



2012 AHP OFFERING

AFFORDABLE HOUSING PROGRAM

APPLICATION INSTRUCTIONS AND SCORING CRITERIA FOR OWNER-OCCUPIED PROJECTS

Applications that are completed in hard copy must be physically delivered
no later than **5:00 PM on Tuesday, April 3, 2012** to:

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

An application that is prepared in electronic format must be
saved on a compact disk and delivered to the above address
no later than **5:00 PM on Friday, April 6, 2012**.

Additional inquiries should be directed to:

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

GENERAL INSTRUCTIONS

The FHLB-NY has established the following submission deadlines for the competitive 2012 AHP Offering:

- (a) Housing organizations that choose to prepare and submit a hard copy in a traditional paper format must physically submit the AHP Application and all related Exhibits to our office on or before **5:00 PM Tuesday, April 3, 2012**. Please also e-mail the Project Description and Empowerment Exhibits with the name of the project in the subject line as a Microsoft Word document or inserted in the text of the e-mail directly to malinda.walker@fhlbny.com. Please do not e-mail these Exhibits as a PDF file. E-mail the Owner-Occupied Project Workbooks (AHP/APP-104), which is a part of Exhibit C saved as an Excel file directly to ahp@fhlbny.com with the name of the project in the subject line.

If you are submitting an AHP application form ([AHP/APP-101](#)) and supporting documentation as a hard copy package in traditional paper format:

- Be sure to print out the cover page of each Exhibit on colored paper and use it to separate each section of related documentation. You may also insert tabs to separate each Exhibit.
 - Please *do not* permanently bind or enclose the AHP Application and related Exhibits in a ringed binder. *Do not* staple or paper clip sections of the AHP Application together. Kindly use a binder clip in order to keep the entire AHP Application and supplemental Exhibits together.
- (b) Housing organizations that choose to prepare and submit an electronic version of the AHP Application and all related Exhibits must submit a CD-ROM disk to our office on or before **5:00 PM Friday, April 6, 2012**. If you are submitting an AHP application via C-ROM disk:
- The CD-ROM should be labeled with the name of the project, the sponsor and the member.
 - The CD-ROM must be submitted along with a hard copy of the AHP application form ([AHP/APP-101](#)).
 - Be sure that the AHP Application is signed by authorized representatives of both the primary sponsor and FHLB-NY member bank, scanned as a PDF file and saved as "Application.pdf".
 - The narrative portions of all Exhibits should be named "Exhibits.pdf."
 - Deeds, contracts of sale, leases, legal records, photographs, loan agreements, and other supporting documentation must be scanned as PDF files and saved using the letter for the Exhibit followed by a document name. Documentation may be saved as one file, named by using the letter for the Exhibit followed by the Exhibit description, or as multiple files named by using the letter for the Exhibit followed by a unique document name for each file. For example, a sponsor with two deeds could scan and save each one as a separate file named "E Deed Site 1.pdf" for the first parcel and "E Deed Site 2.pdf," for the second parcel, or save all the deeds as one file named "E Site Control.pdf."
 - The Owner-Occupied Workbooks ([AHP/APP-104](#)) which are part of Exhibit C should be saved as an unprotected Excel file and named "C Homeowner Project Workbook.xls".
 - Please also e-mail the Project Description and Empowerment Exhibits with the name of the project in the subject line as a Microsoft Word document or inserted in the text of the e-mail directly to malinda.walker@fhlbny.com. Please do not e-mail these exhibits as a PDF file.

Note the following delivery and confirmation instructions for all applications:

If you send your paper application or the CD-ROM by a major overnight delivery service (such as FedEx, United Parcel Service, the United States Postal Service, DHL, etc.), you can confirm that your package was delivered by the deadline by contacting the overnight delivery service directly. These companies deliver directly to our mailroom which signs upon receipt.

If you hand-deliver or send your application through a messenger service, the application will be logged at our building's Mail Delivery Center (MDC) and then sent to our mailroom. You may contact your messenger service to confirm delivery by the deadline. To get to the MDC, enter through the building lobby on 41st Street. The security staff at that entrance will direct you to the MDC. Because of security measures, members of the AHP staff are not able to personally accept any applications.

