



Federal Home Loan Bank
NEW YORK

Affordable Housing Program

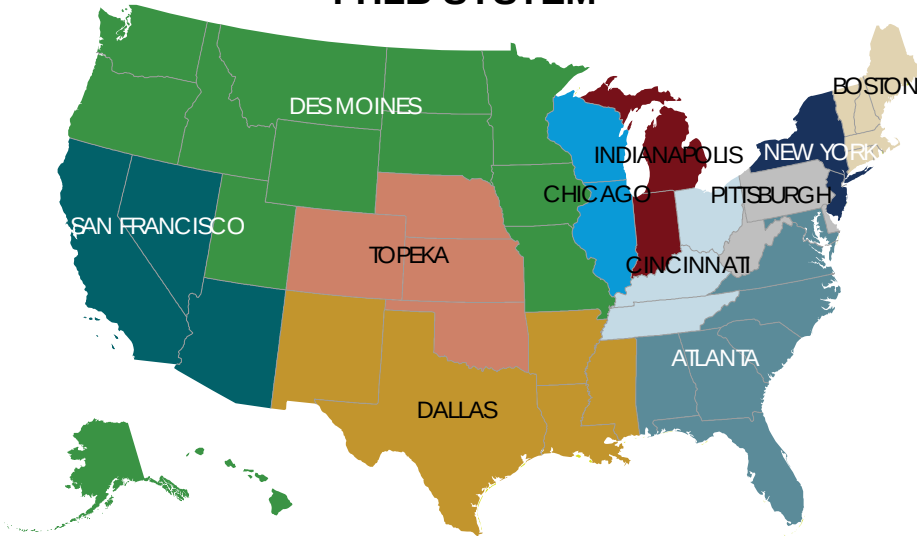
FHLBNY Life cycle Overview Webinar

May 11, 2017



The Federal Home Loan Bank System (FHLBanks)

FHLB SYSTEM



FHLBNY SECOND DISTRICT



- Government Sponsored Enterprise (GSE) created by Congress in 1932 as a result of the Great Depression and its effects on the housing market
- Primary business is extending credit to banks, thrifts, credit unions, insurance companies, and community development financial institutions
- 11 Federal Home Loan Banks across the United States all registered with the SEC and regulated by the Federal Housing Finance Agency (FHFA)
- Each FHLBank is an independent cooperative, owned by its members, who purchase stock in the FHLBank



Competitive AHP Overview

Program Structure

- Competitive program --- One annual offering
- Applications are analyzed through a multi-stage process including program eligibility, scoring and financial feasibility. Top scoring applications that satisfy all criteria are recommended for approval until AHP funds are exhausted.

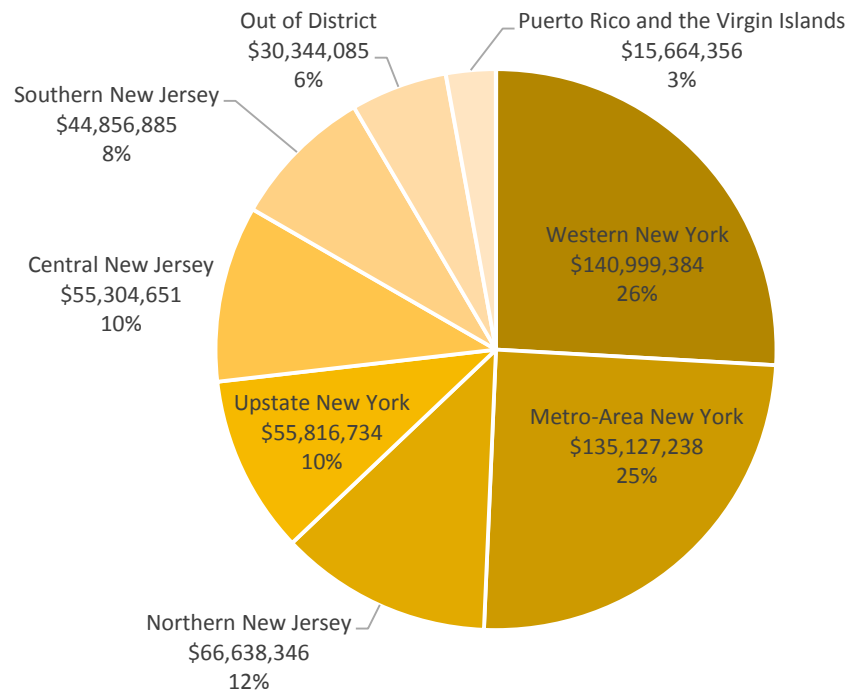
Program Requirements

- Maximum subsidy is \$30,000 per unit or 10% of the annual competitive AHP allocation
- Funds may only be used for approved purposes:
 - Acquisition, construction or rehabilitation of:
 - Rental housing in which at least 20% of the project's occupants earn 50% or less of the area median income
 - Owner-Occupied housing in which the household earns 80% or less of the area median income
- 15 year retention period for rental projects / 5 year retention period for homeowner projects
- An AHP Implementation Plan is published every year and includes specific criteria and guidelines. Posted on FHLBNY.com, click on "Community"

