponsor of an ownership project is integrally involved in the development of a project as evidenced by:
 - ownership of the land or building(s) that comprise the project during the construction and/or rehabilitation phase of development, and/or;
 - responsibility as the primary contractor and/or construction manager of the properties that comprise the project, 10 points will be awarded.
- ii. If a sponsor of an ownership project evidences that they will perform at least one of the following roles, 5 points will be awarded:

- a) screening or qualifying prospective project households;
 - b) arranging or providing mortgage financing;
 - c) conducting credit or homeownership counseling;
 - d) participating in the marketing of project units; or
 - e) other roles that demonstrate that the sponsor is integrally involved in the development of the project.
- iii. If a sponsor of a rental project owns or will own the land and/or the building(s) that comprise the project, 10 points will be awarded. In order to confirm the sponsor's ownership role, the FHLB-NY shall evaluate such supporting documentation as deeds, contracts of sale, purchase options, offer letters, and lease agreements.
- iv. If a sponsor of a rental project that is utilizing Low-Income Housing Tax Credits is a not-for-profit entity and will either become a general partner or hold a majority share of the general partner interest within the final ownership structure/limited partnership of the project, 10 points will be awarded. In order to confirm the sponsor's ownership role, the FHLB-NY shall evaluate such supporting documentation as a tax credit allocation award notice, partnership agreement, or tax credit investor's commitment letter.
- v. If a sponsor of a rental project that is utilizing Low-Income Housing Tax Credits is a not-for-profit entity and will hold an ownership interest in the project, other than being a general partner, or holds a minority share of the general partner interest within the final ownership structure/limited partnership of the project, 5 points will be awarded. In order to confirm the sponsor's ownership role, the FHLB-NY shall evaluate such supporting documentation as a tax credit allocation award notice, partnership agreement, or tax credit investor's commitment letter.

10 points – Variable

(C) Targeting. The extent to which a project creates housing for very low-, low- or moderate-income households.

- (1) Rental projects. An application for a rental project shall be awarded the maximum number of points available under this scoring criterion if 60 percent or more of the units in the project are reserved for occupancy by households with incomes at or below 50 percent of the median income for the area. Applications for projects with less than 60 percent of the units reserved for occupancy by households with incomes at or below 50 percent of the median income for the area shall be awarded points on a declining scale based on the percentage of units in a project that are reserved for households with incomes at or below 50 percent of the median income for the area, and on the percentage of the remaining units reserved for households with incomes at or below 80 percent of the median income for the area. In cases where projects will be monitored by a federal, state, or local government entity providing funds or allocating federal Low-Income Housing Tax Credits to a proposed project, the FHLB-NY, will score each project according to the targeting commitments made by the project to such an entity.

The FHLB-NY shall confirm the percentage of units that a particular rental project has proposed to reserve for households who earn $\leq 50\%$ of area median income ("AMI"), adjusted for family size:

- a) If the percentage is greater or equal to 60%, the project receives the maximum 20 point score.
- b) If the percentage is less than 20%, the project cannot meet the AHP statutory minimum requirement and shall be eliminated from the competition.

All remaining proposed rental projects that meet the AHP statutory minimum requirement and reserve at least 20% of their units for households who earn $\leq 50\%$ of AMI will earn a Weighted

Average that will be used in determining their Targeting score. This Weighted Average is based on the following formula:

The total number of all proposed units as a percentage of the following targeting criteria:

1.00 multiplied by the number of units reserved for households > 80% of AMI, plus
0.80 multiplied by the number of units reserved for households ≤ 80% of AMI, plus
0.65 multiplied by the number of units reserved for households ≤ 65% of AMI, plus
0.50 multiplied by the number of units reserved for households ≤ 50% of AMI.

A Rental Factor shall also be determined for these projects based on the following formula:

$$\frac{20}{(\text{Highest Weighted Average} - \text{Lowest Weighted Average})}$$

Projects that target the lowest percentage of households who earn ≤ 50% of AMI shall receive the highest Weighted Average. The final Targeting score for a particular rental project that reserves at least 20% but less than 60% of its units for households who earn ≤ 50% of AMI shall be based on the following formula:

20 – (The individual Weighted Average for that project – the Lowest Weighted Average) X the project's Rental Factor

- (2) Owner-occupied projects. Owner-occupied projects that target the largest percentage of households who earn 50% or less of the median income for the area will receive 20 points and all other projects which target households with incomes at 80% or less of the median income for the area will receive points on a declining scale.

