



Federal Home Loan Bank  
NEW YORK

Affordable  
Housing  
Program  
Guidelines

March 1

2016

Your guide to a  
successful AHP  
experience





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## INTRODUCTION

The mission of the Federal Home Loan Bank of New York (Bank) is to advance housing opportunity and local community development by supporting members in serving their markets. The FHLB NY meets our mission by providing our members with access to economical wholesale credit and assistance through our credit products, mortgage finance program, housing and community lending programs, and correspondent services to increase the availability of home finance to families of all incomes.

Each year since 1990, the Bank has contributed 10% of its income to the Affordable Housing Program. The funds are allocated between the Affordable Housing Competitive Program (AHP) and the First Home Club (FHC) set aside program.

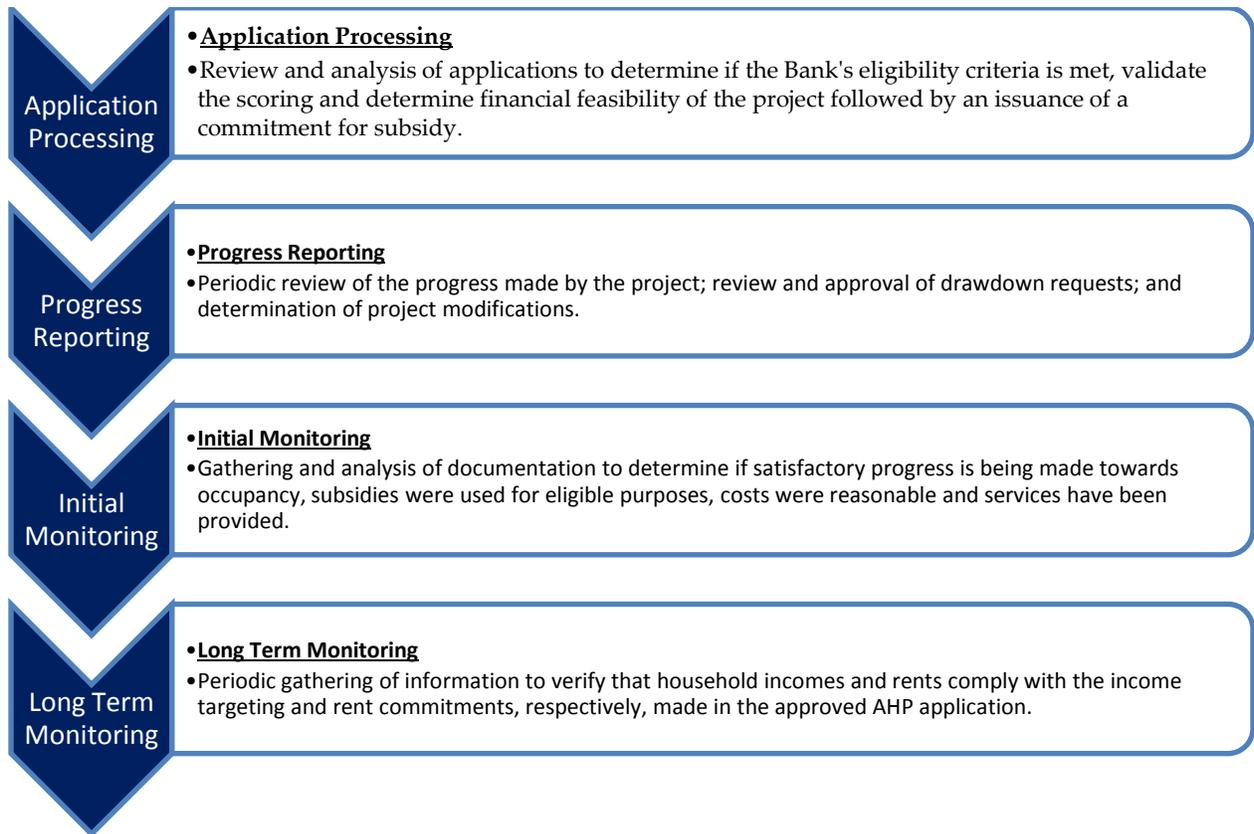
The AHP is a federally mandated program and is managed within regulatory requirements established by the Federal Housing Finance Agency ("FHFA") Part 1291. The AHP awards subsidies to member institutions (members) enabling these entities to support not for profit, for profit and governmental agencies (sponsors) in the creation and preservation of housing for income eligible families and individuals.

The AHP provides grants to our members to help households earning 80% or less of the area median income to purchase or maintain their homes. It also enables organizations to purchase, rehabilitate, or construct apartment buildings in which at least 20% of the units are affordable to households earning 50% or less of the area median income. AHP-assisted projects move through what we refer to as the AHP lifecycle, while adhering to specific criteria as determined by the FHFA and the Bank.

This Guideline Document will assist you as you work along with the AHP staff and the Member to assure you can successfully draw down on your commitment in a professional and timely manner. The responsibility for assuring AHP projects move through the AHP lifecycle is a shared responsibility of the Member, Sponsor and the Bank, each of whom have a role as documented and as agreed to in the Memorandum of Understanding ("MOU") that is executed at time of commitment of the AHP subsidy. This document is to be used as a companion to the AHP Implementation Plan and other resources posted on the Bank's website.



## THE AHP PROJECT LIFE CYCLE



### APPLICATION PROCESSING

#### Application Eligibility and Scoring Review

The Eligibility review will typically be the phase of the application review where there will be a clear indication of whether the project should continue to be evaluated or be removed from the evaluation process. For instance, if the project sponsor does not demonstrate site control, the project is ineligible and must be removed from the competitive process.

The purpose of the Scoring review is to determine whether a project adequately qualifies for points in a certain scoring category based on the documentation provided as compared to the documentation requirements. There are nine principal scoring categories where a project can qualify for points; the nine scoring categories are: *Donated Property, Targeting, Sponsor Involvement, Homeless Housing, Empowerment, Community Stability, First District Priority, Second District Priority and Subsidy per Unit.*



## Application Financial Review

The Financial review ensures that the projects that have advanced to this stage of the analysis: (1) have a need for subsidy, (2) can demonstrate that it will be operationally sustainable and (3) meet the AHP’s financial feasibility requirements.

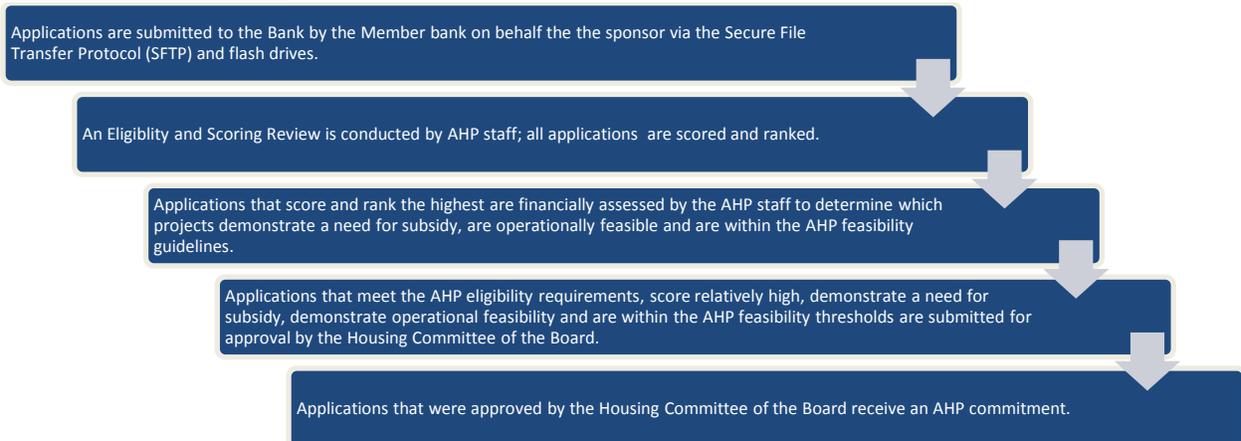
In order to demonstrate whether a project has a need for subsidy, the first step is to confirm the true costs of the project. The Application should contain third-party documentation to substantiate all verifiable material line items on the development budget, specifically, the acquisition costs, hard costs, and reserves. The second step in demonstrating a need for subsidy is to evaluate the proposed funding to the project and evaluate the maximum dollar amount the applicant has obtained or is able to obtain from another funding source. The difference between the verified costs and the proposed funding is the funding gap that the AHP can be used to fill.

If a project has appropriately demonstrated a need for subsidy, the next step is to show that once it is fully constructed, it will remain operationally sustainable for the duration of the retention period and longer. Demonstration of sustainability is done by: (1) showing the affordability of the monthly rents in relation to the tenant’s monthly income, (2) identifying whether the project has sufficient gross income to cover its operating expenses and debt service, and (3) assessing whether the projected cash flows are reasonable considering the scope of the project.

The last step is to verify that a project has met the AHP’s financial feasibility requirements as it relates to the following: (1) Contingency analysis, (2) Development analysis, (3) Operating analysis and (4) Reserve analysis. For a project that does not satisfy any of the four items aforementioned, an explanation, supported by third-party documentation, is required to identify the cause of the exception to the feasibility guidelines.

The primary resources used during this Application Processing phase of the analysis are the Rental Project Workbook (RPW) or Owner Project Workbook (OPW), the electronic application, and the third party documentation submitted to demonstrate eligibility and validate the request for points.

### **THE BUSINESS PROCESS**





## PROGRESS REPORTING

The AHP subsidy must be used by the project to procure other financing commitments within 12 months of the commitment date; drawn down within 36 months of the commitment date. The conditional commitment period is 36 months with 6 month progress reporting intervals. Progress milestones will be reviewed to ensure that the project is moving towards completion.

The steps are as follows:

6 Months – Acknowledgement/Completion in web based AHP Life Cycle Training

12 Months – Site Control

18 Months – 100% other funding sources committed and permits issued

24 Months – Draw down requisition deadline

30 Months – Construction Status Update

36 Months – Draw down requisition fully funded deadline

If the project has not met the milestone requirements, the AHP will determine if the project should be placed on a remediation plan.

### Drawdown Requisition

Once a project has obtained the following, it can submit a draw down requisition:

1. Ownership of the site(s)
2. Its building permit(s)
3. Its construction and permanent financing in place
4. Third-party documentation to demonstrate that enough construction work has been completed to warrant reimbursement

## THE BUSINESS PROCESS

Applications that are approved by the Housing Committee of the Board receive a Memorandum of Understanding (MOU) and a conditional 36 month commitment (Commitment).

Once the MOU and Commitment are executed by the appropriate parties, and returned to the Bank, the sponsor must provide an update on the status of the project's development every 6 months.

A project that has not met the milestone requirements may have the option of keeping its commitment if it enters into a formally agreed upon Remediation Plan and subsequently resolve all issues within the agreed upon timeframe.

Once the project sponsor has ownership of the site, obtained its permits, obtained its construction and permanent financing and commenced construction, it may request a draw on AHP funds.

If the project experiences a significant change to the project attributes, it may request a modification.



## INITIAL MONITORING

Initial Monitoring occurs once a project has been fully funded, fully constructed and fully occupied (i.e., 80%). The purpose of the analysis of projects at this stage is to confirm the representations made at time of application have been fulfilled.

### Scoring Review

The purpose of the Scoring review is to determine whether a project continues to qualify for the points approved during Application

Empowerment Activities: The purpose of this review is to evaluate the Empowerment activities to ensure they were offered to the tenants. Documentation provided during Initial Monitoring must indicate that the services are active, on-site (project specific for owner occupied projects), available to all occupants and provide an economic benefit. Acceptable Documentation includes: 1) A letter from the service provider confirming: commencement date of service and its ongoing status, service(s) provided and average number of participants per session, 2) Event Flyers/Posters, 3) Letter from Sponsor outlining activity, 4) Meeting minutes

### Financial Review

The Financial review ensures that the projects that have advanced to this stage of the analysis: (1) have a need for subsidy, (2) can demonstrate that it will be operationally sustainable and (3) meet the AHP's financial feasibility requirements.

In order to determine whether a project has a demonstrated need for subsidy, the first step is to confirm the true costs of the project. The Application should contain third-party documentation to substantiate all verifiable material line items on the development budget, specifically, the acquisition costs, hard costs, and reserves. The second step in determining a need for subsidy is to evaluate the proposed funding to the project and evaluate the maximum dollar amount the applicant has obtained or is able to obtain from another funding source. The difference between the verified costs and the proposed funding is the funding gap that the AHP will be used to fill.

If a project has appropriately demonstrated a need for subsidy, the next step is to show that once it is fully constructed, it will remain operationally sustainable for the duration of the retention period and longer. Demonstration of sustainability is done by: (1) showing the affordability of the monthly rents in relation to the tenant's monthly income, (2) identifying whether the project has sufficient gross income to cover its operating expenses and debt service, and (3) assessing whether the projected cash flows are reasonable considering the scope of the project.