Competitive AHP Performance

FUNDING BY REGION

Since Inception (1990 – 2016)



TOTAL ACTIVITY SINCE

INCEPTION

Total Subsidy: **\$544,751,679**

Total Units of Affordable Housing Created: **67,437**



Project Lifecycle: Application Process



All of the tasks associated with the AHP project lifecycle require analysis of documentation and discourse between the Member, the project sponsor and the AHP staff.

Application Processing

- Review and analysis of applications to determine if the Bank's eligibility criteria is met, validate the scoring and determine financial feasibility of the project followed by an issuance of a commitment for subsidy.

AHP Application Process Overview

- Applications must be submitted by a Member bank
- Project must meet minimum eligibility thresholds
- All applications are competitively scored and ranked based on the project's ability to satisfy nine scoring categories
- Highest ranking projects go through the financial review phase
- Highest scoring applications that are financially feasible are awarded subsidy
- Four alternate submissions are selected



Project Lifecycle: Progress Reporting



Progress Reporting

- Periodic review of the progress made by the project; review and approval of drawdown requests; and determination of project modifications.



Progress Reporting

So how is your project development doing?

- After the issuance of the commitment, the project enters the progress reporting phase:
 - 6 month progress reporting intervals
 - Milestones reviewed to ensure the project is making progress towards completion and occupancy
- There are a total of eight (8) milestones that must be achieved during the Progress Reporting phase of the AHP Lifecycle.



Drawdown Process

- Go to www.fhlbny.com to download the appropriate forms and information relative to the specific project type
- The project's financial structure is reviewed to confirm the continued need for subsidy. Additional information may be necessary
- When the drawdown package is acceptable, funds are deposited into the Member's Demand Deposit Account (DDA)
- The Member transmits the funds to the sponsor via a check or deposit



Project Lifecycle: Initial Monitoring



Initial Monitoring

- Gathering and analysis of documentation to determine if satisfactory progress is being made towards occupancy, subsidies were used for eligible purposes, costs were reasonable and services have been provided.



Initial Monitoring

Time to reconcile the completed project with the Application

- AHP owner-occupied and rental projects under the competitive application program enter the initial monitoring phase once:
 - the entire approved AHP subsidy has been fully drawn,
 - the project is fully constructed and
 - the project is at least 80% occupied.
- All Initial Monitoring requirements must be satisfied within 18 months after the completion of construction and lease-up.
- Areas of review will include:
 - The AHP subsidies were used for eligible purposes
 - The household incomes and rents comply with the income targeting and affordability
 - The project's actual costs were reasonable in accordance with the Bank's project cost guidelines, and the AHP subsidies were necessary for the completion of the project
 - Each AHP-assisted unit is subject to AHP retention agreements; and
 - The empowerment activities committed to in the approved AHP application have been provided.



Project Lifecycle: Long Term Monitoring



Long Term Monitoring

- Periodic gathering of information to verify that household incomes and rents comply with the income targeting and rent commitments, respectively, made in the approved AHP application.
- The Bank is required by regulation to monitor rental projects for 15 years and homeowner projects for 5 years.

Long-Term Monitoring

We are in this together for a long time!

- Periodic gathering of information to verify that household incomes and rents comply with the income targeting and rent commitments, respectively, made in the approved AHP application.
- Reports 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.

Long Term Monitoring Documentation Schedule		
Project Characteristics	Status Report Frequency	Annual Certifications
LIHTC allocation	None required	No
AHP subsidy ≤ \$50,000	None required	Yes
Project-based rental assistance	6 years	Yes
AHP subsidy > \$50,000 & ≤ \$400,000	6 years	Yes
AHP subsidy > \$400,000 & ≤ \$750,000	4 years	Yes
AHP subsidy > \$750,000	2 years	Yes





Federal Home Loan Bank
NEW YORK

Advancing Housing and Community Growth **Questions or additional information:**

Daniel Randall

(212) 441-6876

Daniel.Randall@fhlbny.com

The information provided by the Federal Home Loan Bank of New York (FHLBNY) in this communications is set forth for informational purposes only. The information should not be construed as an opinion, recommendation or solicitation regarding the use of any financial strategy and/or the purchase or sale of any financial instrument. All customers are advised to conduct their own independent due diligence before making any financial decisions. Please note that the past performance of any FHLBNY service or product should not be viewed as a guarantee of future results. Also, the information presented here and/or the services or products provided by the FHLBNY may change at any time without notice.