The FHLB-NY shall confirm the percentage of units that a particular homeownership project has proposed to reserve for households who earn ≤ 80% of the AMI, adjusted for family size:

- a) If 100% of the project's units are targeted to households who earn ≤ 50% of AMI, the project receives the maximum 20 point score;
- b) If *any* of the project's targets are targeted to households who earn > 80% of AMI, the project cannot meet the AHP statutory minimum requirement and shall be eliminated from the competition.

All other proposed homeownership projects will earn a Weighted Average that will be used in determining their Targeting score. This Weighted Average is based on the following formula:

The total number of all proposed units as a percentage of the following targeting criteria:

0.80 multiplied by the number of units reserved for households ≤ 80% of AMI, plus
0.65 multiplied by the number of units reserved for households ≤ 65% of AMI, plus
0.50 multiplied by the number of units reserved for households ≤ 50% of AMI.

A Homeownership Factor shall also be determined for these projects based on the following formula:

$$\frac{20}{(\text{Highest Weighted Average} - \text{Lowest Weighted Average})}$$

Projects that target the greatest percentage of households who earn ≤ 80% of AMI shall receive the highest Weighted Average. The final Targeting score for a particular homeownership project shall be based on the following formula:

20 – (The individual Weighted Average for that project – the Lowest Weighted Average) X the project’s Homeownership Factor

20 points - Variable

As indicated, for purposes of this scoring criterion, applications for owner-occupied projects and rental projects will be scored separately.

- (D) Housing for homeless households. The creation of rental housing, excluding overnight shelters, reserving at least 20% of the units for homeless households, the creation of transitional housing for homeless households permitting a minimum of six months occupancy, or the creation of permanent owner-occupied housing reserving at least 20% of the units for homeless households. A homeless household is defined as a household made up of 1 or more individuals, other than individuals imprisoned or otherwise detained pursuant to state or federal law, who:

The term “homeless”, “homeless individual,” or “homeless person” shall mean an individual or family who is homeless or at risk of homelessness based on third-party evidence demonstrating that the individual or household:

1. Lacks a fixed, regular, and adequate nighttime residence;
2. Has a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
3. Lives in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including hotels and motels paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations, congregate shelters, and transitional housing); or resided in a shelter or place not meant for human habitation and who is exiting an institution where he or she temporarily resided;
4. Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life threatening conditions in the individual's or family's current housing situation, including where the health and safety of children are jeopardized, and who have no other residence and lack the resources or support networks to obtain other permanent housing;
5. Will imminently lose their housing, including housing they own, rent, or live in without paying rent, are sharing with others, and rooms in hotels or motels not paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations, as evidenced by (a) a court order resulting from an eviction action that notifies the individual or family that they must leave within 14 days; (b) the individual or family having a primary nighttime residence that is a room in a hotel or motel and where they lack the resources necessary to reside there for more than 14 days; or (c) credible evidence indicating that the owner or renter of the housing will not allow the individual or family to stay for more than 14 days, and any oral statement from an individual or family seeking homeless assistance that is found to be credible shall be considered credible evidence for purposes of this clause. In addition, the individual or household must have no subsequent residence identified and lack the resources or support networks needed to obtain other permanent housing; and/or
6. Is a family with children who (a) has experienced a long term period without living independently in permanent housing, (b) has experienced persistent instability as measured by frequent moves over such period, and (c) can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions,

substance addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.

Even if an individual or household's current living situation may appear to qualify under the above criteria, the FHLB-NY will not consider the following individuals or households as having met the criteria for homelessness:

- (a) Someone who is currently imprisoned or otherwise detained pursuant to an Act of the Congress or a State law;
- (b) An unaccompanied youth who is under the age of 18 unless he or she is within 60 days of reaching the age of 18;
- (c) An individual or family who has resided in transitional housing for 6 months or more (even if homeless prior to entry into transitional housing);
- (d) Someone who is being discharged from an institution where he or she has been a resident for 90 days or less unless the person's living situation met one of the above criteria immediately prior to entering that institution; or
- (e) Someone who was living in an institution for over 90 days and will not be discharged without a housing placement plan and/or where the cost of their current and/or proposed housing was and/or will be subsidized.

7 points – Variable

Points will be awarded based on the percentage of total units in the project meeting the above criteria based upon receipt of acceptable contractual evidence (e.g., referral letters, a grant award letter, executed contract or similar evidence from a third party entity) that requires the units within a certain project to be reserved for and occupied by a specified number of homeless households.