The last step is to verify that a project has met the AHP's financial feasibility requirements as it relates to the following: (1) Contingency analysis, (2) Development analysis, (3) Operating analysis and (4) Reserve analysis. For a project that does not satisfy any of the four items aforementioned, an explanation,



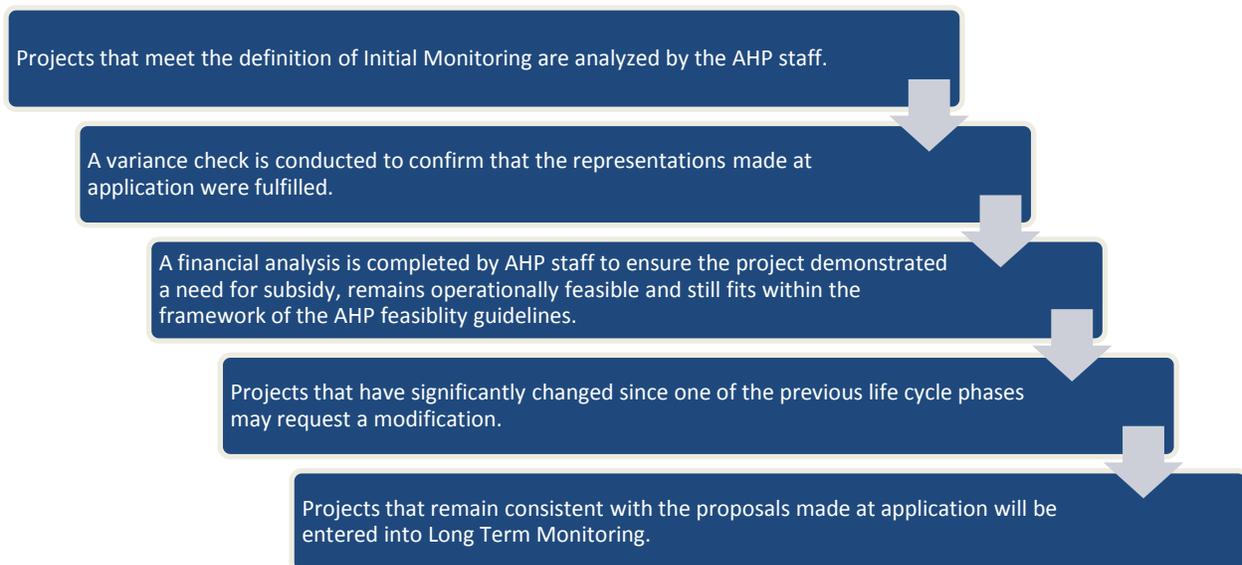
supported by third-party documentation, is required to identify the cause of the exception to the feasibility guidelines.

The primary resources used during this Application Processing phase of the analysis are the Rental Project Workbook (RPW) or Owner Project Workbook (OPW), the electronic application, and the third party documentation submitted by the sponsor to demonstrate eligibility and validate the request for points.

**Certificate of Occupancy**

A copy of the project’s CO(s) must be received to indicate the start of the Bank’s retention period. A Temporary Certificate of Occupancy, or TCO, does not satisfy this requirement.

**THE BUSINESS PROCESS**



**LONG TERM MONITORING**

Long Term Monitoring occurs during the retention period of an AHP-assisted project or household and during this time, the project or household must continue to comply with the requirements of the AHP Regulation and meet the objectives and targets set forth in the approved AHP application.

**RENTAL PROJECTS**

The retention period for rental projects is 15 years from the date of physical project completion. The physical completion date for a rental project is upon the issuance of the Certificate of Occupancy, Certificate of Substantial Completion, or other comparable documentation.

**Rental Projects That Have an Allocation of Low Income Housing Tax Credits**



For rental projects that receive an allocation of federal LIHTC as a funding source, the Bank will rely on the compliance monitoring performed by the state-designated housing credit agency administering the tax credits of the income targeting and rent requirements applicable under the Low-Income Housing Tax Credit Program. The FHLBNY will not obtain and review reports from the tax credit agency or otherwise monitor the projects' long-term AHP compliance.

#### Rental Projects That Do NOT Have an Allocation of Low Income Housing Tax Credits

The Bank will monitor completed AHP rental projects, commencing in the second year after project completion (or after the project enters long term monitoring) to determine whether, during the full 15-year retention period, the household incomes and rents comply with the income targeting and rent commitments, respectively, made in the approved AHP application.

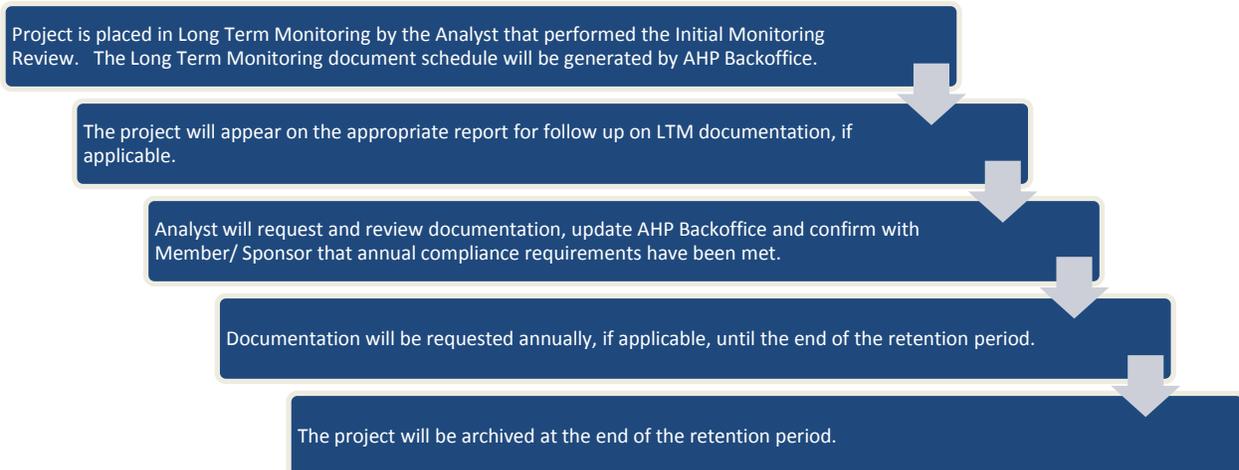
#### Certifications

Certifications must be provided by the project sponsor beginning in the second year after project completion (or after the project enters long term monitoring) and annually thereafter until the end of the project's retention period.

#### HOMEOWNERSHIP PROJECTS

The retention period for homeownership projects is 5 years and begins on the date of the final HUD-1 Settlement Statement or the date of the Final Certificate of Occupancy. In the case of homeowner projects where subsidies provide down-payment and closing cost assistance, the final closing date will be used; in the case of existing owner-occupied renovation projects, the date of the final cost certification evidencing completion of the proposed renovations will be used. The long-term monitoring process is completed through deed restrictions, a recorded security instrument or other legally enforceable AHP retention agreements.

### THE BUSINESS PROCESS





## PROJECT FINANCIAL FEASIBILITY ANALYSIS GUIDELINES

The purpose of the financial review at disbursement is to ensure that the project has (1) continued to demonstrate a need for subsidy (2) can exhibit that it will be operationally sustainable throughout the retention period and (3) meets the AHP's financial feasibility requirements.

The financial feasibility requirements ensure that the project is in compliance with the Bank's financial thresholds. Below is a list of each of the financial guidelines for both rental and owner occupied projects.

### Development Budget Costs for Rental Projects

#### Developer's Retention (Rehabilitation and New Construction)

**Minimum:** 5% of Total Development Costs (net of developer's retention and any consulting fees with the exception of projects that are being funded under the U.S. Department of Housing and Urban Development's ("HUD") Section 202 or 811 programs.

Development Budget Analysis		Result	Maximum	Minimum	OK?
6	Is the developer's fee (including any additional fees for housing consultants) within the standard?	17.51%	15.00%	5.00%	Explain

**Maximum:** 15% of Total Development Costs.

Development Budget Analysis		Result	Maximum	Minimum	OK?
6	Is the developer's fee (including any additional fees for housing consultants) within the standard?	17.51%	15.00%	5.00%	Explain

#### Construction and Renovation Costs

Rehabilitation must be done in compliance with applicable health, fire prevention, building, and housing codes and standards. At completion of rehabilitation, each AHP-assisted unit or dwelling must meet HUD minimum habitability standards.

A sponsor or developer of a project that presents hard costs that exceed the customary limits as determined by the applicable standard (see above) must provide a valid explanation, including supporting documentation or a formal opinion letter from a qualified third-party professional.

##### 1. Rehabilitation

- a. **Substantial rehabilitation of multi-family rental housing or single-family dwellings built on infill developments** will be evaluated in accordance with Marshall & Swift, RS Means and/or other industry construction cost data to determine whether the rehabilitation costs appear reasonable on a cost per square foot basis, including remaining useful life, or other basis of measurement as determined by the FHLB-NY.
- b. **Substantial rehabilitation of group homes or substantial rehabilitation of 1-to-4-family dwellings** will be evaluated in accordance with industry construction cost data to determine whether the rehabilitation costs appear reasonable, including remaining useful life, as determined by the FHLB-NY.
- c. **Moderate rehabilitation of multi-family housing** will be evaluated in accordance with Marshall & Swift, RS Means and/or other industry construction cost data to determine whether the rehabilitation costs appear reasonable, including remaining useful life, as determined by the FHLB-NY.



## 2. New Construction

- a. **New construction of multi-family rental housing or single-family dwellings built on infill developments** will be evaluated in accordance with Marshall & Swift, RS Means and/or other industry construction cost data to determine whether the rehabilitation costs appear reasonable on a cost per square foot basis, including remaining useful life, or other basis of measurement as determined by the FHLB-NY.
- b. **New construction of group homes or new construction of 1-to-4-family dwellings** will be evaluated in accordance with industry construction cost data to determine whether the rehabilitation costs appear reasonable, including remaining useful life, as determined by the FHLB-NY.

Development Budget Analysis		Result	Maximum	Minimum	OK?	
9	Is the "hard" project development cost per unit within the Bank's limits?	\$6,500,250.00	\$5,023,447.00	-	Explain	29.40%

## Architectural Fees

**Minimum:** 2.5% of Total Construction Costs

**Maximum:** 7% of Total Construction Costs

Any project that involves the new construction or rehabilitation of rental units or the development of homes to be sold to qualified purchasers must have a qualified third-party professional certify that the quality of the completed work is in accordance with the contract documents and that the amount to be paid is reasonable.

Development Budget Analysis		Result	Maximum	Minimum	OK?
7	Is the Architecture Fee within the standard?	9.73%	7.00%	2.50%	Explain

## Contingencies

### 1. Newly Constructed

- a. **Hard Cost Contingency Expenses Maximum:** 10% of hard costs
- b. **Soft Cost Contingency Expenses Maximum:** 5% of total soft development costs (if combined with the hard cost contingency guideline, maximum of 10%)
- c. **Combined Hard and Soft Cost Contingency Expenses Minimum:** 5% of total construction and soft costs

Contingency Analysis		Result	Maximum	Minimum	OK?
2	If the project is a new construction project, is the hard cost contingency within the standard?	11.50%	10.00%	-	Explain

### 2. Renovated or Rehabilitated

- a. **Hard Cost Contingency Expenses Maximum:** 15% of hard costs
- b. **Soft Cost Contingency Expenses Maximum:** 5% of total soft development costs (if combined with the hard cost contingency guideline, maximum of 15%)
- c. **Combined Hard and Soft Cost Contingency Expenses Minimum:** 5% of total construction and soft costs

Contingency Analysis		Result	Maximum	Minimum	OK?
1	If the project is a rehabilitation project, is the hard cost contingency within the standard?	16.78%	15.00%	-	Explain



**Note:** Soft cost contingency expenses that exceed 5% of total soft development costs will require further explanation *unless*, when combined with the hard cost contingency guideline, are within an acceptable range (i.e., 10% for newly constructed projects and 15% for rehabilitated projects).

Contingency Analysis		Result	Maximum	Minimum	OK?
3	Is the soft cost contingency within the standard?	6.12%	5.00%	-	See Combined Standard
4	or is the rehabilitation project's combined soft and hard cost contingency both within the standard?	NA	15.00%	5.00%	NA
5	or is the new construction project's combined soft and hard cost contingency both within the standard?	5.96%	10.00%	5.00%	Yes

### Builder's Profit, Overhead, and General Requirements ("POGR")

**Minimum:** 9% of total construction costs

**Maximum:** 16% net of total construction costs (i.e., an average of 7% builder's profit, 3% overhead, and 6% general requirements)

Development Budget Analysis		Result	Maximum	Minimum	OK?
8	Is the Profit, Overhead & General Requirement cost with the standard?	18.17%	16.00%	9.00%	Explain

### Soft Costs

- For rental projects in New York located within the counties that comprise the New York metropolitan region** (i.e., Manhattan, Bronx, Kings, Queens, Richmond, Nassau, Suffolk, Westchester, Rockland, and Putman), total soft cost expenses (i.e., all costs other than acquisition and direct construction expenses) should not exceed 17% of total development costs. Projects that present budgeted soft costs between 17% and 22% of total development costs will require an explanation from an architect or other third-party professional or may be disqualified from consideration. Projects with soft costs that exceed 22% of total development costs may not be considered reasonable and will likely be disqualified from consideration.
- For rental projects located in New Jersey**, total soft cost expenses (i.e., all costs other than acquisition and direct construction expenses) should not exceed 19% of total development costs. Projects that present budgeted soft costs between 19% and 25% of total development costs will require an explanation from an architect or other third-party professional or may be disqualified from consideration. Projects with soft costs that exceed 22% of total development costs may not be considered reasonable and will likely be disqualified from consideration.
- For rental projects located in all other areas within the FHLB-NY District**, including those outside the District, total soft cost expenses (i.e., all costs other than acquisition and direct construction expenses) should not exceed 17% of total development costs. Projects that present budgeted soft costs between 17% and 23% of total development costs will require an explanation from an architect or other third-party professional or may be disqualified from consideration. Projects with soft costs that exceed 22% of total development costs may not be considered reasonable and will likely be disqualified from consideration..