We will be providing a list of the applications we have received by the application deadlines to the member's application contact person on or about May 1, 2012. Sponsors, developers and consultants may contact the applicant member at that time to verify that their application was received.

Review the following prior to completing the AHP Application:

- The “Application Package” materials are located on the Federal Home Loan Bank of New York’s (“FHLB-NY”) website at the following link: <http://www.fhlbny.com/community/forms/ahpapplication.htm>.
- Only a stockholder institution (“Member”) of the FHLB-NY in good standing may submit an AHP application and request AHP subsidy on behalf of the Project sponsor(s). A “Membership List” is available on the FHLB-NY website at the following link: <http://www.fhlbny.com/aboutus/membership/memberlist.htm>.
- While a Member may defer completion of the AHP Application to other parties, the Member ultimately accepts full responsibility for its content and is bound by all information submitted in the AHP Application. A managing officer of the Member must sign the AHP Application. Such officers are limited to the Chairman, President, Executive Vice President, or Senior Vice President.
- The AHP Application must also be signed by an authorized signatory of the primary sponsor.
- Only AHP Applications marked “2012 AHP Offering” will be accepted for consideration. Submit only one CD-ROM or one paper version of the AHP Application form along with Exhibits. No additional copies are necessary.
- To check the boxes on the Application form, double click on the box and select "Checked" as the default value.
- Review the detailed instructions for each section of the AHP Application prior to completing the form.
- No fee is required in order to submit the AHP Application.
- Each AHP Application received by the deadline will be evaluated in order to insure that the provisions identified in the AHP Regulations are properly satisfied.
- For further assistance, please call our department’s general information number at (212) 441-6850 or transmit an e-mail inquiry to ahp@fhlbny.com.
- All AHP Applications will be scored on a competitive basis and the decisions of the FHLB-NY are final.
- A complete AHP Application package includes the AHP Application form followed by Exhibits A through T.
- The AHP Application form and accompanying Exhibits must be written in English or include English translations of any documents written in another language.
- If an Exhibit is applicable to the Project, failure to submit appropriate documentation may result in a loss of points or, in some cases, the elimination of the AHP Application from the competitive process. If a particular Exhibit is not applicable to the Project, simply insert a page stating "Not Applicable." Furthermore, failure to submit a properly organized and completed AHP Application package may result in its elimination from the competitive scoring process.

II. AFFORDABLE HOUSING PROGRAM REQUIREMENTS

The AHP Application form has been revised and updated to reflect the requirements of the AHP Regulations issued by the Federal Housing Finance Agency (“FHFA”) and the current policies, procedures, and guidelines affecting the local administration of the AHP by the FHLB-NY.

Before completing the AHP Application, carefully review the following items:

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

1. LOCATION

Provide the name of the Project or program for which AHP funds are requested. If AHP funds will be used to construct or fully rehabilitate dwellings for subsequent sale to eligible homebuyers, specify the building, street address, city, county, state, zip code, and census tract for at least one of the parcels that comprise the Project. This information should be based on data obtained from <http://www.ffiec.gov/Geocode/default.aspx>. For projects that contain multiple parcels, include the details for each parcel on "Tab F – Site Information" of the *Rental Project Workbook* (*AHP/APP-104*). If additional space is needed, submit one supplemental sheet for each site as an addendum to the AHP Application form. Specify the Congressional District(s) and name(s) of the U.S. Representative(s) for the site(s) that will comprise the Project.

If AHP funds will be used to either rehabilitate existing owner-occupied dwellings or assist prospective homebuyers on the open market, insert "Scattered Sites" in the space labeled "Building Street Address(es)" and specify the applicable city, county, state, Congressional District(s) and Congressional representative(s) that the Project will serve. Even if sites remain undetermined, you must identify the zip code + 4 data, census tract, and Congressional District for a range of theoretical addresses within the Project's geographical scope.