(E) Promotion of empowerment. Points will be awarded based on a given project's ability to provide affordable housing in combination with a program that offers certain services or activities that economically empower project residents. The maximum number of points will be awarded to the project that provides the most services or activities with the remaining projects awarded points on a declining scale.

- (1) Acceptable economic empowerment for rental projects will include the following:
 - On-site case management programs that support the residents' ability to find or sustain employment or be self-sufficient or promote their economic betterment;
 - On-site youth programs, including daycare services or formal recreational activities that serve as a substitute for childcare and thereby enable heads of household to find or sustain employment;
 - On-site primary health care services for households and their children;
 - On-site vaccination or medical screening programs for households and their children;
 - On-site job training programs, employment opportunities or other educational services that economically benefit project residents;
 - Resident management opportunities, including resident involvement in the development, design, or operation of the project and/or the formal establishment of an on-site tenants' association;
 - Homesteading, IDA's, or "sweat equity" activities; and
 - Project-specific private transportation services for households to and from places of employment.
- (2) Acceptable economic empowerment for owner-occupied projects will include the following:
 - Project-specific case management programs that support the owner-occupants' ability to find or sustain employment or be self-sufficient or promote their economic betterment;

- Project-specific youth programs, including daycare services or formal recreational activities that serve as a substitute for childcare and thereby enable heads of household to find or sustain employment;
- Project-specific primary health care services for households and their children;
- Project-specific vaccination or medical screening programs for households and their children;
- Project-specific job training programs, employment opportunities or other educational services that economically benefit owner-occupants;
- Pre-purchase counseling for prospective first-time homebuyers, including all credit counseling, budgeting courses, financial literacy classes, or other financial services that economically benefit owner-occupants (as evidenced by a formal catalogue or syllabus, including an educational curriculum and a detailed synopsis of topics, that specifies the standard timeframe of the classes as well as the name of the agency or organization that will conduct the counseling);
- Foreclosure prevention (as evidenced by a formal catalogue or syllabus, as specified above);
- Predatory lending prevention and awareness counseling (as evidenced by a formal catalogue or syllabus, as specified above);
- Workshops for existing homeowners on maintenance, repairs, and improvements (evidenced by a formal catalogue or syllabus, as specified above);
- Homeowner decision making opportunities in the development or design of the project units;
- Establishment of a formal project-specific homeowners' association;
- Individual Development Accounts (IDA's) or "sweat equity" activities; and
- Project-specific private transportation services for households to and from places of employment.

10 points – Variable

The maximum number of points will be awarded to the project(s) that provide(s) the most services or activities with the remaining projects awarded points on a declining scale, based on receipt of supporting documentation or a brief description of those services or activities.

(F) First District Priority. The FHLB-NY's Advisory Council has recommended and the FHLB-NY's Board of Directors has adopted the following criteria for the FHLB-NY's First District Priority:

- (1) A project will qualify for a maximum of 3 points, based on Member financial participation (excluding the pass-through of AHP subsidy and administrative costs related to the monitoring of the project). Examples of eligible Member financial participation would include providing market-rate or concessionary financing, fee waivers, tax credit equity, or donations in accordance with the following criteria:

For Homeownership Projects:

- a) If the Member who submits the application for AHP subsidy will provide end-loans to at least 75% of the project-assisted homebuyers, 2 points will be awarded; or
- b) If another FHLB-NY stockholder will provide end-loans to at least 75% of the project-assisted homebuyers, 1 point will be awarded; or
- c) If any FHLB-NY stockholder commits to provide fee waivers to the project-assisted homebuyers, 1 point will be awarded; or
- d) If the Member who submits the application for AHP subsidy will provide a capital grant to be used for project-related development costs, points will be awarded based on the following scale: (i) 3 points for a donation of \$300 or more per project unit, (ii) 2 points for a donation of at least \$200 per unit, and (iii) 1 point for a donation of at least \$100 per unit.

For Rental Projects:

- a) If the Member who submits the application for AHP subsidy will provide tax credit equity and/or construction or permanent financing to the project, 2 points will be awarded; or
- b) If another FHLB-NY stockholder will provide tax credit equity and/or construction or permanent financing to the project, 1 point will be awarded; or
- c) If any FHLB-NY stockholder commits to provide construction or permanent loan application fee waivers to the project, 1 point will be awarded; or
- d) If the Member who submits the application for AHP subsidy will provide a capital grant to the sponsor to be used for project-related development costs, points will be awarded based on the following scale: (i) 3 points for a donation of \$300 or more per project unit, (ii) 2 points for a donation of at least \$200 per unit, and (iii) 1 point for a donation of at least \$100 per unit.

