



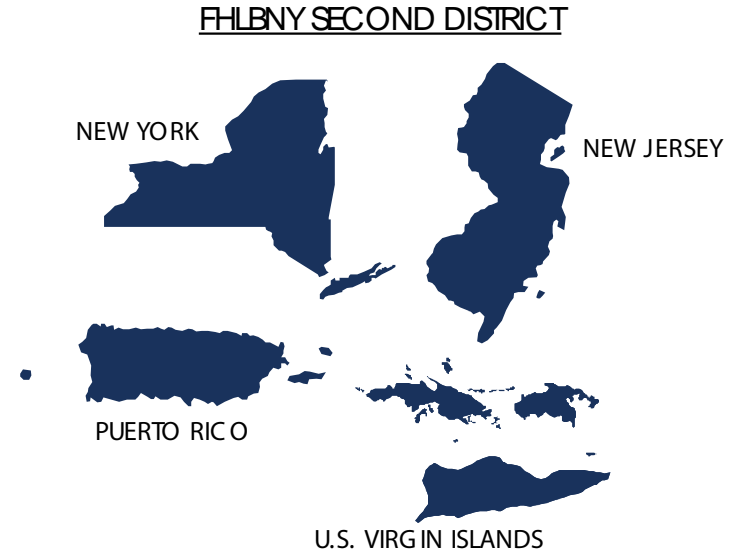
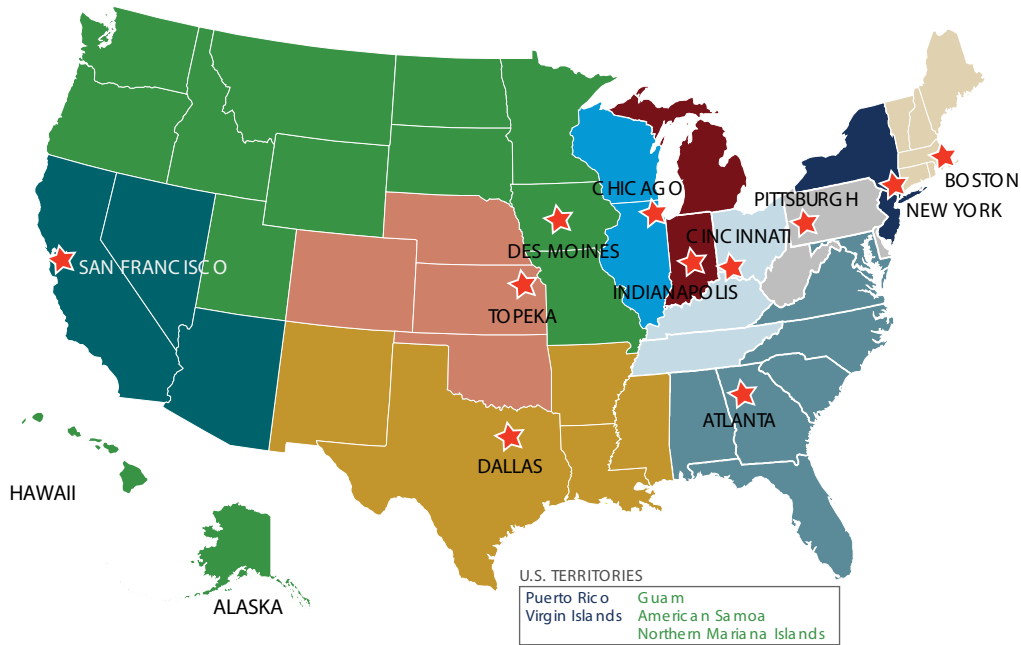
Federal Home Loan Bank  
NEW YORK