2. PROJECT DEVELOPMENT PARTICIPANTS

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

- A) MEMBER:** Provide the requested information for the Member's contact person, who should be the one most familiar with the AHP Application and need not be the same person who signs the AHP Application.
- B) PRIMARY SPONSOR:** Provide the requested information for the primary sponsor's contact person. The contact person should be the person most familiar with the AHP Application. If the project has more than one sponsor, note the following:
 - i) Review the instructions for the "Sponsorship by a Non-Profit or Government Entity" section of the AHP Application before designating the primary sponsor, because the designation of the primary sponsor may affect the AHP Application's score.
 - ii) If applicable, include supplemental information with the AHP Application form for all Project co-sponsors.
- C) CONSULTANT:** If a consultant assisted in the preparation of the AHP Application, provide the requested information for the consultant's contact person. The contact person should be the person most familiar with the AHP Application. If the primary sponsor did not use a consultant, this section may be left blank. Note that AHP funds may not be used to pay the consultant fees associated with preparing the AHP Application.
- D) DEVELOPER:** If the primary sponsor is not serving as the project's developer, provide the requested information for the Developer's contact person. The contact person should be the person most familiar with the AHP Application. If the primary sponsor and developer are identical, leave this section blank.

3. PROJECT INFORMATION

A) PROJECT TYPE

AHP funds may be used to either:

- a) Assist current homeowners in rehabilitating existing properties;
- b) Assist prospective homebuyers in purchase existing homes on the open market; or
- c) Partially finance the construction or rehabilitation of site-specific dwellings for resale to selected eligible purchasers.

You may check the boxes next to a), b), a) and b), or c) for the type of homes included in the project. Consider the project milestones that must be achieved to drawdown funds in the event the Project is funded to determine how to use AHP funds for the Project. These milestones are specified in *Overview of the AHP Drawdown Process for Homeownership Projects (AHP-127)* available at the following link on the FHLB-NY website: <http://www.fhlbny.com/community/forms/drawdownapp.htm>. If you are assisting a purchaser to buy an existing home that will need rehabilitation work, it will be best to either use AHP to assist with the purchase and another source for the rehabilitation work OR use AHP to assist with the rehabilitation work after the home has been purchased using other sources for ease of project administration. Using AHP for both first time homebuyer and rehabilitation assistance will require the submission of two separate drawdown requests for the same household, one at the time the property is purchased and the other when the work has been completed. If you are proposing to partially finance the construction or rehabilitation of site-specific dwellings for resale to selected purchasers, the reimbursement of these will not occur until late in the development process. The AHP funding will in effect be used to reduce the purchaser's mortgage or provide down payment and closing cost assistance. Enrolling prospective purchasers in the First Home Club as described at the following link on the FHLB-NY website: <http://www.fhlbny.com/community/fhc/fhc.htm> to obtain down payment and closing cost assistance may better meet the project's needs than having to compete for AHP subsidy.

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

B) TOTAL NUMBER OF UNITS AND UNIT CLASSIFICATION

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

- (a) **Total Project** - The total number of units in the project (**including** rental units in two-to-four-family owner-occupied homes).
- (b) **AHP-Assisted units** - The total number of units for which AHP subsidy is requested (**excluding** rental units in two-to-four-family owner-occupied homes).
- (c) **Very Low-Income units** - The number of AHP-assisted units reserved for households earning 50% or less of the area median income (AMI) as determined by HUD, USDA, or state mortgage revenue bonds.
- (d) **Income of 30% or Less** - The number of AHP-assisted units you anticipate will be for households earning 30% or less of the area median income (AMI) using the median income standard selected in the "Income Guidelines" section of the AHP Application. (Note this information is requested for reporting purposes and will not be used in scoring).
- (e) **First-time Homebuyer** - The number of AHP-assisted units you anticipate will be for households who are first-time homebuyers.
- (f) **Rehabilitation** - The number of AHP-assisted units, if any, to be rehabilitated using AHP subsidy.

- (g) **New Construction** - The number of AHP-assisted units, if any, to be constructed using AHP subsidy.
- (h) **Elderly** - The estimated number of AHP-assisted units, if any, which are or will be occupied by elderly households.
- (i) **Handicapped** - The estimated number of AHP-assisted units, if any, which are or will be occupied by handicapped households.
- (j) **Rural** - The total number of AHP-assisted units, if any, located in an area designated as rural by the United States Department of Agriculture.

