

# AHP Pre-approval Webinar 2024

Presented by:  
Crystal Woolard



# Affordable Housing Program

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## HOUSING PROGRAMS

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[Welcome Home Program](#)

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The Affordable Housing Program (AHP) is our largest and most impactful initiative – over \$895 million awarded since 1990 to develop more than 109,000 affordable housing units. AHP can be used to fund both ownership and rental projects. Grants are awarded on a competitive basis in one offering each year. Applications are typically accepted between June and August with awards in November.

[Read more](#)

## Affordable Housing Program resources

ON WEBINARS: For the best viewing experience, webinars should be opened with Microsoft Edge or Google Chrome. The Closed Caption and Transcripts can be turned off by clicking on the Closed Caption icon at the bottom of the screen.

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# AHP Disbursement Information

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## HOUSING PROGRAMS

Affordable Housing Program

Welcome Home Program

Disaster Reconstruction  
Program

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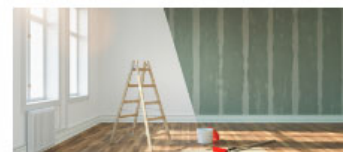
First-Time Users Guide

All awarded AHP projects must submit disbursement requests in order to receive the grant funds. Webinars, manuals and forms have been created to assist with the disbursement process. These resources vary by project type; Owner-Occupied Rehabilitation, Habitat, Ownership, Rental or Tax Credit. Owner-Occupied Rehabilitation, Habitat and Ownership projects are subject to an eligibility review to qualify the households within the projects. This information can be found in the Pre-Approvals section. **Access relevant information for each project type in the sections below.** If you have questions, please contact the disbursement team at [AHPDisbursement@fhlbcin.com](mailto:AHPDisbursement@fhlbcin.com) or call (888) 345-2246.

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# Pre-Approvals

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## HOUSING PROGRAMS

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Owner-Occupied Rehabilitation, Habitat and Ownership projects are subject to an eligibility review to qualify the households within the project. All necessary information can be accessed in the Documents and Forms section below.

### ▼ Documents and Forms

- [Pre-Approval Manual \[PDF\]](#)
- [Pre-Approval Request Form \[PDF\]](#)
- [Income Eligibility Guide \[PDF\]](#)
- [Income and Affordability Workbook \[EXCEL\]](#)
- [HUD MTSP Median Income Limits \[PDF\]](#)
- [Certification of Zero Income \[PDF\]](#)
- [Instructions for the Member's Submission of Disbursement Requests through Members Only \[PDF\]](#)

### ► Webinars and Presentations

# Summary

- Review the AHP Pre-approval Manual prior to submitting a request available at [www.fhlbcin.com](http://www.fhlbcin.com)
- All determinations made by FHLB are final and we will not re-evaluate after the approval is issued.
- Owner-occupied rehab projects must submit requests for pre-approval and disbursement as one all-inclusive request. Ownership and Habitat projects have the option to submit a pre-approval request at the same time of your disbursement request, or prior to the completion of work or closing of loan.

# Online submissions

- Online submission of all AHP Pre-approval and Disbursement Requests must be made through the Members Only portal on our website.
- Sponsors are not allowed to submit requests via email.
- General questions should be directed to [AHPDisbursement@fhlbcin.com](mailto:AHPDisbursement@fhlbcin.com).

# Online submission form

## Affordable Housing Program

### Pre-Approval Request

[Main Menu](#)

#### Member Information

Member: [REDACTED]  
User: [REDACTED]

#### Form Information

Habitat  Owner-Occupied Rehab  Ownership

#### Applicant Information

##### Applicant

First Name:

MI:

Last:

##### Co-Applicant: (if applicable)

First Name:

MI:

Last:

Household Size: (Number of people who will reside in home)

##### Household Occupants: [How-To](#)

[+ Add new Occupant](#)

Occupant's Name	Relationship to Applicant	Age
No occupants currently added.		

# Online submission form (cont.)

Is any applicant a first-time homebuyer?

Yes  No

Does any occupant meet FHLB's homeless definition?