# Housing & Community Lending Programs

October 20, 2015

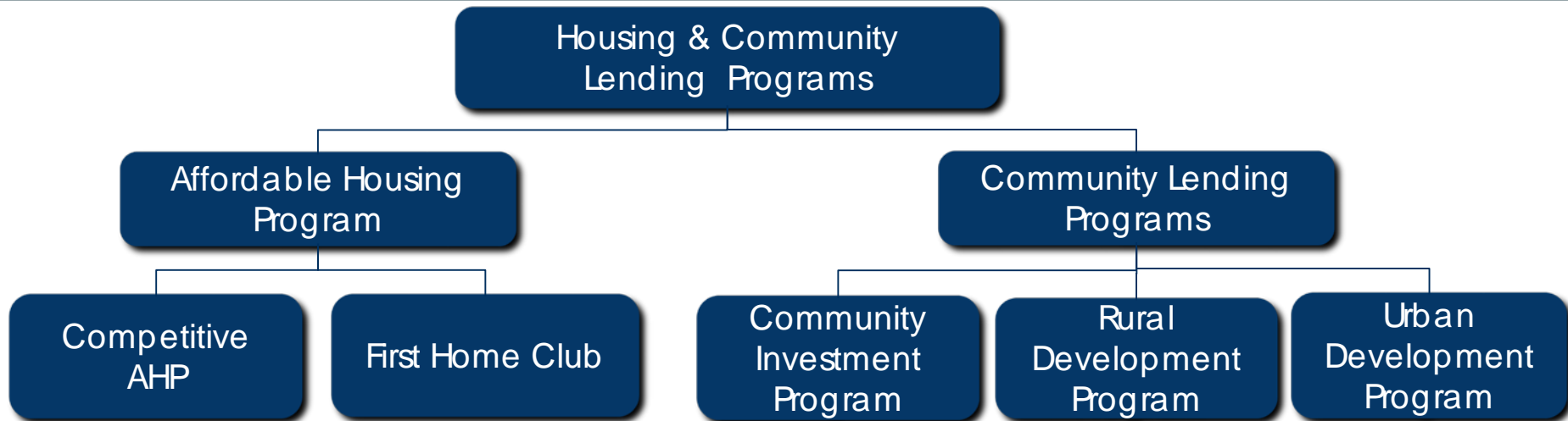


# The Federal Home Loan Bank System (FHLBanks)



- » 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 and insurance companies
- » 11 Federal Home Loan Banks across the United States all registered with the SEC and regulated by the Federal Housing Finance Agency (FHFA) (Effective May 31, 2015, FHLB Seattle merged with FHLB Des Moines)
- » Each Federal Home Loan Bank is an independent cooperative, owned by its members, who purchase stock in the Federal Home Loan Bank
- » The total membership as June 30, 2015 was 7,299 institutions
- » The total Advances to members system-wide as of June 30, 2015 was \$580 billion

# Housing & Community Lending Program Overview



The **Affordable Housing Program (AHP)** is a subsidy program that is divided into two funding streams:

- » AHP Competitive Application Program
- » AHP Homeownership Set-Aside Program/ First Home Club

The annual subsidy allocation for the Affordable Housing Program is 10% of the FHLBNY's net income for the previous year. Recaptured or de-obligated funds may also be made available for funding additional projects or households.

The **Community Lending Programs** consist of the following advance programs:

- » Community Investment Program (CIP)
- » Rural Development Advance (RDA)
- » Urban Development Advance (UDA)

# Competitive AHP Overview

- » Provides subsidies to support the creation and preservation of housing for lower income families and individuals
- » Members apply in conjunction with project sponsors
- » Competitive program with one application round per year

## Eligible Uses of AHP Funds

Funds can be used for acquisition, construction or rehabilitation

- » Rental housing
  - At least 20% of units reserved for households earning 50% or less of area median income
- » Owner-occupied housing
  - Single family, two-family, condos, co-ops
  - All units reserved for households earning 80% or less of area median income

## Who Can Access AHP?

- » FHLBNY members
- » Project sponsors in partnership with FHLBNY member:
  - Non-profit organizations
  - State or local government agencies
  - For profit affordable housing developers



# AHP Application Process

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- » \$26 million was available in 2015
- » Maximum subsidy per project is no greater than \$20,000 per unit and 10% of the amount available in the round
- » Must be submitted through an [FHLB-NY Member](#)



# Scoring Categories

- » Nine scoring categories worth a total of 100 points
  1. Donated Properties
  2. Sponsorship by Non-Profit or Government Equity
  3. Targeting
  4. Homeless Housing
  5. Empowerment
  6. AHP Subsidy per Unit
  7. Community Stability
  8. First District Priority
  9. Second District Priority