4. SUBSIDY REQUEST

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

- (a) The total AHP subsidy requested per Project unit is a scoring category worth up to 5 points. Projects will be competitively scored based on the least *average* amount of AHP subsidy requested per unit.
- (b) The calculation of the total AHP subsidy provided to the project will be based on the current subsidy request plus any prior AHP subsidy committed to the project.
- (c) The calculation of the total AHP subsidy provided to the project will be based on the current subsidy request plus any funds set aside under the FHLB-NY's First Home ClubSM for households who are purchasing units in this project.
- (d) Only the owner's unit in a two-to-four-family dwelling is counted as an AHP-assisted unit.
- (e) If a subsidized advance is requested, the terms of the subsidized advance (maturity and amortization) must exactly match the terms of the proposed end loan. The FHLB-NY will allow up to a 200 basis point spread between the advance rate and the rate on the end loan.
- (f) If a Subsidized Advance is requested, contact the FHLB-NY's Affordable Housing Department prior to submission of the AHP Application. Upon notification, the FHLB-NY's AHP staff will calculate the present value of the AHP subsidy that is needed to support the interest rate of the requested subsidized advance. This AHP subsidy estimate is needed to properly assess whether or not the request conforms to the FHLB-NY's maximum subsidy limits.
- (g) Although the FHLB-NY will make every effort to consider the full amount of AHP subsidy requested, the actual interest rate on a subsidized advance (or the actual amount of Direct Subsidy that a project may qualify for) will ultimately be subject to verification and approval by the FHLB-NY.
- (h) Prepare Exhibit C (Financial Documentation) and the appropriate workbook ([AHP/APP-104](#)) before completing this section of the form.
- (i) Any subsidy request that exceeds the FHLB-NY's maximum AHP subsidy limits may cause the AHP Application to be eliminated from the competitive scoring process.

5. INCOME ELIGIBILITY GUIDELINES

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

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

The use of AHP subsidy is limited to costs directly related to the acquisition, rehabilitation, and/or construction of residential units. Other funding sources must finance social services or non-housing related programs provided to project residents. Other funding sources must finance work in any non-residential areas of the buildings included in the project. Fill in the chart to indicate how the AHP proceeds and other funding sources will be used for the project. Information on this chart should be consistent with the information included in Exhibit C (Financial Documentation) and the appropriate workbook ([AHP/APP-104](#)). Consider the project milestones that must be achieved to drawdown funds in the event the Project is funded which are specified in *Overview of the AHP Drawdown Process for Homeownership Projects (AHP-127)* available at the following link on the FHLB-NY website: <http://www.fhlbny.com/community/forms/drawdownapp.htm> along with the following information to determine how the AHP subsidy will be utilized in the Project:

- (a) Purchase Price - AHP subsidy may be used toward the contract sales price for properties purchased after the AHP commitment is issued for Projects involving the development of site-specific dwellings for resale to selected purchasers. However, such funds will not be reimbursed until late in the development process as per the milestones described in *Overview of the AHP Drawdown Process for Homeownership Projects (AHP-127)*. For such projects, the FHLB-NY requests an “as-is” appraisal to verify a “reasonable” purchase price unless the site(s) will be donated.
- (b) Rehabilitation/Construction Costs - AHP subsidy may be used to reimburse the primary sponsor for reasonable hard costs (including contractor’s overhead and profit) incurred to construct and/or rehabilitate residential units. Conversely, AHP subsidy may not be used for work in non-housing areas (such as management offices, meeting rooms, social service or recreational areas or commercial space). Furthermore, AHP subsidy should not be used to fund contingency or reserve accounts.
- (c) Mortgage Buydown - AHP subsidy may be used as a “soft” second mortgage to reduce the principal amount of conventional financing for qualified income-eligible homebuyers.
- (d) Down Payment Assistance - AHP subsidy may be used to directly assist income-eligible households at time of closing in order to finance a down payment on the purchase of a home.
- (e) Closing Cost Assistance - AHP subsidy may be used to directly assist income-eligible households in order to finance closing costs associated with the purchase of a home.
- (f) Interest Rate Write-Down - AHP subsidy may be used to directly assist income-eligible households by providing funding to buy-down the lender’s interest rate to reduce the purchaser’s mortgage payment to the level affordable to the purchaser.
- (g) Counseling Costs – A maximum of \$500 in AHP subsidy per household may be used to defer the cost of providing homebuyer education and counseling costs to qualified households, only in cases where: (i) Such costs were incurred in connection with a qualified household who has attended and successfully completed a formal counseling program that the FHLB-NY has approved and ultimately purchases an AHP-assisted unit; (ii) The cost of such counseling has not been covered by another funding source, including the Member; and (iii) The comprehensive amount of the AHP subsidy funded to each household, including any homebuyer counseling costs, must be reflected in the AHP retention agreements and enumerated on the HUD-1 settlement statement.
- (h) Developer’s Retention - AHP subsidy may be used for an amount within the FHLB-NY’s *AHP Project Financial Feasibility Analysis Guidelines* for Projects involving the development of site-specific dwellings for resale to selected purchasers as well as for sponsors whose Project provides funds to current homeowners to rehabilitate existing properties.