Development Budget Analysis		Result	Maximum	Minimum	OK?
10	Are the "soft" project costs within the Bank's limits?	21.35%	17.00%	-	Explain



### Initial Operating Deficit Reserve

A proposed reserve that exceeds six months of the first year's forecasted operating expenses plus debt service will require further explanation and must include supporting documentation from another lender or funding provider that substantiates the proposed reserve requirement.

Reserve Analysis	Result	Maximum	Minimum	OK?
25 Is the initial operating deficit reserve greater than 6 months of operating expenses plus debt service?	0.64	0.50	-	Explain

### Operating Costs for Rental Projects

#### Vacancy Rates

Minimum: 4% of Annual Gross Rent  
Maximum: 7% of Annual Gross Rent

Operating Pro Forma Analysis	Result	Maximum	Minimum	OK?
19 Is the vacancy rate within the standard?	2.56%	7.00%	4.00%	Explain

#### Reserves

##### 1. Replacement Reserves

With the exception of projects that are financed under HUD Section 202 or 811 programs or projects that are funded through programs offered by the United States Department of Agriculture (USDA), annual contributions to the replacement reserve that exceed the greater of \$500 per unit or .50% of the total development cost (less the cost of land acquisition) will require further explanation.

Where applicable, annual contributions to the operating reserve that exceed 3% of a project's gross rents will require further explanation. Conversely, with the exception of projects that are financed under HUD Section 202 or 811 programs or projects that are funded through programs offered by the USDA, annual contributions to the replacement reserve that are less than \$250 per unit or .25% of the total development cost (less the cost of land acquisition) will require further explanation, unless the project has a capitalized replacement reserve.

In cases where AHP subsidy is requested to finance capital improvements or other rehabilitation costs related to a project that has already been placed into operation, the FHLB-NY will verify existing replacement reserve balances and expects surplus reserves be used as a potential source of funds, subject to the requirements of the lender or agency that primarily monitors these reserves.



2. Capitalized Operating Reserves / Operating Deficit Reserves

- a. Annual contributions to an operating reserve are limited to 3% of a project's gross rents.
- b. For projects that are not contributing annually to an operating reserve, a capitalized operating reserve will be limited up to 12 months of total operating expense (excluding replacement reserves and debt service).
- c. For projects utilizing state- administered funding, FHLB-NY may defer to the requirements published by state HFA or its equivalent.

3. Capitalized Replacement Reserves

For projects that are not contributing annually to a replacement reserve, a capitalized replacement reserve will be limited to the discounted present value of the FHLB-NY's current guideline (i.e., the greater of \$400 per unit or 0.50% of net total development costs) forecasted over the 15-year AHP retention period. For projects that are contributing annually to a replacement reserve, the capitalized replacement reserve will be limited to the discounted present value of the difference between the current limit, less the forecasted contributions over the 15-year AHP retention period.

**Management Fees** (operating budgets for projects that are not charging a management fee and do not contain a line item expense for a property manager's salary will require further explanation)

Maximum: 8% of Total Effective Income or \$53 per unit per month

Operating Pro Forma Analysis		Result	Maximum	Minimum	OK?
20	Is there a manager salary expense line item and is the annual management fee ≤ 8% of total effective income or ≤ \$53/unit/month?	0.00%	8.00%	-	
	Management Fee %	\$0.00	\$53.00	-	Explain

**Revenue and Expense Increase per Year**

Minimum: 1% per annum  
Maximum: 3% per annum

Projects that have qualified for funding under HUD Section 202 or 811 programs will be considered as an exception to this guideline.

**Tax Credit Sale Price**

Minimum for State Low-Income Housing Tax Credit Financing: \$0.62 per \$1.00  
Minimum for Federal Low-Income Housing Tax Credit Financing: \$0.85 per \$1.00

Development Budget Analysis		Result	Maximum	Minimum	OK?
11	If the project's financing includes <i>State Low-income Housing Tax Credit Financing</i> , is the net equity received greater than or equal to the standard?	NA	-	\$0.62	NA
12	If the project's financing includes <i>Federal Low-Income Housing Tax Credit financing</i> , is the net equity received greater than or equal to the standard?	\$0.77	-	\$0.85	Explain



### Operating Expense per Unit per Year

The FHLB-NY will assess neither maximum nor minimum per unit operating expenses for projects that receive HUD Section 811 or 202 program funds. Rather, the FHLB-NY will rely on the limits that the local HUD office has established for the project. Expenses for all other projects that exceed the following guidelines will require further explanation:

1. For projects in New York located within the counties that comprise the New York metropolitan region (i.e., Manhattan, Bronx, Kings, Queens, Richmond, Nassau, Suffolk, Westchester, Rockland, and Putnam), first-year operating expenses should range between a minimum of \$5,600 to a maximum of \$9,700 per unit per year (exclusive of real estate taxes and full-time security staff, if applicable).
2. For projects located in all other counties within New York State, first-year operating expenses should range between a minimum of \$3,500 to a maximum of \$5,800 per unit per year (exclusive of real estate taxes and full-time security staff, if applicable).
3. For projects in New Jersey located in Sussex, Passaic, Bergen, Hudson, Essex, Morris, Somerset, Union, or Middlesex County, first-year operating expenses should range between a minimum of \$4,900 to a maximum of \$9,700 per unit per year (exclusive of real estate taxes and full-time security staff, if applicable) for projects located in the following counties.
4. For projects located in all other counties within New Jersey, first-year operating expenses should range between a minimum of \$4,000 to a maximum of \$7,000 per unit per year (exclusive of real estate taxes and full-time security staff, if applicable).
5. For projects located in Puerto Rico or the U.S. Virgin Islands, first-year operating expenses should range between a minimum of \$2,000 to a maximum of \$5,000 per unit per year (exclusive of real estate taxes and full-time security staff, if applicable).
6. For projects that are located outside of the FHLB-NY's geographical District, the FHLB-NY will rely upon the reasonable and customary operating costs that the respective FHLB District (within which the project is located) has determined and published in their annual *AHP Implementation Plan* or guidelines that are comparable to the HUD and/or respective state housing agency standards.

### Debt Coverage Ratio

Minimum: 1.10 in the first year of operation on mandatory debt  
Maximum: 1.35 in the first year of operation on all debt

Debt ratios beyond the first year must reflect a reasonable trending pattern. For projects with no debt service payments, the cash flow will be analyzed to assess if it is insufficient to support debt and/or will be deposited in an operating reserve to offset future operating deficits.

### Development Budget Costs for Owner-Occupied Projects

#### Developer's Retention

1. Sponsors of projects that involve the resale of properties to first-time homebuyers on the open market will be



limited to a \$500 credit counseling or financial literacy education fee if they provide such services.

2. Sponsors of other homeownership projects whose roles are limited to homebuyer screening, mortgage application preparation, marketing, or other administrative functions will not be entitled to any developer fee.
3. Sponsors of projects that involve rehabilitation of existing owner-occupied dwellings will be permitted a 15% developer fee (which may not be charged in addition to related salary or administrative expenses).

### Construction and Renovation Costs

Rehabilitation must be done in compliance with applicable health, fire prevention, building, and housing codes and standards. At completion of rehabilitation, each AHP-assisted unit or dwelling must meet HUD minimum habitability standards.

For projects that involve the rehabilitation of existing owner-occupied dwellings and proposed hard costs exceed the customary limits as determined by the applicable standard (see above), a qualified rehabilitation specialist (who is employed by the sponsor) or a qualified third-party professional must explain the bidding process that was used to select the project contractor(s). Such professionals must also certify that the quality of the completed work is in conformity with the contract documents and they have determined that the amount to be paid is reasonable.

Moderate rehabilitation of, or emergency repairs to, existing owner-occupied 1-to-4-family dwellings will be evaluated in accordance with industry construction cost data to determine whether the rehabilitation costs appear reasonable, including remaining useful life, as determined by the FHLB-NY.

### Architectural Fees

**Minimum: 2.5% of Total Construction Costs**  
**Maximum: 7% of Total Construction Costs**

Any project that involves the rehabilitation of existing owner-occupied dwellings must have a qualified rehabilitation specialist who is employed by the sponsor or a qualified third-party professional to certify that the quality of the completed work is in conformity with the contract documents and that the amount to be paid is reasonable.

### Contingencies

#### 1. Newly Constructed

- a. **Hard Cost Contingency Expenses Maximum:** 10% of hard costs
- b. **Soft Cost Contingency Expenses Maximum:** 5% of total soft development costs (if combined with the hard cost contingency guideline, maximum of 10%)
- c. **Combined Hard and Soft Cost Contingency Expenses Minimum:** 5% of total construction and soft costs

#### 2. Renovated or Rehabilitated

- d. **Hard Cost Contingency Expenses Maximum:** 15% of hard costs
- e. **Soft Cost Contingency Expenses Maximum:** 5% of total soft development costs (if combined with the hard cost contingency guideline, maximum of 15%)
- f. **Combined Hard and Soft Cost Contingency Expenses Minimum:** 5% of total construction and soft costs



### **Builder's Profit, Overhead, and General Requirements ("POGR")**

**Minimum: 9% of total construction costs**

**Maximum: 16% net of total construction costs (i.e., an average of 7% builder's profit, 3% overhead, and 6% general requirements)**

### **Soft Costs**

Projects that involve the construction or rehabilitation of homeownership units with total soft cost expenses (i.e., all costs other than direct construction expenses and acquisition, if applicable) that do not exceed 10% of the total development cost for each unit will be deemed acceptable. Such projects with soft costs that exceed 10% to a maximum of 15% of total development costs will require an explanation from a third-party (e.g., architect, attorney, insurance agent, lender, assessor, etc.) or may be disqualified from consideration. Projects with soft costs that exceed 15% of total development costs may not be considered reasonable and will likely be disqualified from consideration



## INCOME CALCULATION GUIDELINES

### INTRODUCTION

The following income calculation guidelines must be used to calculate household income and subsequently determine the eligibility of households participating in the Affordable Housing Program (AHP) of the Federal Home Loan Bank of New York (Bank).

The purpose of this income calculation methodology is to accurately and completely measure the household's **total income for the prospective 12 months** from the most recent certification date (rental) or program qualification date (homeownership) in AHP assisted projects. This may differ from your organization's policies and procedures or income calculations.

If you have a question on any of the information, or on income not specified in any category below, please email [ahp@fhlny.com](mailto:ahp@fhlny.com).

### GENERAL INSTRUCTIONS FOR AHP (RENTAL AND HOMEOWNERSHIP):

- A. The AHP Household Income Certification form must be used for each household when submitting income documents for review. The following must be included:
  - The move-in or date of qualification
  - The address

<b>AHP - INTAKE CERTIFICATION</b>					
<b>Project Name:</b>	Hamilton Homeownership	<b>Household Address:</b>	123 East Street, Hamilton NJ		
<b>Project Number:</b>	13A0275	<b>Household:</b>	Smith		
		<b>Move In/Qualification Date:</b>	6/27/2015		

- The number of adults
- The number of children

#### Household Information

Household Member	Name (First and Last)	Relationship to Head of Household	Gender?	Over 18?	Employed?
1	Mark Smith	Self	Male	YES	Yes
2	Janice Smith	Spouse	Female	Yes	Yes
3	Rachel Smith	Child	Female	No	No
4	Michael Smith	Child	Male	No	No
5					
6					
7					
8					
<b>Total</b>	<b>4</b>				



- The sources of income; and

**Income and Asset Documentation**

A Certification of Zero Income or Full Time Student Income for all applicable household members over the age of 18 is required. Please list the **all** income sources for **applicable** household members, **including** assets that produce income.

Household Member	Name (First and Last)	Income Source 1	Income Source 2	Income Source 3
1	Mark Smith	Earned Income	Rental Income	
2	Janice Smith	Self-Employment	Periodic Payments	Income-Earning Assets
3	Rachel Smith			
4	Michael Smith			
5				
6				
7				
8				

- The calculation used to determine prospective annual income.

**Certifications and Signatures**

- 1) The head of household and the sponsor certifies that the head of household is at least 18 years old
- 2) The head of household and the sponsor certifies that this intake form includes every person that will or is currently occupying the residence.
- 3) The sponsor certifies that the household has received financial counseling as described in the empowerment section of the AHP application for this project, if applicable.
- 4) The head of household and sponsor certify that the occupant is current in payments for property taxes, insurance and any mortgages secured by the property.
- 5) The sponsor certifies that a copy of the calculation used to determine the total household prospective annual income has been completed and will be included with the draw down package.
- 6) The sponsor certifies that a representative of the organization calculated the prospective income based on the requirements as set forth in the AHP Income calculation guidelines.

- B. Section 8 housing voucher certifications, public housing authority certifications and/or referrals, or other similar documentation are *insufficient* as the sole documentation of income.
- C. Sponsors, developers, and/or project owners are required to maintain the third-party income documentation for each tenant at the time of certification (rental) or at the time of homebuyer qualification (homeownership) for review by members and the Bank at any time during development and the affordability retention period.
- D. Similar income calculation methods may be requested by other funders. The Bank reserves the right, in its sole discretion, to review and determine which methodology is appropriate and reasonable to calculate income-eligibility for the AHP.
- E. The Bank reserves the right to request additional documentation, as needed, to confirm eligibility

**MEDIAN INCOME STANDARDS:**

The Bank 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.

- A. Owner-occupied Projects must select one of the following:
- The median income for the area, as published annually by U.S. Department of Housing and Urban Development (“HUD”);
  - 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;
- B. Rental Projects must use the following:
- The median income for the area, as published annually by HUD;

The Bank will verify that the occupancy targets identified at time of application to the AHP are consistent with occupancy targets represented to other funding sources. 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. The standard will be applied to the project for the life of the AHP monitoring period. The Bank may, for particular homeowner projects, allow a project sponsor the option to substitute either HUD or Mortgage Revenue Bond income standards, provided that only one income standard pertains to all households within a given project.