# Combining AHP with NHTF

- » Tips for combining AHP with the National Housing Trust Fund (NHTF)
  - Even though one of our scoring components is the percentage of financing committed and 2016 NHTF Commitments won't be issued prior to our deadline, apply anyway
  - A project may apply for funding through any FHLB as long as a member institution of that FHLB is willing to submit the application
  - A project may obtain separate commitments of AHP from more than one FHLB as long as the overall project sources equal the overall uses of funds
  - Likelihood of scoring well and obtaining a subsidy commitment depends on how well a project meets the scoring criteria specified in the FHLB's Implementation Plan, and the amount of money available





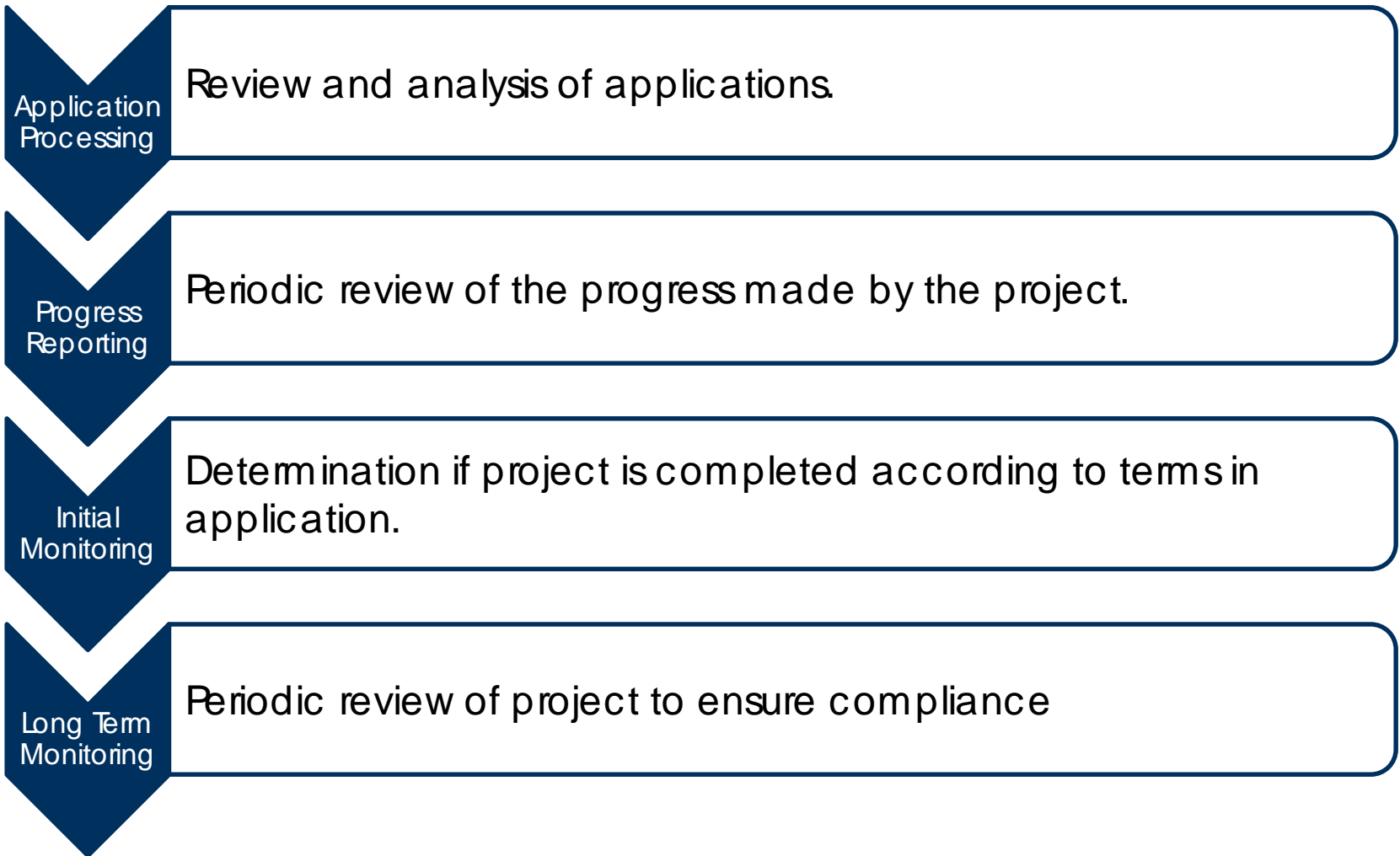
# Combining AHP with NHTF

- » If your project does not get approved for a 2016 AHP Commitment but receives a 2016 NHTF Commitment, proceed with construction and apply for AHP 2017 if:
  - there is a gap in funding *and*
  - the remaining RESIDENTIAL hard costs as of the application date are equal to or greater than the AHP request





# AHP Project Lifecycle





# First Home Club

## Program Overview

- » Non-competitive first-time homebuyer set-aside of the Affordable Housing Program (AHP) established in 1995
- » Provides down payment and closing cost assistance to first-time homebuyers with incomes at or below 80% of the area median income
- » Assistance provided as a 4:1 match of household savings in a dedicated account up to a \$7,500 maximum
- » Additional \$500 available towards defrayment of non-profit housing agency counseling costs
- » Maximum of 35% of the annual AHP allocation may be set-aside for FHC

## Program Requirements

- » Qualifies as a first-time homebuyer
- » Resident of the FHLBNY's district
- » Establishment of a systematic savings account with a participating Member
- » Minimum of 10 months to achieve equity goal, 24 months to closing
- » Completion of a homeownership counseling program
- » Qualify for and obtain mortgage from the sponsoring Member
- » Remain in the home for the five year retention period



# Community Lending Programs

## Community Investment Program (CIP)

- For residential lending

## Urban Development Advance (UDA)

- For Community and Economic Development Lending in Urban Areas

## Rural Development Advance (RDA)

- For Community and Economic Development Lending in Rural Areas