Yes  No

Does any occupant meet FHLB's elderly definition?

Yes  No

Does any occupant meet FHLB's special needs definition?

Yes  No

Does any occupant in the household have income from any of the following sources?

Wages and Salaries?  Yes  No

Overtime?  Yes  No

Commissions?  Yes  No

Bonus?  Yes  No

Tips?  Yes  No

Self Employment?  Yes  No

Alimony?  Yes  No

Child Support?  Yes  No

Rental Income?  Yes  No

Workers Compensation?  Yes  No

Social Security?  Yes  No

Supplemental Social Security?  Yes  No

Pension?  Yes  No

Annuities?  Yes  No

Armed Forces?  Yes  No

Retirement Funds?  Yes  No

Other?  Yes  No

Annual Gross Household Income:



# Online submission form (cont.)

**Property Information**

**Address:**

If the complete subject property address is unknown, enter "To be determined"

**City:**  **State:**  **Zip:**  **County:**

**Unit Size:**  
 Single-family  Two-family (Duplex)  Three-family (Triplex)  Four-family (QuadPlex)

**Mortgage Information**

**Fixed Rate Mortgage**

**Term:**   
months

**Amortization:**   
months

**Interest rate:**   
percent (rate cannot exceed 7.50%)

**The first mortgage loan product is:**  
 Conventional  FHA  VA  RHS/USDA  Habitat  NA  Other

**Loan Amount:**

# Online submission form (cont.)

## Contact Information

Please provide the name and phone number of the person completing the form.

Name:

Phone #:

I have read and understand the statements above, and I am familiar with the requirements in the AHP Pre-Approval Manual.

I agree

## Upload Documentation

- Attach the Sponsor completed AHP Pre-Approval Request form with all supporting documentation.

Please note: *Please do*

- \* Files will need to be re-selected if there are errors on the page.
- \* Allowable file extensions: .pdf, .doc, .docx, .tif
- \* Max file size: 20 MB
- \* All documents must be included in one attachment and the attachment name cannot contain any illegal characters, such as /, \, #, @, or !
- \* Max number of files allowed: 1

Select files...

Submit

# AHP pre-approval request instructions

- Complete the AHP Pre-approval Request form
- Gather all the Required Documents
- Obtain all required signatures and dates
- Compile into one PDF or TIF file and submit to the member
- Member submits the request with the Required Documents to FHLB through the Members Only website

# Pre-approval Request Form

## AHP Pre-approval Request Effective January 1, 2024



Homebuyer/Owner Name:		
Address of Subject Property:		
County/State for Address:		FFIEC for Address Enclosed: <input type="checkbox"/>
Member Name:		
Sponsor Name:		
Project Number:		

Refer to the AHP Pre-approval Manual for acceptable forms of required documentation.

Required Documents:	Enclosed	N/A
1. The Sponsor certifies they have completed disbursement training. Yes <input type="checkbox"/> No <input type="checkbox"/>		
2. Homebuyer/owner information (all documentation must be dated in the same year as the signed application/intake form): a. Executed and dated intake form or loan application b. Documentation of AHP-assisted household size, if not stated on the intake form or loan application c. Third-party verification for all income sources for all household members	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
3. Completed General Information and Income Calculation pages from the FHLB Income and Affordability workbook.	<input type="checkbox"/>	
4. Evidence that household meets the following commitments made in the approved AHP application; all documentation must be dated in the same year as the signed application/intake form, if applicable: a. First-time homebuyer b. Homeless household meeting the FHLB's definition c. Elderly household meeting the FHLB's definition d. Household with special needs meeting the FHLB's definition	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
5. Anticipated mortgage information for all hard debt: a. Loan principal(s) b. Loan term(s) c. Interest rate(s) d. Amounts for other predetermined housing costs (insurance, taxes, HOA fees, etc.)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
6. Is the property located in a census tract with an Average Income Factor as approved in the application? Yes <input type="checkbox"/> No <input type="checkbox"/>		



# AHP pre-approval request

- Complete one form per homebuyer/owner
- Sponsor contact must execute the request form
- All sections of the request form must be completed
  - Mark each box “Enclosed” or if the question is not applicable, “N/A.”
  - An explanation is needed for any changes from the approved AHP application. Attach additional pages if needed.