## INCOME CALCULATION METHODOLOGY:

### A. Project Occupant Income Standards

The Household Income Certification ensures that funds are distributed pursuant to the AHP regulations and the parameters of the Affordable Housing Program that specify minimum income occupancy targets as follows:

- (i). Home Owner Projects – 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 the Plan.
- (ii). Rental Projects – 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 the Plan.

Failure to abide by stated AHP income guidelines may result in non compliance proceedings.



**B. Determination of Household for AHP**

- (i). "household" is defined as:
  - All members of the household must be accounted for, including children (even if temporarily absent).
  - Adults refer to household members ages 18 and older.
  - All adults in the household must be listed with income or a "Certification of Zero Income" must be signed and provided. Indicate if a household member is an adult full-time student. Co-signers on a mortgage or lease agreement are not considered part of the household if they are not living in the residence.

**C. Income Sources, Calculations and Documentation Requirements**

Include income from all adult members of the household even if only one person is on the mortgage/note, or Bill of Sale.

- (i). If a household member has a job(s), earning a wage through a W2, whether the job is permanent or temporary, full-time or part-time; documentation must be provided either in the form of paystubs or a verification of employment from the employer.
- (ii). Based on the available data and depending on the type of income, the Bank reserves the right to determine which approach is the most reasonable to calculate the prospective total annual household income.
- (iii). Explanations of any unusual income or calculation should be included in a separate document and submitted with the income documentation.

Required Documentation – W-2 Wage Earners:

Acceptable Third-Party Documentation (provide items a & b):

- a. Consecutive paycheck earnings/deductions statements that cover a 1 month period; dated within 60 days of move in/qualification for AHP.

<b>AHP - INTAKE CERTIFICATION</b>			
<b>Project Name:</b>	Hamilton Homeownership	<b>Household Address</b>	123 East Street, Hamilton NJ
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		<b>Move In/Qualification Date:</b>	6/27/2015

- i. The borrower's name and address, pay-cycle and check dates, along with the employer name, must be clearly identified on the paystub.



- b. The most recent 1040 federal tax return(s) and corresponding W-2 wage statement(s) must be submitted
  - i. If a household cannot locate a prior year's federal tax return, an IRS form 4506-T (Request for Transcript Tax Return) must be submitted to the IRS, and response must be furnished.

 Form <b>4506-T</b> <small>Department of the Treasury Internal Revenue Service</small>	 <b>Request for Transcript of Tax Return</b> <small>▶ Do not sign this form unless all applicable lines have been completed. Read the instructions on page 2. ▶ Request may be rejected if the form is incomplete, illegible, or any required line was blank at the time of signature.</small>	 <small>OMB No. 1545-1872</small>
<small>Tip: Use Form 4506-T to order a transcript or other return information free of charge. See the product list below. You can also call 1-800-829-1040 to order a transcript. If you need a copy of your return, use Form 4506, Request for Copy of Tax Return. There is a fee to get a copy of your return.</small>		
<b>1a</b> Name shown on tax return. If a joint return, enter the name shown first.	<b>1b</b> First social security number on tax return or employer identification number (see instructions)	
<b>2a</b> If a joint return, enter spouse's name shown on tax return	<b>2b</b> Second social security number if joint tax return	
<b>3</b> Current name, address (including apt., room, or suite no.), city, state, and ZIP code		
<b>4</b> Previous address shown on the last return filed if different from line 3		
<b>5</b> If the transcript or tax information is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number. The IRS has no control over what the third party does with the tax information.		

- ii. If a household meets requirements not to file a tax return then a statement sign by the household, attesting to that fact, must be submitted.

Income Review:

- a. The household's income review will be based upon the higher of:
  - i. The annualized forecast of current year-to-date ("YTD") earnings. Or;
  - ii. The annualized forecast based on the average of two consecutive paystubs.
- b. When a household member experiences a change in employment that occurs after January 1 of the current year, there must be a verification of the date of hire.
- c. A signed and dated verbal verification form (i.e. FreddieMac Form 90) is acceptable.

Verification of Employment (VOE)

Acceptable Third-Party Documentation:

- a. 100 percent completed and properly executed by the employer (VOE).
- b. Dated within 60 days of move in/qualification for AHP.



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<b>Move In/Qualification Date:</b>			6/27/2015

- c. The effective paid-through date for base wages in the current year must be clearly identified.

Income Review:

- a. To determine the 12-month prospective income, income will be calculated or averaged, using the wages and pay periods identified on the VOE. Income will be adjusted for any expected pay increases during the prospective year.

Calculation Applied:

- a. To annualize full-time employment income, multiply:
  - i. Hourly wages by 2080 hours;
  - ii. Weekly wages by 52;
  - iii. Bi-weekly amounts by 26;
  - iv. Semi-monthly amounts by 24;
  - v. Monthly amounts by 12.

Overtime Pay, Commissions, Fees, Tips and Bonuses, and Income from Other Compensation will be averaged as follows:

*Note: If data is not available for the two prior years, all available data including year-to-date earnings will be averaged and then annualized for qualifying purposes.*

- a. If overtime, commissions, fees, tips and bonus income documentation is not available for three (3) months or more of the current calendar year, overtime pay, etc. should be averaged using the two prior calendar year earnings, based on the available data, and annualized.
- b. Averaging these sources of income must be based on the start date of employment if it was during this calendar year.
- c. The current year-to-date overtime income will be averaged, with up to the two prior calendar years overtime income over the actual time period worked based on the available data, and annualized.
  - i. *For example, if an employee has worked in a position for two and a half years and the overtime, etc. earnings over that period are reported and documented, and then these earnings should be averaged over the two and a half year period based on the available data.*
- d. For a year when no income was received, but income was realized in previous or subsequent years, the year is recorded as a zero and included in the average.

Self-Employment Income:



*Household members that report their annual earnings to the IRS through a C schedule, 1099 statement, own a C or S Corporation, or an ownership interest in a partnership, are considered to be self-employed.*

Acceptable Third-Party Documentation (Provide items a – c):

- a. Two consecutive years of completed signed copies of U.S. Individual Income Tax Returns (i.e., Internal Revenue Service 1040 Forms) and supporting schedules.) **OR** Two consecutive years of completed signed copies of U.S. Business Income Tax Returns (i.e., Internal Revenue Service 1120 or 1065 Forms) and supporting schedules; and a
- b. Signed and dated year-to-date profit and loss statement for the most current calendar year; and
- c. Signed and dated letter from the household member(s) certifying the start date for the company or the incorporation date for the corporation/partnership if the date is not provided on the completed tax return.

Income Review and Calculation:

- a. If the YTD P&L will be for a period less than six months of the current calendar year, the income used for that household member will be averaged using the prior two calendar years' tax returns and then annualized.
- b. Beginning on July 1 of the current calendar year, when income documentation is available for six months or more, a current year-to-date profit and loss statement (YTD P&L through June 30) must be signed, dated, and averaged with the prior two calendar years' tax returns over the actual time period. The result will be annualized.
- c. If the income data is not adequate to meet the two guidelines above because the person has not been self-employed or operated the business for a sufficient period of time, then the income should be averaged and annualized using the data available for the period of time of self-employment or business operation. If the business has only been in operation for two years, then average based on this two-year history and annualize.
- d. If income documentation evidences an income loss to the household, the income for the effected tax year will be carried as a zero when completing the calculation for averaging.

Interest, Dividends, and Other Net Income of Any Kind from Real or Personal Property:

Acceptable Third-Party Documentation:

- a. Most recent month bank statement or most recent 1099 IRS statement
- b. Brokerage statements verifying receipt of IRA distributions, annuity payments, insurance payments, etc.
- c. Brokerage statements verifying stock portfolio earnings, dividends, and other interest income.
- d. Most recent year tax return or IRS transcript.

Income Review and Calculation:



- a. Interest and dividend income is included in the total household income when the annual amount reflected on the tax returns or financial statements exceed \$100 per filing year.
- b. If the reviewer believes that the impact to the household income is significant, recurring, and likely to continue, then the interest/dividend/other income should be included.

### **Rental Income From Multi-Family Units or Other Owned Real Estate:**

#### Acceptable Third-Party Documentation:

- a. Actual leases or current records of rental payments.
- b. Copy of tax returns with appropriate schedules or other documentation of rental income for subject properties that generate rental income.

#### Income Review and Calculation:

- a. Actual and known rental income must be included in the income calculation if the property is a multi-family property.
- b. The rental income may be excluded from the income calculation when the rental income is only potential, expected based on appraised values, and is not actual income.
  - i. For example, an income-eligible household is purchasing a two-family property and the appraisal indicates that the market rent is \$750 per month but the apartment is vacant and the prospective owner does not have an agreement to lease the unit, this rent is only expected and is not actual and would therefore be excluded from the income calculation.

### **Periodic Income Payments:**

#### Acceptable Third-Party Documentation:

- a. Current year Social Security/pension statement/retirement award letter.
- b. Letters or case management forms from public assistance agencies.
- c. Approved HUD Section 8 certificates.

#### Income Review:

- a. Use the actual current amount/gross amount received from any of the following.
- b. Do not gross up.
  - i. Social Security (include for minors or other dependents)
  - ii. Annuities
  - iii. Insurance policies
  - iv. Retirement funds
  - v. Pensions
  - vi. Disability
  - vii. Death benefits
  - viii. Welfare Assistance



- ix. Temporary Aid for Needy Families
- x. Other similar types of period receipts

Calculation Applied:

- a. Weekly/monthly income received should be annualized by the number of pay periods received; based on likelihood of continuance.

**Unemployment and Payments in Lieu of Earnings:**

Acceptable Third-Party Documentation:

- a. Most recent year state agency documentation.
- b. Most recent year IRS filing statements.

Income Review:

- a. Income such as unemployment, disability compensation, workers compensation, and severance pay must be included.

Calculation Applied:

- a. Weekly/monthly income received should be annualized by the number of pay periods received; based on likelihood of continuance.

**Housing Assistance:**

Acceptable Third-Party Documentation:

- a. Approved HUD Section 8 certificates.
- b. Letters or case management forms from public assistance agencies.

Income Review:

- a. In the case of homeownership, Section 8 rental assistance should not be counted as income if that assistance will end when the household closes on the purchase of a home.
- b. If the Section 8 assistance will continue as Section 8 homeownership assistance, the amount of the Section 8 assistance should be shown as income.

Calculation Applied:

- a. Weekly/monthly income received should be annualized by the number of pay periods received; based on likelihood of continuance.

**Alimony and Child Support:**

Acceptable Third-Party Documentation:



- a. Court orders and/or state agency documentation verifying alimony awards and child support income
- b. Copies of checks, payment records or most recent 3 months bank statement(s), to verify receipt.

Income Review:

- a. Child support and/or alimony should be counted if received regularly
- b. Income should be reviewed based on the higher of actual amounts received as compared to court ordered documents; annualized.
- c. Payments received for amounts in arrears will be included when received regularly and documented for the duration of the arrears payments.
- d. The sum arrear payments should not be included in the income calculation.

Calculation Applied:

- a. Weekly/monthly income received should be annualized by the number of pay periods received; based on likelihood of continuance.

**All Regular Pay, Special Pay and Allowances of a Member of the Armed Forces:** *Does not include special pay to a family serving in the Armed Forces who is exposed to hostile fire.*

Acceptable Third-Party Documentation:

- a. Most recent year military earnings statements.
- b. Most recent year IRS filing statements.

Income Review:

- a. Income should be reviewed and calculated in the same manner as paystub recipients.

Calculation Applied:

- a. Weekly/monthly income received should be annualized by the number of pay periods received; based on likelihood of continuance.

**Other Income/Seasonal Income and Calculation:**

- a. Annual wages when paid in less than 12 months:
  - i. Annual wages should always reflect a full 12-month income period, regardless of the pay schedule.

**Tip**

For example, if a school teacher earns a gross annual salary of \$47,000, the \$47,000 should be used as annual salary whether the teacher is paid over only nine months or throughout the year.



- b. Seasonal earnings or other types of unique income must be included.
  - i. For example: if a household member works a second job during peak holiday times, during the summer months or during growing seasons, the income received during this period must be added to the annualized income for that household member. The employer should verify the pay level and the number of weeks that the income was received in prior years along with an estimate for the next 12 months. The calculation will be based on the prospective pay level multiplied by the estimated number of weeks or hours for the next prospective 12 months' pay period(s). This total amount will be included in the total annualized income for that household member. The income should be compared against prior earning periods as provided by the employer.
- c. Seasonal and/or other types of unique earnings that are not included in the annualized income for the household require an exception from the Bank. The member will be required to provide an explanation supporting the omission of the income.

### INCOME TO BE EXCLUDED:

Annual income is *not* to include, but is not limited to, the following:

- a. Income from the employment of children (including foster children) under the age of 18 years;
- b. Payments received for the care of foster children, disabled or elderly adults, in the care of an identified household member;
  - i. The homebuyer must provide a copy of the contract identifying the terms and conditions of the employment agreement, the amount of wages earned monthly, and any rental income received.
  - ii. The individual being cared for will not be included in the household count and will not be required to sign or disclose any personal information to the Bank, for income qualifying purposes.
  - iii. The income will not be included in the household's total income unless it is received as a rental payment.
- c. One time, lump sum additions to family assets (e.g., inheritances, capital gains, insurance policy death benefit payments, settlement for personal/property losses, medical expense reimbursements);
- d. Income of a live-in aide;
- e. Educational scholarships paid directly to a student, educational institution, or a veteran;
- f. Earned income tax credits;
- g. Unreliable and non-recurring income (e.g., gifts, employee stock option buyouts, etc.) As indicated earlier, overtime pay, commissions, fees, tips and bonuses do not constitute unreliable and non-recurring income as defined here; and
- h. The value of food stamp allotments;



## **CERTIFICATION OF ZERO INCOME:**

All adult household members (i.e., individuals over the age of 18), who will reside in the property, but are not working or do not receive any income from any sources, will need a signed and notarized Certificate of Zero Income form.