# Housing and Community Lending Programs

	PROGRAMS	PURPOSE	USES	BENEFICIARIES	TYPES OF FUNDING	TERMS/ CONDITIONS
HOUSING	Affordable Housing Program ("AHP")	Creation of owner-occupied and rental housing for very low-, low-, and moderate-income households	Finance acquisition, rehabilitation, or new construction of owner-occupied or rental housing	Households with incomes at or below 80% of the Area Median Income ("AMI")	Grants of up to \$20,000 per unit, or 10% of available subsidy	Competitive program; must meet regulatory guidelines, eligibility requirements, and feasibility guidelines
	First Home Club ("FHC")	Assist very low-, low-, and moderate-income first-time homebuyers to purchase their first home	Provides down-payment and closing-cost assistance for the purchase of principal residence	First-time homebuyers with incomes at or below 80% of the AMI	4-to-1 matching grant, up to \$7,500 in assistance per household, additional \$500 to eligible counseling agency to defray costs	Eligibility requirements apply
	Community Investment Program ("CIP")	Home ownership and rental housing development	Purchase, construction, rehabilitation, refinance, and predevelopment	Individuals/ families with incomes at or below 115% of the AMI	Advances to member banks priced below the market rate of the Bank's regular advance programs	Income requirements apply
ECONOMIC DEVELOPMENT	Rural Development Advance ("RDA")	Finance economic development/ commercial lending activities in areas with a population of 25,000 or less	Commercial, industrial, manufacturing, social service, public facility, and public or private infrastructure projects	Individuals/ families with incomes at or below 115% of the AMI	Advances to member banks priced below the market rate of the Bank's regular advance programs	Income, geographic or small business criteria apply
	Urban Development Advance ("UDA")	Finance economic development/ commercial lending activities in areas with a population greater than 25,000	Commercial, industrial, manufacturing, social service, public facility, and public or private infrastructure projects	Individuals/ families with incomes at or below 100% of the AMI	Advances to member banks priced below the market rate of the Bank's regular advance programs	Income, geographic or small business criteria apply





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NEW YORK

## Advancing Housing and Community Growth

### Questions or Additional Information

[www.fhlbny.com](http://www.fhlbny.com)

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