# Household eligibility guidelines

- Households must meet the following targets (where applicable) as committed in the project's approved AHP application or latest modification:
  - Income targeting
  - Special needs/persons aged 60+
  - Homeless household
  - First-time homebuyer
  - Average income factor (AIF)

# Household eligibility guidelines (cont.)

- Annual income must incorporate all gross income earned and unearned based on the intake application.
  - Verification of income must be from a third-party source such as pay stubs, verification of employment, etc.
  - Documentation must be dated in the same year as the application/intake form except for a divorce decree or child support court order.

# Required documentation descriptions

- The AHP Pre-approval Request form outlines required documents needed.
- The AHP Pre-approval Manual provides a detailed description of each required document.
- If a document listed does not pertain to your homebuyer/owner/project, check the “N/A” box on the Request form.



# 1 - Pre-approval training

- One person from the sponsor organization is required to participate in training from this request type prior to submission of a pre-approval request.
- A consultant cannot attend training on the sponsor's behalf.
- Sponsors may view a recorded webinar with audio at [www.fhlbcin.com](http://www.fhlbcin.com) (the slides-only versions do not qualify).

## 2a - Executed and Dated Loan Application/Intake Form

- Must be a signed and dated application/intake form for all homebuyers/owners.
- Must include all household income and household composition.

## 2b - Documentation of household size

- Acceptable forms of documentation are an application, an intake form, or current/executed letter from the sponsor.
  - Must include household size at time of initial application.
  - Must include the ages for all household members.
  - Must include the marital status for anyone 18 years of age or older.

# Qualifying household members

Household Member	Include Income?
Head of Household	Yes
Spouse	Yes
Co-Head / Co-Habiting Partner	Yes
Temporarily Absent Household Member	Yes, if they will reside in the home
Other Adult, 18 years or older	Yes
Full-time Student	No, UNLESS they are Head of Household, Spouse, Co-Head, Partner, or Co-Borrower
Dependent, 17 years or younger, including adoptive children	No, UNLESS they are receiving Social Security or Supplemental Security Income
Foster Child or Wards	No
Live-in Aide, Employees who share the housing, or lodgers	No

## 2c - Third-party verification of income for all household members

- Third-party income documentation must be dated in the same year as the application/intake form for each income source.
- Income documentation must be provided for all household members aged 18 or older.

## 2c - Third-party verification of income for all household members (cont.)

- All income must be from a third-party source.
- The FHLB uses gross income for all income received for all household members.
  - Income from overtime, bonuses, commissions, etc. are included in employment income.
- The FHLB recommends referencing the Income Eligibility Guide for details and/or the webinar titled Determining Income. Both can be found on our website.

# Acceptable third-party income verification

- At least two consecutive pay stubs
- Verification of Employment (VOE)
- Social Security, Supplemental Security or Veterans Administration benefits award letter or payment history from the Social Security Administration or other government/authorizing agency

# Acceptable third-party income verification (cont.)

- Two most recent years, complete and signed federal tax returns (only acceptable for the AHP for self-employed household members)
- Annuity or pension award letter or two consecutive bank statements verifying payments received from annuities, pensions, insurance policies, assets, etc. (bank statements cannot be used to verify any other income source)



# Acceptable third-party income verification (cont.)

- Alimony or child support agency printout, case documents, court order, divorce decree, or notarized statement from payer to payee
- Copy of appraisal or current lease for any rental property owned or if purchasing a 2 to 4-unit family dwelling
- Benefit notification letter from authorizing agency for unemployment compensation, worker's compensation, or disability income

# Acceptable Third-Party Income Verification (cont.)

- Copy of school transcript or letter from school to verify full-time student status
- Certification of Zero Income form
  - Household member with no income must self-certify
  - Certification of Zero Income form can be found on our website

# 3 - Income & Affordability Workbook

- Navigate to the Income and Affordability Workbook found on our website.
- Read through the instruction tab and complete the entire workbook.
- Print the General Information worksheet and the Income Calculation worksheet and include them with your Pre-approval Request documentation.