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

7. FIRST HOME CLUBsm (“FHC”) FUNDS

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

III. MINIMUM PROJECT ELIGIBILITY THRESHOLD REQUIREMENTS

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

1. **Project Type** – The Project must involve the purchase, construction or rehabilitation of owner-occupied residential properties for households earning **80%** or less of the AMI based on the income standard selected in the "Income Guidelines" section of the AHP Application. The FHLB-NY will consider the "Project Type", "Subsidy Use" and "Targeting" sections of the AHP Application to assess whether the project meets this requirement.
2. **Timing of Subsidy Use** – The FHLB-NY will review the Project schedule provided in Exhibit B in order to assess whether or not the Project satisfies the requirement that the primary sponsor will take to the proposed Project site(s) and begin to draw down AHP subsidy or use the AHP commitment to procure all other proposed financing commitments by November 15, 2013, if the Project is approved for funding.
3. **Feasibility Requirements** –The FHLB-NY will evaluate the site control evidence (Exhibit D), the “as-is” value (Exhibit E), the status of necessary governmental approvals (Exhibit F) and whether the project’s financial structure is reasonable (Exhibits C and G) to make this determination. Any variations from the FHLB-NY’s *AHP Project Feasibility Analysis Guidelines* ([AHP-101](#)) must be adequately justified. Failure to furnish the FHLB-NY with the appropriate supporting documentation as evidence that the Project is feasible may result in the elimination of the AHP Application’s from the competitive scoring process. (Projects that are designed to provide AHP assistance either to existing owner-occupants in order to rehabilitate their dwellings or to prospective homebuyers in order to purchase homes on the open real estate market satisfy these requirements de facto.)
4. **Non-eligible Costs** – The box must be checked as confirmation that the Member and primary sponsor agree that AHP funds will not finance any of the ineligible costs specified on the AHP Application.
5. **Refinancing** – The box must be checked as confirmation that the Member and primary sponsor agree that AHP funds will not be used to refinance any existing mortgages on owner-occupied properties.
6. **Retention Requirements** – The box must be checked as confirmation that the Member and primary sponsor agree that Project households will execute the FHLB-NY’s standardized AHP retention agreements. The long-term retention period for owner-occupied projects is 5 years.
7. **Sponsor Qualifications** – The FHLB-NY will assess the items submitted in Exhibit H to determine whether the primary sponsor and/or a development team member meet the threshold requirements. Sponsors of scattered site, programmatic-type homeownership projects with existing AHP commitment(s) that were issued on behalf of a previous phase of a similar housing-type proposal (e.g., Habitat for Humanity developments, rehabilitation programs for existing owner-occupied dwellings, downpayment/ closing cost assistance programs) who have not currently drawn down at least 50% of such AHP commitment(s) will be considered as not having satisfactorily met the sponsor qualification criterion. The FHLB-NY will give such sponsors credit for pending AHP draw downs that are “in process,” provided that such funding requisitions were received at the FHLB-NY at least two weeks prior to the commencement of a given competitive offering.
8. **Fair Housing** – The FHLB-NY will assess the items submitted in Exhibit I to determine whether the marketing and occupancy of the Project will satisfy all fair housing laws and regulations.