## INSTRUCTIONS FOR THE USE OF THE MEDIAN INCOME GUIDELINES CHARTS

The Bank 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.

Owner-occupied Projects must select one of the following:

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

Rental Projects must use the following:

- The median income for the area, as published annually by HUD;

The Bank will verify that the occupancy targets identified at time of application to the AHP are consistent with occupancy targets represented to other funding sources. 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.

The standard chosen will be applied to the project for the life of the AHP monitoring period. The Bank 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.

Project Income Guidelines

	Rental	Owner-Occupied
HUD	Yes	Yes
Mortgage Revenue Bonds	No	Yes

### Reminder

Please be sure to use the income figures that correspond to the correct state and county.

### HUD

The “Very Low Income” figures are the maximum income limits for households earning 50% or less of Area Median Income. The “Low Income” figures are the maximum income limits for households earning 61-80% of Area Median Income. Note that in some areas, HUD has capped the low income



figures at an amount less than 80%. The capped figure as shown on the chart must be used.

### **MORTGAGE REVENUE BONDS**

The column labeled 50% shows the maximum income limits for households earning 50% or less of Area Median Income. The column labeled 60% shows the maximum income limits for households earning 51-60% or less of Area Median Income. The column labeled 80% shows the maximum income limits for households.

#### Tip

When qualifying a household, sponsors should use the chart in effect at the time a household is approved for participation in the project.



MORTGAGE REVENUE BOND MEDIAN INCOME GUIDELINES: NEW YORK 2016

County	Median	1 & 2 Person Households			Median	3+ Person Households		
		50%	65%	80%		50%	65%	80%
Albany	\$82,700	\$41,350	\$53,755	\$66,160	\$95,105	\$47,553	\$61,818	\$76,084
Allegany	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Bronx	\$103,560	\$51,780	\$67,314	\$82,848	\$120,820	\$60,410	\$78,533	\$96,656
Broome	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Cattaraugus	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Cayuga	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Chautauqua	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Chemung	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Chenango	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Clinton	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Columbia	\$74,900	\$37,450	\$48,685	\$59,920	\$86,135	\$43,068	\$55,988	\$68,908
Cortland	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Delaware	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Dutchess	\$104,040	\$52,020	\$67,626	\$83,232	\$121,380	\$60,690	\$78,897	\$97,104
Erie	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Essex	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Franklin	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Fulton	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Genesee	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Greene	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Hamilton	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Herkimer	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Jefferson	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Kings	\$103,560	\$51,780	\$67,314	\$82,848	\$120,820	\$60,410	\$78,533	\$96,656
Lewis	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Livingston	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Madison	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Monroe	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Montgomery	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Nassau	\$130,800	\$65,400	\$85,020	\$104,640	\$152,600	\$76,300	\$99,190	\$122,080
New York	\$103,560	\$51,780	\$67,314	\$82,848	\$120,820	\$60,410	\$78,533	\$96,656
Niagara	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Oneida	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Onondaga	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Ontario	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Orange	\$104,040	\$52,020	\$67,626	\$83,232	\$121,380	\$60,690	\$78,897	\$97,104
Orleans	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Oswego	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Otsego	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Putnam	\$103,560	\$51,780	\$67,314	\$82,848	\$120,820	\$60,410	\$78,533	\$96,656
Queens	\$103,560	\$51,780	\$67,314	\$82,848	\$120,820	\$60,410	\$78,533	\$96,656
Rensselaer	\$82,700	\$41,350	\$53,755	\$66,160	\$95,105	\$47,553	\$61,818	\$76,084
Richmond	\$103,560	\$51,780	\$67,314	\$82,848	\$120,820	\$60,410	\$78,533	\$96,656
Rockland	\$118,560	\$59,280	\$77,064	\$94,848	\$138,320	\$69,160	\$89,908	\$110,656
Saratoga	\$82,700	\$41,350	\$53,755	\$66,160	\$95,105	\$47,553	\$61,818	\$76,084



**MORTGAGE REVENUE BOND MEDIAN INCOME GUIDELINES: NEW YORK 2016**

County	Median	1 & 2 Person Households			Median	3+ Person Households		
		50%	65%	80%		50%	65%	80%
Schenectady	\$82,700	\$41,350	\$53,755	\$66,160	\$95,105	\$47,553	\$61,818	\$76,084
Schoharie	\$82,700	\$41,350	\$53,755	\$66,160	\$95,105	\$47,553	\$61,818	\$76,084
Schuyler	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Seneca	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
St. Lawrence	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Steuben	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Suffolk	\$130,800	\$65,400	\$85,020	\$104,640	\$152,600	\$76,300	\$99,190	\$122,080
Sullivan	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Tioga	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Tompkins	\$77,200	\$38,600	\$50,180	\$61,760	\$88,780	\$44,390	\$57,707	\$71,024
Ulster	\$75,200	\$37,600	\$48,880	\$60,160	\$86,480	\$43,240	\$56,212	\$69,184
Warren	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Washington	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Wayne	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Westchester	\$126,840	\$63,420	\$82,446	\$101,472	\$147,980	\$73,990	\$96,187	\$118,384
Wyoming	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240
Yates	\$72,000	\$36,000	\$46,800	\$57,600	\$82,800	\$41,400	\$53,820	\$66,240

**MORTGAGE REVENUE BOND MEDIAN INCOME GUIDELINES: NEW JERSEY 2016**

	<u>Median</u>	<u>80%</u>	<u>Median</u>	<u>80%</u>
Atlantic	\$88,900	\$71,120	\$102,235	\$81,788
Bergen	\$93,700	\$74,960	\$107,755	\$86,204
Burlington	\$88,900	\$71,120	\$102,235	\$81,788
Camden	\$88,900	\$71,120	\$102,235	\$81,788
Cape May	\$88,900	\$71,120	\$102,235	\$81,788
Cumberland	\$88,900	\$71,120	\$102,235	\$81,788
Essex	\$91,500	\$73,200	\$105,225	\$84,180
Gloucester	\$88,900	\$71,120	\$102,235	\$81,788
Hudson	\$88,900	\$71,120	\$102,235	\$81,788
Hunterdon	\$103,900	\$83,120	\$119,485	\$95,588
Mercer	\$97,000	\$77,600	\$111,550	\$89,240
Middlesex	\$103,900	\$83,120	\$119,458	\$95,566
Monmouth	\$91,700	\$73,360	\$105,455	\$84,364
Morris	\$91,500	\$73,200	\$105,225	\$84,180
Ocean	\$91,700	\$73,360	\$105,455	\$84,364
Passaic	\$93,700	\$74,960	\$107,755	\$86,204
Salem	\$88,900	\$71,120	\$102,235	\$81,788
Somerset	\$103,900	\$83,120	\$119,485	\$95,588
Sussex	\$91,500	\$73,200	\$105,225	\$84,180
Union	\$91,500	\$73,200	\$105,225	\$84,180
Warren	\$88,900	\$71,120	\$102,235	\$81,788



MORTGAGE REVENUE BOND MEDIAN INCOME GUIDELINES: P U E R T O R I C O 2016

County	Median	1 & 2 Person Households			Median	3+ Person Households		
		50%	65%	80%		50%	65%	80%
Adjuntas	\$28,800	\$14,400	\$18,720	\$23,040	\$33,600	\$16,800	\$21,840	\$26,880
Aguada	\$32,160	\$16,080	\$20,904	\$25,728	\$37,520	\$18,760	\$24,388	\$30,016
Aguadilla	\$32,160	\$16,080	\$20,904	\$25,728	\$37,520	\$18,760	\$24,388	\$30,016
Aguas Buenas	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Aibonito	\$30,000	\$15,000	\$19,500	\$24,000	\$35,000	\$17,500	\$22,750	\$28,000
Anasco	\$32,160	\$16,080	\$20,904	\$25,728	\$37,520	\$18,760	\$24,388	\$30,016
Arecibo	\$33,720	\$16,860	\$21,918	\$26,976	\$39,340	\$19,670	\$25,571	\$31,472
Arroyo	\$37,440	\$18,720	\$24,336	\$29,952	\$43,680	\$21,840	\$28,392	\$34,944
Barceloneta	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Barranquitas	\$30,000	\$15,000	\$19,500	\$24,000	\$35,000	\$17,500	\$22,750	\$28,000
Bayamon	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Cabo Rojo	\$29,760	\$14,880	\$19,344	\$23,808	\$34,720	\$17,360	\$22,568	\$27,776
Caguas	\$38,520	\$19,260	\$25,038	\$30,816	\$44,940	\$22,470	\$29,211	\$35,952
Camuy	\$33,720	\$16,860	\$21,918	\$26,976	\$39,340	\$19,670	\$25,571	\$31,472
Canovanas	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Carolina	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Catano	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Cayey	\$38,520	\$19,260	\$25,038	\$30,816	\$44,940	\$22,470	\$29,211	\$35,952
Ceiba	\$38,160	\$19,080	\$24,804	\$30,528	\$44,520	\$22,260	\$28,938	\$35,616
Ciales	\$30,000	\$15,000	\$19,500	\$24,000	\$35,000	\$17,500	\$22,750	\$28,000
Cidra	\$38,520	\$19,260	\$25,038	\$30,816	\$44,940	\$22,470	\$29,211	\$35,952
Coamo	\$28,800	\$14,400	\$18,720	\$23,040	\$33,600	\$16,800	\$21,840	\$26,880
Comerio	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Corozal	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Culebra	\$28,800	\$14,400	\$18,720	\$23,040	\$33,600	\$16,800	\$21,840	\$26,880
Dorado	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Fajardo	\$38,160	\$19,080	\$24,804	\$30,528	\$44,520	\$22,260	\$28,938	\$35,616
Florida	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Guanica	\$29,280	\$14,640	\$19,032	\$23,424	\$34,160	\$17,080	\$22,204	\$27,328
Guayama	\$37,440	\$18,720	\$24,336	\$29,952	\$43,680	\$21,840	\$28,392	\$34,944
Guayanilla	\$29,280	\$14,640	\$19,032	\$23,424	\$34,160	\$17,080	\$22,204	\$27,328
Guaynabo	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Gurabo	\$38,520	\$19,260	\$25,038	\$30,816	\$44,940	\$22,470	\$29,211	\$35,952
Hatillo	\$33,720	\$16,860	\$21,918	\$26,976	\$39,340	\$19,670	\$25,571	\$31,472
Hormigueros	\$33,240	\$16,620	\$21,606	\$26,592	\$38,780	\$19,390	\$25,207	\$31,024
Humacao	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Isabela	\$32,160	\$16,080	\$20,904	\$25,728	\$37,520	\$18,760	\$24,388	\$30,016
Jayuya	\$28,800	\$14,400	\$18,720	\$23,040	\$33,600	\$16,800	\$21,840	\$26,880
Juana Diaz	\$35,400	\$17,700	\$23,010	\$28,320	\$41,300	\$20,650	\$26,845	\$33,040
Juncos	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Lajas	\$29,760	\$14,880	\$19,344	\$23,808	\$34,720	\$17,360	\$22,568	\$27,776
Lares	\$32,160	\$16,080	\$20,904	\$25,728	\$37,520	\$18,760	\$24,388	\$30,016
Las Marias	\$28,800	\$14,400	\$18,720	\$23,040	\$33,600	\$16,800	\$21,840	\$26,880
Las Piedras	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Loiza	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Luquillo	\$38,160	\$19,080	\$24,804	\$30,528	\$44,520	\$22,260	\$28,938	\$35,616



MORTGAGE REVENUE BOND MEDIAN INCOME GUIDELINES: PUERTO RICO 2016

County	Median	1 & 2 Person Households			Median	3+ Person Households		
		50%	65%	80%		50%	65%	80%
Manati	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Maricao	\$28,800	\$14,400	\$18,720	\$23,040	\$33,600	\$16,800	\$21,840	\$26,880
Maunabo	\$30,000	\$15,000	\$19,500	\$24,000	\$35,000	\$17,500	\$22,750	\$28,000
Mayaguez	\$33,240	\$16,620	\$21,606	\$26,592	\$38,780	\$19,390	\$25,207	\$31,024
Moca	\$32,160	\$16,080	\$20,904	\$25,728	\$37,520	\$18,760	\$24,388	\$30,016
Morovis	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Naguabo	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Naranjito	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Orocovis	\$30,000	\$15,000	\$19,500	\$24,000	\$35,000	\$17,500	\$22,750	\$28,000
Patillas	\$37,440	\$18,720	\$24,336	\$29,952	\$43,680	\$21,840	\$28,392	\$34,944
Penuelas	\$29,280	\$14,640	\$19,032	\$23,424	\$34,160	\$17,080	\$22,204	\$27,328
Ponce	\$35,400	\$17,700	\$23,010	\$28,320	\$41,300	\$20,650	\$26,845	\$33,040
Quebradillas	\$30,000	\$15,000	\$19,500	\$24,000	\$35,000	\$17,500	\$22,750	\$28,000
Rincon	\$32,160	\$16,080	\$20,904	\$25,728	\$37,520	\$18,760	\$24,388	\$30,016
Rio Grande	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Sabana Grande	\$29,760	\$14,880	\$19,344	\$23,808	\$34,720	\$17,360	\$22,568	\$27,776
Salinas	\$28,800	\$14,400	\$18,720	\$23,040	\$33,600	\$16,800	\$21,840	\$26,880
San German	\$29,760	\$14,880	\$19,344	\$23,808	\$34,720	\$17,360	\$22,568	\$27,776
San Juan	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
San Lorenzo	\$38,520	\$19,260	\$25,038	\$30,816	\$44,940	\$22,470	\$29,211	\$35,952
San Sebastian	\$32,160	\$16,080	\$20,904	\$25,728	\$37,520	\$18,760	\$24,388	\$30,016
Santa Isabel	\$28,800	\$14,400	\$18,720	\$23,040	\$33,600	\$16,800	\$21,840	\$26,880
Toa Alta	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Toa Baja	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Trujillo Alto	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Utuado	\$28,800	\$14,400	\$18,720	\$23,040	\$33,600	\$16,800	\$21,840	\$26,880
Vega Alta	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Vega Baja	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Vieques	\$28,800	\$14,400	\$18,720	\$23,040	\$33,600	\$16,800	\$21,840	\$26,880
Villalba	\$35,400	\$17,700	\$23,010	\$28,320	\$41,300	\$20,650	\$26,845	\$33,040
Yabucoa	\$42,000	\$21,000	\$27,300	\$33,600	\$49,000	\$24,500	\$31,850	\$39,200
Yauco	\$29,280	\$14,640	\$19,032	\$23,424	\$34,160	\$17,080	\$22,204	\$27,328



## OVERVIEW OF THE AHP DRAW DOWN PROCESS FOR RENTAL PROJECTS

A Federal Home Loan Bank of New York Member institution that maintains an active AHP commitment may request to draw down all or part of the AHP subsidy reservation at their discretion, provided that the development of the project has progressed to a point where AHP funds may finance the approved objectives that were set forth in the AHP application.