Regardless of its ability to meet more than one of the aforementioned scoring components, a project will be limited to a maximum of 3 points in this category.

(3 points)

- (2) In-District Projects: Projects that create and preserve affordable housing units which are located in New York, New Jersey, Puerto Rico, and the U.S. Virgin Islands will receive 3 points.

(3 points)

6 points – Variable

- (G) Second District priority. The FHLB-NY's Advisory Council has recommended and the FHLB-NY's Board of Directors has adopted the following criteria for the FHLB-NY's Second District Priority:

- (1) In an effort to efficiently resolve the critical shortage of decent, legal, and affordable rental housing in a timely manner, a project that demonstrates readiness in accordance with the following criteria will qualify for a maximum of 10 points:

- (a) Site Control: If the sponsor demonstrates ownership of the proposed project site(s), a maximum of 2 points will be awarded proportional to the percentage of units to be developed on each parcel;
- (b) Approvals: If the sponsor/developer has obtained (i) a building permit, 3 points will be awarded, (ii) final site plan approval or evidences that the project may be developed as-of-right, 2 points will be awarded, or (iii) preliminary site plan approval, 1 point will be awarded.
- (c) Building Cost Determination: If the sponsor/developer has executed a contract with a construction firm, 2 points will be awarded. If the sponsor/developer has secured a formal cost estimate based on approved architectural drawings (if required) or a detailed scope of work (if architectural drawings are not required), 1 point will be awarded.
- (d) Funding Commitment Procurements: With the exception of projects that that have either already started construction or where AHP is requested to provide 50% or more of the project's funding, points will be awarded to sponsors who have procured or closed on at least 50% of a project's proposed permanent funding sources. This percentage will be determined by dividing the total permanent funding sources procured by the total project costs less the amount of the AHP subsidy request in accordance with the following scale: (i) 100% committed – 3 points, (ii) Between 75% and 99% committed – 2 points, and (iii) Between 50% and 74% committed – 1 point.

For projects that have either commenced construction or where AHP is requested to provide 50% or more of the project's funding, points will be awarded to sponsors who have procured or closed on at least 50% of a project's proposed permanent funding sources. This percentage will be determined by dividing the total permanent funding sources procured by the total project costs including the amount of the AHP subsidy request in accordance with the following scale: (i) 100% committed – 3 points, (ii) Between 75% and 99% committed – 2 points, and (iii) Between 50% and 74% committed – 1 point.

- (2) Rental projects that provide the highest percentage of units with the highest average number of bedrooms per unit will receive a maximum of 5 points. The remaining projects with an average distribution greater than one bedroom will receive points on a declining scale. A separate household must occupy each unit for the purposes of qualifying for points in this category. The number of units and bedrooms will be determined as follows:
- (a) A Single Room Occupancy (SRO) unit does not provide both a private bathroom and kitchen facilities for the household. Examples include boarding houses where units have efficiency kitchens but residents share bathrooms, and transitional housing where families have private bedrooms and bathrooms but share kitchen facilities. The number of units is based on the number of households living in the project. This type of unit is considered to be a 0-bedroom unit.
 - (b) A group home generally has bedrooms occupied by one or more members of different households who share bathroom and kitchen facilities. The number of Group Home units will be equal to the number of beds located in a group home. This type of unit is considered to be a 0-bedroom unit.
 - (c) A zero-bedroom unit has both a private bathroom and kitchen facilities but not a separate room for sleeping. Examples include studio or efficiency apartments. This type of unit is considered to be a 0-bedroom unit.
 - (d) A unit with one or more bedrooms has both a private bathroom and kitchen facilities, separate rooms for sleeping, and is occupied by an individual household. Examples include apartments and 1-to-4-family dwellings. This type of unit is considered to have the number of bedrooms based on the number of separate rooms for sleeping.

For example, if 3 unrelated individuals will reside in one group home that contains 3 bedrooms and each person occupies a bedroom, that particular project has 3 zero bedroom units, not one 3-bedroom unit. On the other hand, a project with a 3-bedroom apartment that a single family occupies contains one 3-bedroom unit.