## 4a - First-time homebuyer

- “First-time homebuyer” is defined by the FHLB as an individual or household who has not owned a home during the three-year period prior to the purchase of a home. Exceptions are listed in the Manual.
- Must be documented with one of the following:
  - Letter from the sponsor indicating the homebuyer(s) is (are) first-time homebuyer(s), or
  - Indication in the application that the family has rented for the previous three or more years.

## 4b - Homeless household

- Must be documented with one of the following and support what is indicated on the application:
  - “Overcrowded housing” may be documented with a dated and executed certification from the sponsor regarding living conditions at time of application. “Overcrowded housing” means a housing unit occupied by more than one household or any housing unit with an average of more than two persons per sleeping area (including a living room as a sleeping area), or
  - A letter from the organization that gives notice of properties affected by the eminent domain process for homeowners displaced by natural disaster or eminent domain.

## 4b - Homeless household (cont.)

- Independent inspection of the property where the homebuyer was residing at time of application indicating the property is uninhabitable and that repair/rehab is not economically feasible, or
- Copy of notice of condemnation or eviction notice, or
- Executed and dated narrative from the sponsor regarding the homebuyer's lack of a fixed, regular, and adequate nighttime residence, or
- Notice from a supervised publicly or privately operated shelter, or

## 4b - Homeless household (cont.)

- Notice from an institution that provides a temporary residence for individuals intended to be institutionalized, or
- Evidence that the homebuyer's primary nighttime residence is a "mobile home" that was constructed before 1976 and does not meet the National Manufactured Housing Construction Safety Standards. This can be an appraisal indicating the construction year.
- Third-party verification must be dated in the same year as the application/intake form.

## 4c - Persons Aged 60+

- A household containing at least one or more persons aged 60+ can be verified by submitting a copy of the photo ID or birth certificate to verify the date of birth.



## 4d - Special needs household

- Must be documented with one of the following:
  - A copy of the SSI or SSDI statement or similar federal or state government agency statement from which disability benefits are being received; or
  - Signed and dated letter from a physician or licensed practitioner, psychiatrist, psychologist, or clinical social worker who attests by reason of the condition/impairment that the person is unable to perform life roles in at least one of the major domains of living, working, learning, or socializing; or

## 4d - Special needs household (cont.)

- Signed and dated letter from a licensed physician, psychiatrist, psychologist, or clinical social worker indicating that the person in the household is receiving treatment for the chemical abuse/dependency; or
- For persons with AIDS, provide the medical diagnosis which indicates the household member receiving medical care for the condition diagnosed; or

## 4d - Special needs household (cont.)

- Discharge or emancipation paperwork from an agency or the foster care/court system for persons aging out of foster care, an orphanage, or other residential facility.
- Third-party verification must be dated in the same year as the application/intake form.

## 5a-d - Mortgage information

- The FHLB requires the loan principal(s), loan term(s), interest rate(s), and amounts for other predetermined housing costs, excluding utilities.
  - Provide anticipated amounts the household will pay monthly in real estate taxes, homeowner's insurance, homeowners association dues, lot rent, leasehold payments, mortgage insurance premiums, taxes and any other predetermined housing expenses, including all payment amounts that would ordinarily be included in an escrow account.

# Affordability analysis

- Verifying household affordability is required.
- The FHLB calculates the housing expense ratio to ensure the household is within the required affordable range.
- Housing expenses cannot exceed 31% of the partner family's gross annual income as determined from the intake application and verifications provided.

# Affordability analysis (cont.)

- If the annual expense ratio is not within our guidelines, FHLB will:
  - Request additional information regarding actual costs of insurance, taxes, dues, or premiums, or
  - Allow a mortgage recasting to occur.
- If the options above do not remedy the issue, then the homebuyer will be deemed ineligible for disbursement.
- If the homebuyer receives “Section 8 to Homeownership Assistance” or other comparable income, the award letter must be submitted.