9. Maximum Subsidy Limits – Inclusive of all AHP Application submissions related to the Project (or affiliated housing initiative), the Project cannot receive more than \$20,000 in AHP subsidy *per unit* and cannot request more than 10% of the total available AHP subsidy offered for a particular competitive offering. (See the Subsidy Request section on page 2 of the AHP Application form.)

IV. SCORING CRITERIA

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

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

The scoring categories are as follows:

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

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

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

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

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

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

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

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

3. TARGETING (20 points – variable)

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

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

4. HOMELESS HOUSING (7 points – variable)

A project that is creating permanent or transitional housing units where the household's minimum length of stay will be at least six months and in which at least 20% of its units will be reserved for occupancy by formerly homeless households may qualify for points in this category. Points will be awarded on an escalating scale based on the total percentage of units that will be reserved for and occupied by formerly homeless households. To determine if the criterion is met, the FHLB-NY will evaluate the information specified in the "Homeless Housing" section of the AHP Application as well as the evidence furnished in Exhibit J. The FHLB-NY has formally defined the term "homeless", "homeless individual," or "homeless person" to mean an individual or family who is homeless or at risk of homelessness based on third-party evidence demonstrating that the individual or household:

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

6. Is a family with children who (a) has experienced a long term period without living independently in permanent housing, (b) has experienced persistent instability as measured by frequent moves over such period, and (c) can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.

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

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

5. EMPOWERMENT (10 points – variable)

An AHP Application will be awarded points for providing housing in combination with a program offering certain services or activities (e.g., employment, education, training, homebuyer or tenant counseling, daycare, resident involvement, the establishment of formal homeowners' association, or welfare to work initiatives) that economically empower project residents. The maximum number of points will be awarded to the project providing the most services or activities with the remaining projects awarded points on a declining scale. To determine if the criterion is met, the FHLB-NY will evaluate information furnished in Exhibit K. *Please note that AHP funds may not be used to finance supportive services or other empowerment activities.*

6. COMMUNITY STABILITY (22 total points – variable)

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

A) REDEVELOPMENT OF FORECLOSED OR AT-RISK PROPERTIES (6 points – variable)

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

- i) The parcel(s) is(are) or will be acquired from a seller who has received a public default notice such as a Notice of Default or Lis Pendens from the seller's lender;
- ii) The parcel(s) was(were) foreclosed upon for non-payment of real estate taxes or mortgage payments and were purchased through an auction, sheriff's sale, or directly from the entity that foreclosed upon the previous owner;
- iii) The parcel(s) is(are) or will be acquired from a lender who repossessed them without going through the foreclosure process by entering into an agreement with the borrower/owner during the pre-

foreclosure process such as the acceptance of a deed in lieu of foreclosure or via a short sale foreclosure;

- iv) The parcel(s) is(are) or will be acquired from a lender who has classified the property(ies) as Real Estate Owned (REO).

Thereafter, a maximum up to 6 points will be awarded on an ascending scale to those projects that demonstrate that up to 100% of its proposed dwellings are being developed on such sites. To determine if the criterion is met, the FHLB-NY will evaluate the Project Description (Exhibit A), and other relevant information furnished in Site Control (Exhibit E), Value of Site(s) (Exhibit F), and Redevelopment of Foreclosed or At-Risk Properties (Exhibit L).

B) PRESERVATION OF EXISTING HOUSING UNITS (4 points – fixed)

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

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

To determine if the criterion is met, the FHLB-NY will evaluate information furnished throughout the AHP Application and Exhibit M, if applicable. Please note the cost per unit calculation is inclusive of construction costs only. Acquisition, soft costs, and the developer's retention are not included in this calculation.