- (3) A project will be awarded a minimum of 1 point for demonstrating that at least 20% of its proposed units are being developed to create site-specific two-family dwellings (i.e., properties that contain one owner-occupied unit and one rental unit) for sale to income-eligible homebuyers. Thereafter, a maximum up to 5 points will be awarded on an ascending scale to projects that demonstrates that up to 100% of their proposed site-specific dwellings contain at least one rental unit for sale to income-eligible homebuyers; or
- (4) 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 units 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 dwellings qualify if the sponsor's rehabilitation specialist will specify energy efficient products in the household's scope of work where the replacement or installation of such items is needed and which include, but are not necessarily limited to, the following:

- 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.

Newly constructed or renovated dwellings that will be sold to eligible homebuyers, including existing owner-occupied properties, are limited to the following types of energy efficient products and renewable energy systems:

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

15 Points – Variable

- (H) AHP subsidy per unit. Points will be awarded based on the extent to which a project proposes to use the least amount of AHP subsidy per AHP-targeted unit. For purposes of this scoring criterion, applications for owner-occupied projects and rental projects will be scored separately.

5 points – Variable

- (I) Community stability. Points will be awarded as follows to projects that promotion of community stability as follows:

- i. 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 1.5 points. Eligible projects must involve the development of new or the preservation of existing housing units, through either rehabilitation or new construction, on sites that were obtained within the past two years, or for which site control has been obtained based on the percentage of units to be re-developed or parcels that were or will be obtained as a result of the following:

- (1) The parcel(s) is(are) or will be acquired from a seller who has received a public default notice such as a Notice of Default or Lis Pendens from the seller's lender;
- (2) The parcel(s) was(were) foreclosed upon for non-payment of real estate taxes or mortgage payments and were purchased through an auction, sheriff's sale, or directly from the entity that foreclosed upon the previous owner;
- (3) The parcel(s) is(are) or will be acquired from a lender who repossessed them without going through the foreclosure process by entering into an agreement with the borrower/owner during the pre-foreclosure process such as the acceptance of a deed in lieu of foreclosure or via a short sale foreclosure;
- (4) The parcel(s) is(are) or will be acquired from a lender who has classified the property(ies) as Real Estate Owned (REO).

- ii. Thereafter, a maximum up to 6 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. This category pertains only to projects that involve the rehabilitation and/or new construction of housing units on eligible sites. The construction and/or rehabilitation of non-residential structures **do not** qualify for points in this category.
- iii. If a project preserves existing occupied housing units, 4 points will be awarded, subject to a project's satisfaction of the following conditions:
 - a) Confirmation that a rental project is operational, has at least 50% of its units occupied at time of application to the AHP, and displacement of the current occupants will not occur or, if displacement of the current occupants will occur, adequate procedures and a formal relocation plan are in place that will assist the occupants minimize the impact of such displacement;
 - b) The project will undergo rehabilitation or other housing-related capital improvements that average at least \$15,000 per unit; and
 - c) The rehabilitation work must be sufficient to achieve the Housing Quality Standards established by the United States Department of Housing and Urban Development and ensure that the remaining economic life of the major building systems will survive the 15-year AHP compliance period.

OR

- a) Confirmation that a homeownership project involves the rehabilitation of dwellings that are owned and occupied by existing homeowners;
 - b) The cost of renovating or rehabilitating the average project unit is at least \$10,000; and
 - c) 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.
- iii. Subject to receipt of third-party documentation that evidences that a project has either qualified for historic tax credits or is specifically identified in the National Register of Historic Places, 3 points will be awarded to projects that promote historic preservation.
 - iv. A project will be awarded 3 points for demonstrating that at least 80% of its proposed units will involve the creation of new housing units, either through rehabilitation or new construction, on sites that are located within Metropolitan and non-Metropolitan Difficult Development Areas and Qualified Census Tracts, as determined under IRS Section 42 and in effect as of the submission date of the application for AHP subsidy and published on HUD's website.
 - v. A project will be awarded a minimum of 6 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.

22 points - Variable

VII. Time Limits on the Use of AHP Subsidy and Procedures for Verifying Compliance Upon Disbursement of AHP Subsidy Pursuant to § 1291.5(g)(2) and § 1291.6(e)(3).

Homeownership Set-Aside – Once enrolled in the First Home Club, eligible households must complete all programmatic requirements within a twenty-four month period. In the event that an enrolled household satisfactorily completes the programmatic requirements of the First Home Club within that twenty-four month

period and requires additional time to execute a contract of sale, qualify for mortgage financing, and close on a home, the FHLB-NY may, in its sole discretion, approve an extension not to exceed twelve months, subject to receipt of certain documentation set forth in its *First Home Club Compliance Monitoring Guidelines* (FHC-114).