### SUBMISSION FORMAT

#### SUBMISSION OF HOUSEHOLD INFORMATION

The Gramm-Leach-Bliley Safeguard Rule, the Identity Theft Act, Privacy State Laws and FACTA are some of the legislation enacted to protect consumers from identity theft. To protect borrower information that may be utilized to develop a 'credit profile' if intercepted by an unauthorized third party, the Federal Home Loan Bank of New York ("FHLBNY") requires that all household information be submitted in a secure manner.

If you submit the drawdown request, either on a flash drive or through the Bank's Secure File Transfer Protocol, the requisition must contain the following:

- *AHP Funding Application for Rental Projects* form (AHP – 123)
- cover letters, deeds,
- contracts of sale, loan commitments,
- sales commitments,
- long term retention agreements,
- income documentation, and other similar types of documentation must be scanned or saved as one or more PDF files.

The Rental Project Workbook (AHP – 125), which is a part of Section C, should be saved as an unprotected Excel file and named "C Rental Project Worksheet.xls".

If the project has any tenants in occupancy, the Rental Income Verification Worksheet ([AHP-126](#)) which is part of Section K should be saved as an unprotected Excel file and named "K Rental Income Verification Worksheet.xls".

### DRAWDOWN REVIEW TIME FRAME

Please allow *at least twenty-five business days* (i.e., five weeks) for FHLB-NY staff to *initially* analyze an AHP funding requisition.

Once the initial review has been completed, the staff member assigned to review the request will e-mail any questions or requests for additional documentation to the member, sponsor and development team members.

The sponsor must respond *within ten business days* (i.e., two weeks) to respond to the analyst's questions.



Since it may take some time for outstanding issues to be resolved, developers of AHP-assisted projects need to properly plan ahead to ensure that they have sufficient resources to pay the project contractor(s) and other project expenses while a drawdown request is under review.

To ensure the shortest possible processing time, please make certain that you have properly submitted all required forms and the AHP drawdown package is properly organized, thoroughly documented, and consistent with the original objectives of the AHP application.

Tip
Delays will occur if an AHP draw request lacks coherence or is otherwise incomplete. Please note that the disbursement of AHP funds may be delayed <i>indefinitely</i> if documentation or discrepancies remain unresolved or the submission is premature.

Once FHLB-NY staff completes the evaluation and processing of the AHP funding requisition package, the approved AHP funds will be credited to the Member’s FHLB-NY demand deposit account.

In turn, the Member is required to disburse the AHP funds to the project within thirty days. If the Member is unable to deliver the AHP funds to the project in a timely manner, the Member must return any AHP funds that were withheld to the FHLB-NY.

Any AHP funds not returned to the Bank may be subject to per diem interest charges at a rate equal to the Federal Funds Effective Rate for each day exceeding the 30-day period.

In accordance with federal regulations, the FHLB-NY is responsible for monitoring all AHP-assisted rental projects for a period of fifteen years, commencing with the issuance date of the Certificate of Occupancy or comparable third-party evidence that the project was completed.

Once a project has satisfied its initial AHP compliance monitoring requirements (as determined by the FHLB-NY), primary sponsors (or their designated property managers) are required to submit annual project certifications and long-term monitoring reports as requested, to the FHLB-NY, for the duration of the retention period (5 years for homeownership projects and 15 years for rental projects.. FHLB-NY staff reserves the right to conduct periodic on-site inspections of the project, as necessary.

## DRAWDOWN SUBMISSION MILESTONES

AHP Funds used for Development Costs: With the exception of projects involving the full or partial use of AHP subsidy to fund the acquisition of the project site, an AHP drawdown may be requested once **all** of the following milestones have been achieved:

The entity that will own the project throughout the long term retention period has taken title to the project site(s);

- a. The building permit(s) have been issued;
- b. All construction period funding source documents (including the agreement with the tax credit investor, if applicable) have been executed; and



- c. All permanent period funding source commitments, if any, have been issued
- d. Construction has commenced and enough work has been completed to warrant reimbursement.

AHP funds used for Acquisition: For projects involving the full or partial use of AHP subsidy to fund the acquisition of the project site, an AHP drawdown may be requested once all of the following milestones have been achieved:

- a. The entity that will own the project throughout the long term retention period has a valid sales contract or comparable documentation to obtain the project site(s);
- b. The building permit(s) have been issued;
- c. All construction period funding source commitments have been issued;
- d. All permanent period funding source commitments, if any, have been issued;
- e. Any pre-closing conditions included in the construction commitment documents have been met; and
- f. A closing date has been set

## DOCUMENTATION REQUIREMENTS

The drawdown process is a significant step in the development of an AHP-assisted project. FHLB-NY staff must ensure that a project demonstrates attainment of various thresholds and criteria prior to funding a project.

The competitive nature of the AHP, coupled with regulatory mandates, places significant responsibility on FHLB-NY staff to effectively administer this valued program. Failure to obtain all required supporting documentation, rectify any deficiencies, and resolve inconsistencies places the FHLB-NY and our Member at risk for being liable for any AHP subsidy that has been improperly disbursed.

### SUBMISSION OF HOUSEHOLD INFORMATION

The Gramm-Leach-Bliley Safeguard Rule, the Identity Theft Act, Privacy State Laws and FACTA are some of the legislation enacted to protect consumers from identity theft. To protect borrower information that may be utilized to develop a 'credit profile' if intercepted by an unauthorized third party, the Federal Home Loan Bank of New York ("FHLB NY") requires that all household information be submitted in a secure manner.

#### Tip

A drawdown request, sent either on a flash drive or through the Bank's Secure File Transfer Protocol, should scan and save third-party documentation related to each Exhibit in the following format: (1) Section letter, (2) Document name, and (3) File type. For example, "B – Cost Documentation.pdf".

### Section A – Funding Request

- AHP Funding Application for Rental Projects form ([AHP-123](#)),



## Section B – Cost Documentation

- Funds Allocated to Acquisition Costs – If AHP funds are requested for acquisition costs specify the dollar amount requested in the sponsor’s funding request letter.
- Funds Allocated to Project Hard Costs – If AHP funds are requested to reimburse project hard costs, submit the a copy of the most recent Application and Certification for Payment Form (AIA Document G702) that has been executed by the project architect or comparable third-party evidence to substantiate the amount of work that has been completed to date.

Note: The contract sum shown on the cost documentation should equal the total construction cost line item on the development budget.

If several contractors will be used on the project, even if the AHP funds will not be used to pay for the work performed by each one of these contractors, cost documentation must be submitted for all of them to tie the total hard costs to the amount shown on the development budget.

The maximum amount that can be reimbursed is the lesser of the following: 1) the total amount of the work completed to date less the amount retained or 2) the total AHP commitment.

- Funds allocated to Project Soft Costs – If AHP funds are requested to reimburse eligible project soft costs that were approved at the time of project application, submit:
  - i. A copy of an invoice; or
  - ii. Comparable third-party evidence to substantiate the fees owed for professional services performed after the date of the AHP application.
- Funds allocated to the Developer Fee - If AHP funds are requested to fund all or a portion of the Developer’s Retention, specify the dollar amount requested in the sponsor’s funding request letter. Documentation submitted in other parts of the drawdown package will be evaluated to determine whether the developer is eligible to receive the amount requested.

## Section C – Rental Project Workbook

The Excel version of the Rental Project Workbook (should be included in the designated section. Please refer to the instructions within the RPW for further details.

## Section D – Financial Narrative

Please answer each question thoroughly.

1. Provide a brief explanation of any changes in the development and operating budget since the time of application or the previous drawdown submission, if any.



2. Provide an explanation if any items on the development or operating budgets exceed the FHLB-NY's *AHP Project Financial Feasibility Analysis Guidelines*.
3. If the development budget includes capitalized reserves, working capital or escrows, provide an explanation for how the amounts for these line items were determined and indicate if the line items are required by another funding source.

5	<b>WORKING CAPITAL</b>				
7	Initial Operating Deficit		\$225,000	\$225,000	
8	Supplemental. Mgmt. Fee & Marketing		\$0	\$0	An explanation for these items is required.
9	Purch. of Maintenance & Other Equipment		\$0	\$0	
0	Other (specify on Supplement Tab)		\$0	\$0	
1	<b>TOTAL WORKING CAPITAL</b>	\$0	\$225,000	\$225,000	
2	<b>PROJECT RESERVES</b>				
3	Capitalization of Operating Reserve		\$167,554	\$167,554	An explanation for these items is required.
4	Capitalization of Replacement Reserve		\$175,000	\$175,000	
5	<b>TOTAL PROJECT RESERVES</b>	\$0	\$342,554	\$342,554	
6	<b>TOTAL PROJECT COSTS</b>	\$400,000.00	\$6,734,163.00	\$7,134,163.00	

4. For projects containing commercial space or other non-housing areas (such as management offices, meeting rooms, social service or recreational areas), provide a statement that no AHP funds will be used to construct and/or rehabilitate such space. Identify which funding sources will be used to construct and/or rehabilitate such space.
5. If there are related entities involved as both sellers and buyers, the development budget should show that any funds generated from the sale remain in the project to refinance or pay-off any existing debt and/or pay for reasonable and customary development costs. If applicable, provide an explanation regarding how such funds were used in the project's financial structure.
6. For projects providing social services, provide a separate annual budget for the social service income and expenses. Note that social services may not be funded out of operating income from the AHP-assisted units.
7. For employees whose salaries will be paid through line items in the operating budget, provide a brief job description that includes the title and salary.

3	<b>INSTRUCTIONS</b>	<b>Annual</b>							
4	<b>YEAR OF OPERATION:</b>	<b>% Increase</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
25	<b>Maintenance and Operations</b>								
26	Janitor and Cleaning Payroll	3.00%	3,000	3,090	3,183	3,278	3,377	3,478	3,582
27	Janitor and Cleaning Supplies	3.00%	2,735	2,817	2,902	2,989	3,078	3,171	3,266
28	Exterminating	3.00%	500	515	530	546	563	580	597
29	Garbage and Trash Removal	3.00%	4,500	4,635	4,774	4,917	5,065	5,217	5,373
30	Security	3.00%	500	515	530	546	563	580	597

**Section E – Site Control**

1. If AHP subsidy was approved for, and is requested to, fund the acquisition of the project site, submit:
  - An executed sales contract or comparable document and indicate the estimated closing date.



2. If AHP subsidy was approved for, and is requested to fund hard costs, eligible soft costs and/or the developer's fee, submit:
  - Deed - A copy of the deed(s) or lease(s) demonstrating that the entity that will own the site throughout the project's long term retention period has taken title to all of the parcels included in the Project Site(s).
  - Nominee Agreement - A copy of the Nominee Agreement, Declaration of Interests and Equity, or comparable documentation if a housing development fund corporation or comparable entity will be serving as a nominee of behalf of a partnership or comparable entity.
  - Closing Statement - A copy of a closing statement, settlement statement or other comparable evidence that reflects the purchase price and closing costs associated with the acquisition of the Project Site(s).

**Note:** If the above documentation was previously submitted with the AHP application, or during Progress Reporting, and it was deemed acceptable by a member of the AHP staff, it does not need to be submitted again.

#### **Section F – Municipal Approvals**

Provide the following:

- A copy of the building permit(s) or comparable documentation as required by the applicable municipal jurisdiction
- If available, a copy of the Certificate(s) of Occupancy or comparable documentation issued by the applicable municipal jurisdiction

#### **Section G – Funding Source Documentation**

Provide the following:

- If the project has not closed with the other funding source(s), provide a copy of the most recent, effective commitment letter(s) demonstrating that the commitment is still in good standing.
- If the project has closed with the other funding source(s), provide the executed grant agreement(s), note(s) and mortgage(s) and/or comparable documentation for all construction and permanent period funding sources listed on the development budget.