C) HISTORIC PRESERVATION (3 points – fixed)

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

D) DIFFICULT DEVELOPMENT AREAS & QUALIFIED CENSUS TRACTS (3 points – fixed)

A project will be awarded 3 points for demonstrating that at least 80% of its proposed units will involve the creation of new housing units, either through rehabilitation or new construction, on sites that are located within Metropolitan and non-Metropolitan Difficult Development Areas and Qualified Census Tracts, as determined under IRS Section 42 and in effect as of the submission date of the application for AHP subsidy and published on HUD's website. To determine if the criterion is met, the FHLB-NY will evaluate evidence provided in Exhibit O and on "Tab F – Site Information" of the *Rental Project Workbook (AHP/APP-104)*. Supporting documentation must confirm that an adequate number of Project parcels are located in an eligible county and census tract.

E) CONVERSION AND RE-USE (6 points –variable)

A project will be awarded a minimum of 3 points for demonstrating that at least 50% of its proposed units are being developed on converted and/or re-used site(s) that contain buildings or other structures that are not currently used for permanent housing (e.g., hotel, office building, school, commercial property, etc.). Thereafter, a maximum up to 6 points will be awarded on an ascending scale to projects that demonstrate that up to 100% of their proposed units are being developed on such sites. Projects proposing both the new construction and/or rehabilitation of units on eligible sites not currently used for permanent housing, are eligible to receive points in this category, however, if the construction encompasses multiple parcels, only those units being constructed on the non-housing parcel(s) will be deemed eligible for credit. To determine if the criterion is met, the FHLB-NY will evaluate the Project Description (Exhibit A), other relevant information furnished in the Value of Site(s) (Exhibit F), and Conversion and Re-Use (Exhibit P).

7. FIRST DISTRICT PRIORITY (6 total points – variable)

The AHP Regulations authorize the FHLB-NY to establish regional District priorities. The scoring criteria for the FHLB-NY's first set of District priorities is comprised of the following two components:

A) MEMBER FINANCIAL PARTICIPATION (3 points – fixed)

A project will qualify for a maximum of 3 points, based on Member financial participation (excluding the pass-through of AHP subsidy and administrative costs related to the monitoring of the project). Examples of eligible Member financial participation would include providing market-rate or concessionary financing, fee waivers, tax credit equity, or donations. To determine if the criterion is met, the FHLB-NY will evaluate evidence provided in Exhibit Q.

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

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

8. SECOND DISTRICT PRIORITY (15 total points – variable)

The AHP Regulations authorize the FHLB-NY to establish additional priorities in order to address regional housing needs. The FHLB-NY's second set of District priorities is comprised of the following two components:

A) 2-to-4-FAMILY OWNER-OCCUPIED DWELLINGS (5 points – variable)

Points will be awarded to Projects that create or preserve the stock of 2-to-4 family owner-occupied dwellings. The maximum number of points will be awarded to the project(s) that include the greatest percentage of project sites containing one owner-occupied unit along with 2 to 3 rental units.

To receive any points in this category, at least 20% of the properties must be 2-to-4 family owner-occupied dwellings. To assess how this criterion is being achieved, the FHLB-NY will evaluate documentation that is included in Exhibit R of the AHP Application.

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

Projects that involve the installation of energy-efficient products or renewable energy systems in either existing owner-occupied homes or dwellings that are being constructed or fully renovated for subsequent sale to income eligible households can qualify for up to 10 points. A minimum of 2 points will be awarded to a project that certifies that at least 20% of its proposed dwellings involve the installation of such products. Thereafter, a maximum up to 10 points will be awarded on an ascending scale to projects that demonstrates that up to 100% of their proposed units will involve the installation of such products.

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

- Biomass stoves;
- Air source heat pumps;
- Gas, propane, or oil hot water boilers;
- Gas, propane, oil, or electric heat pump water heaters;
- Geothermal heat pumps;
- Small residential wind turbines;
- Solar water heaters;
- Solar panels or photovoltaic systems;

- Natural gas or propane furnaces;
- Insulation;
- Residential fuel cells and microturbine systems;
- Energy Star qualified metal and asphalt roofs;
- Energy Star qualified windows, doors, and skylights; and
- Energy Star qualified storm doors and windows.