If the First Home Club funds have not been drawn down and used within the required period and the FHLB-NY has not approved an extension of the household's enrollment, the FHLB-NY shall withdraw the household from the program. The FHLB-NY shall then determine, in its sole discretion, whether such funds will be made available for other eligible First Home Club households or to replenish the FHLB-NY's competitive AHP liability account for subsequent re-use by eligible projects in the FHLB-NY's upcoming competitive funding rounds over the next twelve months.

Competitive Program -- AHP subsidies approved under the FHLB-NY's competitive application program must be drawn down and used by the project within 36 months of the FHLB-NY's approval of the Member's AHP application. Extensions may be granted on a case-by-case basis, as per the FHLB-NY's AHP procedures, if sufficient evidence is received documenting the reason for the delay and the progress toward project completion and funding. If AHP subsidy funds have not been drawn down and used within 36 months and the FHLB-NY has not approved an extension of the project's commitment period, the FHLB-NY shall cancel the commitment and de-obligate the AHP subsidy. The funds will be made available for other AHP eligible projects.

For further information regarding the FHLB-NY's practices and policies for verifying the progress of AHP-assisted projects, kindly refer to the *AHP Commitment Extension Policy* (AHP-135) and the *AHP Compliance Monitoring Guidelines* (AHP-102). For further information regarding the FHLB-NY's practices and policies for verifying the progress of enrolled First Home Club households, kindly refer to the *First Home Club Compliance Monitoring Guidelines* (FHC-114).

VIII. Practices for Verifying Compliance upon Disbursement of AHP Subsidy

For information regarding the FHLB-NY's practices and policies for verifying the compliance of AHP-assisted projects at time of disbursement, kindly refer to the *AHP Compliance Monitoring Guidelines* (AHP-102). For information regarding the FHLB-NY's practices and policies for verifying the compliance of First Home Club households at time of disbursement, kindly refer to the *First Home Club Compliance Monitoring Guidelines* (FHC-114).

In regard to existing owner-occupants who qualify for AHP subsidies in order to rehabilitate their homes, the Member is prohibited from providing any excess assistance under the AHP. The Member shall be liable for repaying any AHP subsidy that was used to over-subsidize such households. The FHLB-NY shall likewise evaluate HUD-1 Settlement Statements or transmittal summaries in order to effectively monitor this situation.

IX. FHLB-NY Initial and Long-Term Monitoring Practices

The Member is liable for ensuring that competitive AHP subsidy is used efficiently and does not exceed a household's need at time of closing. Similar to the FHLB-NY's practices and policies related to the First Home Club, the Member may provide cash back to a homebuyer at the time of their closing on the permanent mortgage loan in an amount not to exceed \$250 plus all expenses paid outside of closing (such as mortgage application fees, credit report fees, appraisal fees, property inspection fees, hazard insurance premiums, real estate taxes, or home heating oil adjustments). Any cash that the Member returns to the homebuyer at time of closing that exceeds this limit must be used as a credit in order to reduce the outstanding principal of the first mortgage or as a credit toward the household's monthly payments on the mortgage loan. The FHLB-NY shall evaluate HUD-1 Settlement Statements and transmittal summaries in order to effectively monitor this situation.

For information regarding the FHLB-NY's practices and policies that govern the monitoring of AHP-assisted projects, kindly refer to the *AHP Compliance Monitoring Guidelines* (AHP-102) and *AHP Disincentives for Compliance Monitoring Late Receipt: Suspension and Debarment Policy* (AHP-104). For information regarding the FHLB-NY's practices and policies for resolving events of non-compliance and, if necessary, the recovery of AHP subsidy, kindly refer to the *AHP Settlement and Recapture Guidelines* (AHP-105).

For information regarding the FHLB-NY's practices and policies that govern the monitoring of First Home Club households, kindly refer to the *First Home Club Compliance Monitoring Guidelines* (FHC-114).

X. Re-Use of Repaid AHP Subsidies

The FHLB-NY will not allow Members or project sponsors to re-use repaid AHP subsidies. Any repaid AHP subsidies must be returned to the FHLB-NY forthwith and will be used to replenish its AHP competitive liability account for use by eligible projects.

XI. Revolving Loan Funds and Loan Pools

As specified above, the FHLB-NY will not allow Members or project sponsors to re-use repaid AHP subsidies. Consequently, the FHLB-NY will not authorize AHP subsidy to finance any revolving loan funds or loan pools.