#### **Section H – Partnership or Operating Agreement**

If the project's financial structure includes low income housing tax credits, submit the following:

- The executed partnership agreement or operating agreement that admits the investor, and all subsequent amendments and all exhibits related to these documents.
- Furnish a copy of the state housing agency's tax credit allocation letter



### Section I – Primary Sponsor’s Ownership Interest

If the project’s financial structure includes low income housing tax credits, submit the following:

- Documentation to demonstrate the relationship between the project’s primary sponsor and an entity (or sequence of entities) that has/have an ownership interest as evidenced in the partnership or operating agreement. *Submit each of the following:*
  - A list of board members for the Sponsor and eth related entity(ies);
  - A copy of the certificate of incorporation for the related entity(ies);
  - A copy of the by-laws for the related entity(ies); and
  - A stock certificate that reflects the number of shares of the related entity(ies) that the primary Sponsor holds, if applicable.

**Note:** The sponsor’s role and that of the affiliated entity(ies) should have the same level of ownership interest as that described in the AHP application.

### Section J – Retention Agreements

Tip

Prior to disbursing AHP funds to the Sponsor, the Member will customarily require that all relevant AHP retention agreements have been duly executed and publicly recorded. As part of the initial AHP monitoring report, the FHLB-NY will require confirmation that the AHP subordinate lien has been sent for recording with the municipal clerk’s office.

### RENTAL PROJECTS EXCEPT THOSE USING FUNDING FROM SECTION 811, SECTION 202 OR LOW INCOME HOUSING TAX CREDITS

- The sponsor of a rental project receiving AHP subsidy (except projects using funding from Section 811, Section 202 or Low Income Housing Tax Credits) must use the following documents:
  - Promissory Note for Rental Projects
  - Security Agreement for Rental Projects

**Note:** These documents must be executed at the closing or prior to the final disbursement of AHP funds to the project sponsor. The Security Agreement for Rental Projects must be recorded.

### RENTAL PROJECTS USING SECTION 811 OR SECTION 202 FUNDING

- The sponsor of a rental project receiving AHP subsidy as well as funding from the United States Department of Housing and Urban Development’s (HUD) Section 811 or Section 202 programs must use the following documents:
  - Promissory Note for Rental Projects With Section 811 or Section 202 Funding
  - Security Agreement for Rental Projects With Section 811 or Section 202 Funding
  - Rider to Lender’s Security Agreement Rental Projects With Section 811 or Section 202 Funding



- These documents must be executed by the sponsor at the HUD closing or prior to the final disbursement of AHP funds to the project sponsor. HUD's authorized representative must sign the following documents:
  - Rider to Lender's Security Agreement before AHP funds may be disbursed.
  - The Security Agreement for Rental Projects with Section 811 or Section 202 Funding along with the attached Rider to Lender's Security Agreement for Rental Projects using Section 811 or Section 202.

**Note:** All documents must be executed at the closing or prior to the final disbursement of AHP funds to the project sponsor.

The Rider to Subordinate Mortgage must be executed by an authorized representative of the partnership and attached to the mortgage which was prepared by the project attorney.

This mortgage, the rider and an Assignment of Mortgage prepared by the project attorney must be recorded.

## RENTAL PROJECTS USING LOW INCOME HOUSING TAX CREDITS

Projects that receive subsidy from the Affordable Housing Program (AHP) are required to meet long term retention requirements under the regulations promulgated by the Federal Housing Finance Agency in 12 CFR Part 1291 ("AHP Regulations"), and any amendments made thereto.

In accordance with these requirements, the Federal Home Loan Bank of New York ("Bank") has the following requirements for AHP projects which include the use of Low Income Housing Tax Credits.

### 1. Recapture Agreement

A standardized tri-party agreement entitled *RECAPTURE AGREEMENT FOR RENTAL PROJECTS USING LOW INCOME HOUSING TAX CREDITS (LIHTCs)* must be completed and executed by authorized signatories of the Bank's member institution ("the Lender"), the not-for-profit corporate entity ("the Sponsor"), and the limited partner ("the Owner").

A copy of this completed agreement is to be submitted to the Bank upon execution for inclusion in the project's AHP file.

### 2. Promissory Note

The Lender will disburse the subsidy to the Sponsor as evidenced by the standardized document entitled *PROMISSORY NOTE FOR RENTAL PROJECTS*.

This document must be executed by an authorized signatory of the Sponsor in favor of the Lender. A copy of this completed note is to be submitted to the Bank upon execution for inclusion in the project's AHP file.

### 3. Note or Contribution Agreement between Sponsor and Partnership



Because each AHP project is different, the Bank has designed its standardized agreements to be flexible and complementary to other legal agreements between the Sponsor and the Owner.

Therefore, the Bank has not developed and does not require the use of a standardized Note or Contribution Agreement. Rather, the Sponsor and Owner should implement appropriate documents that describe the manner in which the AHP subsidy is transferred from the Sponsor to the project or Owner.

Although not always the case, a note executed by the Owner in favor of the Sponsor is generally used. If applicable, a copy of such an executed agreement is to be submitted to the Bank upon execution for inclusion in the project's AHP file.

#### 4. Security Interest

The AHP Regulations require the Bank to ensure that the AHP subsidy provided by the Sponsor to the Owner be secured by a legally enforceable and recorded subordinate lien (e.g., a mortgage) on the Property for the full amount of the AHP direct subsidy.

The Bank has not developed and does not require the use of a specific mortgage agreement. However, the Bank does require that the standardized rider entitled *RIDER TO SUBORDINATE MORTGAGE* be attached to the mortgage (or whatever security agreement is used) and executed by the Partnership in favor of the Sponsor.

The executed subordinate lien, a legal property description, and the Rider thereto are to be recorded in the local county clerk's office and a copy of the entire agreement is to be submitted to the Bank upon execution for inclusion in the project's AHP file.

#### 5. Assignment of Mortgage

The Bank requires that the Sponsor assigns its interest in the mortgage (to which the standardized Rider is attached) back to the Lender.

The Sponsor shall prepare, execute, and record a legally enforceable assignment of mortgage in favor of the Lender and submit a copy of said agreement to the Bank upon execution for inclusion in the project's AHP.

**Note:** All documents must be executed at the closing or prior to the final disbursement of AHP funds to the project sponsor.

The Rider to Subordinate Mortgage must be executed by an authorized representative of the partnership and attached to the mortgage prepared by the project attorney.

This mortgage, the rider and an Assignment of Mortgage prepared by the project attorney must be recorded.

#### Section K – Tenant Documentation

If the project is occupied, submit the following:

- Tenant Rent & Income Verification



- Rental Income Verification Worksheet – Submit a properly completed Rental Income Verification Worksheet (AHP-126).
- Project-based Rental Assistance – If the project has third-party documentation (such as an agreement to provide some form of project-based rental assistance) stipulating that the units must be occupied by tenants earning 50% or less of Area Median Income, provide the executed agreement or other evidence that the project is receiving rental assistance on behalf of the tenants.
- Third-party income source documentation – If the project does not receive third-party project-based assistance, third-party income source documents dated within two months of the tenant's approval for occupancy such as:
  - Tax Returns
  - Written verifications of employment
  - Social Security Award letter
  - Government agency income eligibility certification form
  
- Sample Size  

A risk based sample of the occupied units will be selected for review in conjunction with the Status Report. For each household selected, income source documentation and a copy of the rental agreement must be submitted.
  
- Homeless Housing  

If the Project is serving homeless households, furnish copies of referral letters from the third-party agency or copies of contracts that the Sponsor has executed with a local, state, or federal agency in connection with providing housing and/or services to homeless households.

### Section L – Refinancing Documentation

If AHP funds were approved to refinance permanent debt, please furnish:

- A detailed description of how the Sponsor intends to use the equity proceeds of the refinancing (e.g., purchase, capital improvements, rehabilitation, or construction of new units of housing);
- Appropriate evidence that supports the proposed use of the refinanced equity proceeds;
- A copy of the note or loan agreement affecting the loan to be refinanced; and
- A copy of a loan pay-off letter from the existing lender



## OVERVIEW OF THE AHP DRAW DOWN PROCESS FOR HOMEOWNERSHIP PROJECTS

### SUBMISSION FORMAT

#### SUBMISSION OF HOUSEHOLD INFORMATION

The Gramm-Leach-Bliley Safeguard Rule, the Identity Theft Act, Privacy State Laws and FACTA are some of the legislation enacted to protect consumers from identity theft. To protect borrower information that may be utilized to develop a 'credit profile' if intercepted by an unauthorized third party, the Federal Home Loan Bank of New York ("FHLBNY") requires that all household information be submitted in a secure manner.

If you submit the drawdown request, either on a flash drive or through the Bank's Secure File Transfer Protocol, the requisition must contain the following:

- *AHP Funding Application for Homeownership Projects form AHP - 130,*
- cover letters,
- deeds,
- contracts of sale,
- sales commitments,
- long term retention agreements,
- income documentation, and
- other similar types of documentation must be scanned or saved as one or more PDF files.

The Homeownership Project Workbook (AHP-132) which is a part of Section B should be saved as an unprotected Excel file and named "B Homeownership Worksheet.xls".

### DRAWDOWN REVIEW TIME FRAME

Please allow *at least twenty-five business days* (i.e., five weeks) for FHLB-NY staff to conduct the initial analysis of the AHP funding requisition. Once the initial review has been completed, the staff member assigned to review the request will e-mail any questions or requests for additional documentation to the member, sponsor and development team members. The sponsor must respond to the ten business days to respond to the analyst's questions.

Since it may take some time for outstanding issues to be resolved, developers of AHP-assisted projects need to properly plan ahead to ensure that they have sufficient resources to pay the project contractor(s) and other project expenses while a drawdown request is under review.

To ensure the shortest possible processing time, please ensure that you have properly submitted all required forms and the AHP drawdown package is properly organized, thoroughly documented, and consistent with the original objectives of the AHP application. Delays will occur if an AHP draw request lacks coherence or is otherwise incomplete. Please note that the disbursement of AHP funds



may be delayed *indefinitely* if documentation or discrepancies remain unresolved or the submission is premature.

Once FHLB-NY staff completes the evaluation and processing of the AHP funding requisition package, the approved AHP funds will be credited to the Member's FHLB-NY demand deposit account. In turn, the Member is required to disburse the AHP funds to the project within 30 days. If the Member is unable to deliver the AHP funds to the project in a timely manner, the Member must return any AHP funds that were withheld to the FHLB-NY. Any AHP funds not returned to the Bank may be subject to per diem interest charges at a rate equal to the Federal Funds Effective Rate for each day exceeding the 30-day period.

Recapture of Disbursed Funds – In accordance with federal regulations, every household who receives AHP subsidy must own and occupy their dwelling for a period of five years. Any breach may result in a pro rata recovery of AHP subsidy. Furthermore, each AHP-assisted homeowner must execute certain AHP retention agreements that are referenced below. Once a household has satisfied their AHP compliance obligations, they may request the Member to discharge them from the encumbrance of the AHP subordinate lien.

## DOCUMENTATION REQUIREMENTS

FHLB-NY staff must ensure that a project demonstrates attainment of various thresholds and criteria prior to funding a project. The competitive nature of the AHP, coupled with regulatory mandates, places significant responsibility on FHLB-NY staff to effectively administer this valued program. Failure to obtain all required supporting documentation, rectify any deficiencies, and resolve inconsistencies places the FHLB-NY and our Member at risk for being liable for any AHP subsidy that has been improperly disbursed.

There are three types of homeownership projects that are eligible for AHP subsidy:

1. *Rehabilitation of Existing Homes* – Projects that assist current homeowners whose homes are in need of rehabilitation
2. *Sponsor Developed Homes* – Projects involving newly constructed or rehabilitated homes that were developed by the sponsor for sale to eligible purchasers
3. *Purchase of Existing Homes* – Projects that assist households to purchase existing homes through closing cost assistance, by buying down the mortgage or writing down the interest rate.