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

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

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

9. SUBSIDY PER UNIT (5 points – variable)

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

V. MISCELLANEOUS

1. **EMPLOYMENT:** In the "Employment" section of the AHP Application, list the type and number of permanent jobs to be created in the project for anyone, not just project residents. This section is for informational purposes only and does not affect the score of the AHP Application.
2. **INTEREST IN PROJECT:** In the "Interest in Project" section of the AHP Application, indicate whether or not the Member has any past or present financial or ownership interest in the Project, in accordance with the conditions set forth in Exhibit T. Please indicate whether the Member will be offering reduced closing costs, grants or in-kind services to the project (excluding the AHP Subsidy). If the Member answers "yes" to the questions in this section, furnish the appropriate statement(s) or supporting documentation in Exhibit T or cross-reference the supporting documentation furnished in Exhibit Q.

VI. CERTIFICATIONS

1. PRIMARY SPONSOR'S CERTIFICATION AND SIGNATURE

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

2. MEMBER'S CERTIFICATION AND SIGNATURE

The AHP Application must be signed and dated by an authorized managing officer of the Member (i.e. Chairman, President, Executive Vice President, or a Senior Vice President). *Please note that unsigned AHP Applications will not be processed.* The AHP Application must be submitted to the FHLB-NY by a Member

institution that has been approved for membership in and has purchased capital stock in the FHLB-NY in accordance with the federal regulations that govern the FHLB-NY's operation of the AHP. Although a not-for-profit housing organization or a professional developer may complete substantial portions of the AHP Application, the Member accepts ultimate responsibility for the claims set forth in the AHP Applications as well as all accompanying attachment forms and Exhibits.

VII. EXHIBITS

Exhibits are an integral part of determining the Project's eligibility for funding and point allocation in each competitive scoring category. The cover page for each respective Exhibit contains concise instructions that pertain to the specific threshold or competitive scoring criterion. *Be sure to include all of the information requested on the exhibit cover pages in the AHP Application package, along with appropriate forms and supplemental documentation. Failure to include supporting Exhibits may jeopardize the Project's score and, in some cases, result in the elimination of the AHP Application from the competitive review process.*

If your organization is submitting a "hard" copy of the 2012 AHP Offering Application package, print out the Exhibit cover pages on colored paper and use these colored Exhibit cover pages to separate each Exhibit. If a particular Exhibit is not pertinent to the Project, kindly insert a page that simply states "Not Applicable." If you prefer, you may also place alphabetical divider tabs before each Exhibit cover page as added differentiation.

Again, if your organization is submitting an electronic version of the 2012 AHP Offering Application package on a CD-Rom, note the following:

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

The 21 Exhibits that comprise the 2012 AHP Offering Application package for Home Ownership Projects are as follows:

EXHIBIT A	Project Description
EXHIBIT B	Project Development Schedule – Timing of Subsidy Use
EXHIBIT C	Financial Documentation (Including Workbooks A, B, C, D, E, F & G)
EXHIBIT D	Site Control
EXHIBIT E	Value of Site(s)
EXHIBIT F	Required Approvals
EXHIBIT G	Other Financing Sources
EXHIBIT H	Sponsor Qualifications
EXHIBIT I	Fair Housing
EXHIBIT J	Homeless Referral Letters
EXHIBIT K	Empowerment Activities
EXHIBIT L	Redevelopment of Foreclosed or At-Risk Properties
EXHIBIT M	Preservation of Existing Housing Units
EXHIBIT N	Historic Preservation
EXHIBIT O	Difficult Development Areas & Qualified Census Tracts
EXHIBIT P	Conversion and Re-Use

EXHIBIT Q	Member Financial Participation
EXHIBIT R	2-to-4-Family Owner-Occupied Dwellings
EXHIBIT S	Installation of Energy-Efficient Products & Systems
EXHIBIT T	Member Interest
EXHIBIT U	Hard Cost Details

Before submitting the AHP Application, the Member is advised to review the completed contents of the AHP Application, all supplemental documentation, the attached AHP Application instructions and scoring guidelines, the federal AHP regulation, the FHLB-NY's *2012 AHP Implementation Plan* ([AHP-100](#)), and all attachments thereto. All decisions of the FHLB-NY regarding the scoring and evaluation of the AHP Application are final.