## 6 - Average Income Factor (AIF)

- Indicate if the property is located in a census tract with an Average Income Factor as approved in your AHP application.
  - Submit a copy of a FFIEC indicating the property is located in a census tract with an AIF as approved.
  - Projects approved in 2020 are required to have at least 20% of its units in a census tract with an AIF greater than 120%.

# General common mistakes

- Income verification has not been provided for all sources of income, is not dated in the same year as the application/intake form, does not adequately identify the household member or employer/issuer, or is not sufficient. **This is the number one reason for delay.**
- The sponsor or member is unfamiliar with the commitments made in the AHP application.



# General common mistakes (cont.)

- The AHP Pre-approval Request form is incomplete or not signed by the sponsor.
- The homebuyer's/owner's loan application or intake form is not signed and/or dated by all homebuyer(s)/owner(s).
- Household size is unclear, not indicated on the application, or other documentation submitted contradicts the household size listed on the application.

# General common mistakes (cont.)

- Documentation provided as evidence of special needs, persons aged 60+, homeless, or first-time homebuyer status does not meet the FHLB's definitions.
- The marital status and/or age is missing from the application/intake form.
- The package contains documentation that contradicts other documentation that was submitted to the FHLB.

# Reminders

- ALL third-party verification/documentation (income, homeless, and special needs) must be dated in the same year as the application/intake form completed by the homeowner/buyer.
- Any change to income or household size that occurs after being issued an approval will not be considered.
- Only submit the request under the project you wish to disburse it under. A household should not be transferred between projects unless it is absolutely necessary.

# Reminders (cont.)

- If a request is withdrawn by the sponsor, it cannot be reinstated under the same project.
- Allow up to 30 days for FHLB staff to review the package as well as additional information submitted.
- Keep FHLB informed of any staff changes in your organization via email.
- All requests must be submitted online through the Members Only website which can be accessed from [www.fhlbcin.com](http://www.fhlbcin.com).

# HCI resources

- Access resources on [www.fhlbcin.com](http://www.fhlbcin.com) by clicking through the following links:
  - “Housing Programs” (in the header), then
  - “Affordable Housing Program” (on the left)
  - Click on one of the 4 drop-down choices in the middle of the screen to find additional resources such as the AHP Implementation Plan and the Income Eligibility Guide which will cover some of these topics in more detail than was covered in this webinar.
- Contact the FHLB staff if you have specific questions that are not answered in the materials available on the website.

# HCI management

<u>Name</u>	<u>Phone</u>	<u>E-mail Address</u>
<b>Damon v. Allen</b> SVP, Chief Marketing & Community Investment Officer	(513) 852-7518	<a href="mailto:allendv@fhlbcin.com">allendv@fhlbcin.com</a>
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# AHP disbursement team

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# Contact us

## **Federal Home Loan Bank of Cincinnati**

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P.O. Box 598

Cincinnati, OH 45201-0598

Toll free: (888) 345-2246

Fax: (513) 852-7647

E-mail: **[AHPDisbursement@fhlbcin.com](mailto:AHPDisbursement@fhlbcin.com)**

Website: **[www.fhlbcin.com](http://www.fhlbcin.com)**



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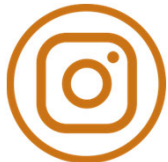
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# Current HCI Products

- Affordable Housing Program (AHP)
- Welcome Home Program (WHP)
- Community Investment Program (CIP)
- Economic Development Program (EDP)
- Voluntary Programs
  - Zero Interest Fund (ZIF)
  - Carol M. Peterson Housing Fund (CMPHF)
  - Disaster Reconstruction Program (DRP)

# Let's celebrate together!

We encourage all FHLB members and housing sponsors to notify us of plans to celebrate or recognize any FHLB-funded housing or community investment project. FHLB is often available to participate and to offer public relations assistance for community events such as ribbon cuttings, groundbreaking, and dedications.

Please contact Public Affairs at (877) 925-FHLB(3452) or [smithb@fhlbcin.com](mailto:smithb@fhlbcin.com).



Thank You!