DRAWDOWN DOCUMENTS: OWNER-OCCUPIED PROJECTS			
Project Type:	Rehabilitation of Existing Homes	Newly Constructed or Rehabilitated Homes that were Developed by the Sponsor For Sale to Eligible Purchasers	Purchase of Existing Homes
Section A	A fully executed AHP Funding Application For Homeownership Projects form (AHP-128)	A fully executed AHP Funding Application For Homeownership Projects form (AHP-128)	A fully executed AHP Funding Application For Homeownership Projects form (AHP-128)
Section B	Submit a completed "A Existing Rehab" tab on the Homeownership Project Worksheet (AHP-132)	Insert a tab on the Homeownership Project Worksheet (AHP-132) to include an itemization of the costs associated with the development of each specific dwelling included in the drawdown request including the costs for site acquisition, hard costs, soft costs and the developer's fee, the project's development budget, or provide an itemized general ledger statement that accounts for all of the hard and soft costs that the Sponsor incurred in constructing or rehabilitating the dwelling	Fill out the "B Home Purchase" tab on the Homeownership Project Worksheet (AHP-132) if AHP subsidy will be used to buy down the mortgage, for down payment assistance and/or closing cost assistance; <b>OR</b>
	Provide a scope of work that details the work that will be or was performed on the subject property.		Fill out the "C Interest Write Down" tab on the Homeownership Project Worksheet (AHP-132) if AHP subsidy will be used to write down the interest rate on a permanent loan to the purchaser
	Provide at least two bids from the contractors that bid on the work. If the contractor with the higher bid was selected, provide an explanation for why the higher bid was chosen.	Fill out the "B Home Purchase" tab on the Homeownership Project Worksheet (AHP-132) if AHP subsidy will be used to buy down the mortgage, for down payment assistance and/or closing cost assistance ; <b>OR</b>	(Conditional) If AHP subsidy will be used to write down the interest rate on a permanent loan to the purchaser, provide a summary of the methodology that was used to determine the present value of the discounted rate
	Provide a copy of the contractor's invoice for the work detailed on the scope of work.	Fill out the "C Interest Write Down" tab on the Homeownership Project Worksheet (AHP-132) if AHP subsidy will be used to write down the interest rate on a permanent loan to the purchaser	
	Furnish a copy of the Final Cost Certification for Owner-Occupied Rehabilitation Projects (AHP-133).	(Conditional) If AHP subsidy will be used to write down the interest rate on a permanent loan to the purchaser, provide a summary of the methodology that was used to determine the present value of the discounted rate	
		Provide a list of all purchasers assisted with AHP subsidy to date on the "D Income Verification Worksheet" tab on the Homeownership Project Worksheet (AHP-132)	



## AHP Guidelines 2016

Project Type:	Rehabilitation of Existing Homes	Newly Constructed or Rehabilitated Homes that were Developed by the Sponsor For Sale to Eligible Purchasers	Purchase of Existing Homes
Section C	Furnish household income documentation from all sources received by the family head and spouse (even if temporarily absent) and by each additional member of the family over the age of 18 years pursuant to the Income Calculation Guidelines.	Furnish household income documentation from all sources received by the family head and spouse (even if temporarily absent) and by each additional member of the family over the age of 18 years pursuant to the Income Calculation Guidelines.	Furnish household income documentation from all sources received by the family head and spouse (even if temporarily absent) and by each additional member of the family over the age of 18 years pursuant to the Income Calculation Guidelines.
		Furnish a copy of the Certificate of Occupancy or comparable documentation issued by the jurisdiction where the home is located (note that funds will not be disbursed for any home which has not been completed)	Provide a copy of the HUD-1 Settlement Statement executed by the household that summarizes the household's closing costs.
		If the project is a Habitat project, furnish: evidence of approval date, copy of Sponsor Note and Mortgage, chain of title as described in details in the guideline document.	A copy of the Repayment Mortgage for Owner-Occupied Projects (AHP-111)
		If the project is not a Habitat-type project and the household has closed, provide a copy of the HUD-1 Settlement Statement executed by the household that summarizes the household's closing costs.	A copy of the Repayment Mortgage Note for Owner-Occupied Projects (AHP-112)
		A copy of the Repayment Mortgage for Owner-Occupied Projects (AHP-111)	
		A copy of the Repayment Mortgage Note for Owner-Occupied Projects (AHP-112)	
Section D	Provide a copy of the homeowner's deed. If necessary, provide appropriate third-party documentation if a person who appears on the deed is now known by another name as a result of marriage, divorce or a legal name change or if any owner named on the deed is now deceased		
	A copy of the Repayment Mortgage for Owner-Occupied Projects (AHP-111)		
	A copy of the Repayment Mortgage Note for Owner-Occupied Projects (AHP-112)		



1. Rehabilitation of Existing Homes – Projects that assist current homeowners whose homes are in need of rehabilitation

**Section A – Funding Request**

1. Fully executed *AHP Funding Application For Homeownership Projects* form (AHP – 128)

**Section B – Homeownership Project Worksheet**

1. Submit a completed “A Existing Rehab” tab on the Homeownership Project Worksheet (AHP – 132)
2. Provide a scope of work that details the work that will be or was performed on the subject property.
  - a. Indicate what type of Energy-Efficient Products / Renewable Energy Systems are included on the scope of work
3. Note that the following types of rehabilitation work are eligible for Affordable Housing Program funding:
  - a. Work to ensure that the remaining economic life of the home’s structure and major systems will survive the 5-year AHP compliance period
  - b. Energy-efficiency improvements
  - c. Work to address local building code requirements
  - d. Emergency repairs
  - e. Lead-based paint hazard reduction
  - f. Accessibility for disabled persons
  - g. Repairs and general property improvements of a non-luxury nature to remedy a deficiency in the structure or access to the structure
  - h. Repair or replacement of utility connections
  - i. Repairs necessary for the occupant’s health and safety
  - j. Repairs to enable the home to meet HUD minimum habitability standards upon completion

<b>Note</b>
Work in rental units, site work or repairs strictly for cosmetic purposes on the subject property are ineligible for AHP funding with the exception of work necessary to restore the home or site to a habitable condition if flooring, walls, ceilings, fixtures, the site and/or similar features are damaged during the course of the performance of an eligible rehabilitation activity from the above list and/or are required under local building codes or to meet HUD’s minimum habitability standards upon completion. Ineligible items may be financed with other funding sources.

4. Provide at least two bids from the contractors that bid on the work. If the contractor with the higher bid was selected, provide an explanation for why the higher bid was chosen.
5. Provide a copy of the contractor’s invoice for the work detailed on the scope of work.



- Furnish a copy of the Final Cost Certification for Owner-Occupied Rehabilitation Projects (AHP-133). This form must be executed by the homeowner, the sponsor, and the contractor to certify the amount of the work that was done and that it was completed in a satisfactory and acceptable manner.

### Section C – Household Information

Furnish household income documentation from all sources received by the family head and spouse (even if temporarily absent) and by each additional member of the family over the age of 18 years dated within three months of the household’s approval for participation in the project pursuant to the Affordable Housing Program Guidelines for Determining Income Eligibility.

Tip
If a packet for this household is submitted for preliminary eligibility review, submit all necessary supporting documentation. Upon completion, no further income verifications need to be included in the formal drawdown request if FHLB-NY staff has confirmed in writing that a proposed household was determined to be eligible at the time of approval for participation in the project before the rehabilitation work commenced.

### Section D – Retention Agreements

Deed - Provide a copy of the homeowner’s deed. If necessary, provide appropriate third-party documentation if a person who appears on the deed is now known by another name as a result of marriage, divorce or a legal name change or if any owner named on the deed is now deceased.

Retention Agreements – Include the following long term retention documents (In draft form if the household has not yet closed or as executed documents if the household has closed):

- A copy of the Repayment Mortgage for Owner-Occupied Projects (AHP-111)
- A copy of the Repayment Mortgage Note for Owner-Occupied Projects (AHP-112)

#### *Note the following:*

- Anyone who is listed as an owner on the deed must execute the long term retention documents.
- Recorded Mortgage - In order to properly secure their lien position, prior to releasing funds to the Sponsor, the Member will request evidence that the Repayment Mortgage for Owner-Occupied Projects (AHP-111) was duly recorded at the municipal clerk’s office in the jurisdiction in which the AHP-assisted property is located.
  - Incorrect Mortgage Recording (Higher) – In the event that the recorded Repayment Mortgage for Owner-Occupied Projects (AHP-111) lists a higher amount of Affordable Housing Program subsidy than the amount that was necessary to complete the project



as shown on the “A Existing Rehab” tab on the Homeownership Project Worksheet ([AHP-132](#)), the FHLB-NY will base the amount, if any, to be recaptured on the actual amount of the subsidy disbursed for the household’s benefit.

- Incorrect Mortgage Recording (Lower) – In the event that the recorded Repayment Mortgage for Owner-Occupied Projects ([AHP-111](#)) lists a lower amount of Affordable Housing Program subsidy than the amount that was necessary to complete the project as shown on the “A Existing Rehab” tab on the Homeownership Project Worksheet ([AHP-132](#)), the FHLB-NY will require the Sponsor to submit a revised or supplemental Repayment Mortgage for Owner-Occupied Projects ([AHP-111](#)) and Repayment Mortgage Note for Owner-Occupied Projects ([AHP-112](#)) to total the full amount of the AHP subsidy. Otherwise, the amount disbursed will be reduced to equal the amount of the subsidy shown on the originally submitted Repayment Mortgage for Owner-Occupied Projects ([AHP-111](#)).

**Note:** If a packet for this household is submitted for eligibility review, submit all requested items. If the long term retention documents were submitted in draft form, an executed copy must be submitted with the formal drawdown request. Otherwise, no additional items must be submitted with the formal drawdown request.

## 2. Sponsor developed homes - Projects involving newly constructed or rehabilitated homes that were developed by the sponsor for sale to eligible purchasers.

### **Section A – Funding Request**

1. A fully executed *AHP Funding Application For Homeownership Projects* form ([AHP-128](#))

### **Section B – Homeownership Project Workbook**

1. Insert a tab on the Homeownership Project Worksheet (AHP-132) to include an itemization of the costs associated with the development of each specific dwelling included in the drawdown request including the costs for site acquisition, hard costs, soft costs and the developer’s fee, the project’s development budget, or provide an itemized general ledger statement that accounts for all of the hard and soft costs that the Sponsor incurred in constructing or rehabilitating the dwelling
2. For each household purchasing a home the sponsor has developed, fill out one of the following worksheets depending on how the AHP subsidy will be used to assist the purchaser:
  - i. the “B Home Purchase” tab on the Homeownership Project Worksheet (AHP-132) if AHP subsidy will be used to buy down the mortgage, for down payment assistance and/or closing cost assistance ; OR
  - ii. the “C Interest Write Down” tab on the Homeownership Project Worksheet (AHP-132) if AHP subsidy will be used to write down the interest rate on a permanent loan to the purchaser.



3. If AHP subsidy will be used to write down the interest rate on a permanent loan to the purchaser, provide a summary of the methodology that was used to determine the present value of the discounted rate.
4. Provide a list of all purchasers assisted with AHP subsidy to date on the "D Income Verification Worksheet" tab on the Homeownership Project Worksheet (AHP-132)

**Section C – Household Information**

1. Furnish a copy of the Certificate of Occupancy or comparable documentation issued by the jurisdiction where the home is located (note that funds will not be disbursed for any home which has not been completed)
2. Furnish household income documentation from all sources received by the family head and spouse (even if temporarily absent) and by each additional member of the family over the age of 18 years dated within three months of the household's approval for participation in the project pursuant to the Affordable Housing Program Guidelines for Determining Income Eligibility (Section YYY hyperlink)
3. If the project is a Habitat project (or is similar because it involves seller financing and/or sweat equity by the purchasers) provide:
  - i. Evidence of when the household was approved for participation in the project
  - ii. A copy of a duly executed Sponsor Note and Mortgage
  - iii. Evidence regarding the chain of title as follows: A copy of a deed from a third-party to the Project sponsor as evidence that the Sponsor had valid title to the project site sold to this household; a copy of a closing statement that evidences the costs that the Sponsor incurred in taking title to the site; a copy of the deed from the Sponsor to the household; and a copy of the HUD-1 Settlement Statement executed by the household that summarizes the household's closing costs.

<p><b>Note:</b> The settlement statement should include a line item for the amount of the AHP subsidy and show that the household has received no more than \$250 in cash back plus any amounts paid outside of the closing (P.O.C.'s) related to the transaction</p>
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4. If the project is not a Habitat-type project and the household has closed, provide a copy of the HUD-1 Settlement Statement executed by the household that summarizes the household's closing costs.
5. Include the following executed long term retention documents



- i. A copy of the Repayment Mortgage for Owner-Occupied Projects (AHP-111)
- ii. A copy of the Repayment Mortgage Note for Owner-Occupied Projects (AHP-112)

**Note:** Anyone who is listed as an owner on the deed must execute the long term retention documents and that the Repayment Mortgage for Owner-Occupied Projects ([AHP-111](#)) must be recorded at the County Clerk's office in the jurisdiction where the home is located.

3. Purchase of Existing Homes - Projects that assist households to purchase existing homes through closing cost assistance, by buying down the mortgage or writing down the interest rate.

**Section A – Funding Request**

1. Fully executed *AHP Funding Application For Homeownership Projects* form ([AHP-128](#))

**Section B – Homeownership Project Workbook**

1. For each household in the drawdown request, fill out the “Home Purchase” tab on the Homeownership Project Worksheet (AHP-132) if AHP subsidy will be used to buy down the mortgage, for down payment assistance and/or closing cost assistance or b) the “C” Interest Write Down” tab on the Homeownership Project Worksheet if AHP subsidy will be used to write down the interest rate on a permanent loan to the purchaser.
2. If AHP subsidy will be used to write down the interest rate on a permanent loan to the purchaser, provide a summary of the methodology that was used to determine the present value of the discounted rate.
3. Provide a list of all purchasers assisted with AHP subsidy to date on the “D Income Verification Worksheet” tab on the Homeownership Project Worksheet.

**Section C – Household Information**

1. Furnish household income documentation from all sources received by the family head and spouse (even if temporarily absent) and by each additional member of the family over the age of 18 years dated within three months of the household's approval for participation in the project pursuant to the Affordable Housing Program Guidelines for Determining Income Eligibility (Section [YYY](#) hyperlink)
  - i. Once the household has closed, provide a copy of the HUD-1 Settlement Statement executed by the household that summarizes the household's closing costs. Note that the settlement



statement should include a line item for the amount of the AHP subsidy and show that the household has received no more than \$250 in cash back plus any amounts paid outside of closing (P.O.C.)

2. Include the following executed long term retention documents
  - i. A copy of the Repayment Mortgage for Owner-Occupied Projects (AHP-111)
  - ii. A copy of the Repayment Mortgage Note for Owner-Occupied Projects (AHP-112)

**If you have any questions regarding information provided in this guideline document or other AHP matters, please email [ahp@fhlbny.com](mailto:ahp@fhlbny.com)**