

## 2020 AHP NOTICE OF CHANGES AND INFORMATION

Federal Home Loan Bank of Boston has made several updates to the Affordable Housing Program (AHP) to streamline the application process. Updates and key elements are highlighted below. For the full details, instructions and other information, including specific guidelines, please visit the 2020 AHP Implementation Plan, effective April 1, 2020, on the FHLBank Boston website at:

[http://www.fhlbboston.com/communitydevelopment/ahp/03\\_01\\_06\\_implementation.jsp](http://www.fhlbboston.com/communitydevelopment/ahp/03_01_06_implementation.jsp).

Additional information is available at <http://www.fhlbboston.com/communitydevelopment/index.jsp>. The contact information for your community investment manager and the Housing and Community Investment department is at the end of this document. We look forward to working with you.

### Application Deadlines Have Changed

The AHP funding round opens on Monday, June 8. Applications are due by 3:00 p.m. on Thursday, July 30.

Similar to last year, member financial institutions will have a separate extended online application review period. Members must complete the online application review of each of their submitted AHP applications by 3:00 p.m. on Thursday, August 6.

Applications are to be submitted online at <https://housing.fhlbboston.com/>.

Funding awards will be announced by December 31, 2020.

### Responding to COVID-19, AHP Webinars, and Other Program Updates

We continue to monitor the COVID-19 situation. In light of this rapidly changing environment, we have scheduled a number of online webinars for you to learn more about the AHP and this year's program changes. You can register for any of these on our events page:

<http://www.fhlbboston.com/events/index.jsp>.

FHLBank Boston will consider future policy changes as may be needed to respond to COVID-19. Please continue to visit our website for any additional AHP updates should additional programmatic changes occur. We will communicate any and all updates in a timely manner. We remain fully committed to administering the AHP to help members and sponsors meet the housing needs in your communities.

### 2020 AHP Application and Subsidy Limits

- The maximum direct subsidy grant per application is \$650,000.
- The maximum total AHP subsidy per application, including direct subsidy grants and AHP advance interest-rate subsidy, is \$1,000,000.
- There is no limit to the number of applications that a member may submit, however, the maximum approval limit per member is 25% of the total AHP subsidy available.
- The maximum direct subsidy for homeownership remains unchanged at \$30,000 per unit.

- AHP details, application information, and documentation templates, can be found at the AHP forms and applications page of the FHLBank Boston website:  
[http://www.fhlbboston.com/communitydevelopment/ahp/03\\_01\\_08\\_forms.jsp](http://www.fhlbboston.com/communitydevelopment/ahp/03_01_08_forms.jsp) .

### **AHP Implementation Plan Changes**

FHLBank Boston has made a number of technical changes to both the AHP program administration and the 2020 application, notably within the feasibility and cost guidelines and AHP scoring categories.

### **Affordable Housing Program monitoring and administration**

- **Streamlined AHP Owner-Occupied Retention Agreements and pro rata forgiveness and recapture calculations.** Consistent with new regulatory provisions effective January 1, 2020, FHLBank Boston has amended its program documentation to calculate the pro rata forgiveness and potential AHP subsidy repayment based on net proceeds and the household's investment in the AHP-assisted property in the event of a sale, refinancing, transfer, or assignment of title or deed.
  - The AHP subsidy is forgiven on a pro rata basis per month, rather than on a per diem basis.
  - Repayment is waived when the subsidy repayment is \$2,500 or less.
  - Additional repayment exceptions will be identified based on future proxies and guidance forthcoming from our regulator, the Federal Housing Finance Agency.
- **Streamlined monitoring of tenant income eligibility at project completion of Low Income Housing Tax Credit funded initiatives.** Based on the new AHP regulation, FHLBank Boston has eliminated the requirement for documentation and review of incomes of tenants in AHP-assisted Low Income Housing Tax Credit initiatives beginning with the AHP Closeout Monitoring Review.
- **Rental or Homeownership initiatives occupied at the time of application.** An occupied initiative which has a relocation plan for the current residents, approved by one of its federal, state, or local government funders at the time of application or which will be approved at the full commitment of funding, does not need to demonstrate that current tenants meet the income targeting commitments identified in the application.
  - Occupied projects without approved relocation plans or which are not relocating current tenants must continue to demonstrate that tenants meet the income targeting commitments identified in the application through use of the FHLBank Boston-provided income eligibility (rent roll) spreadsheet.
- **Revolving Loan Funds.** Based on regulatory guidance, revolving loan funds must lend the AHP Direct Subsidy and collect principal and interest. Interest payments may be nominal in nature. AHP Direct Subsidy funds cannot be lent at 0% nor can any interest payments be deferred.

## Affordable Housing Program Application

### Feasibility and Cost Guidelines (2020 AHP Implementation Plan – Attachment A)

- **FHLBank Boston-required 15-year operating proforma template – new for 2020.** In order to standardize our feasibility review and reduce application errors and inconsistencies, FHLBank Boston requires rental applications to submit the 15-year operating information using the FHLBank Boston-provided 15-year operating proforma template. Alternate formats will not be accepted.
- **Market Rates and Fees.** FHLBank Boston has added a new feasibility parameter to assess the interest rates and fees charged by members on both construction and permanent financing to an AHP rental or homeownership initiative. Members will be required to explain interest rates and fees outside of a Bank-determined upper limit for a variety of loan maturities – one-, two-, five-, 10-, and 20-year term loans.
- **Sponsor Capacity.** FHLBank Boston has further defined both “inexperienced sponsors” and “known” or experienced sponsors.
  - A new or inexperienced development sponsor is defined as a sponsor entity which has not successfully completed development and occupancy of income-restricted (“affordable”) housing within the past three years. This pertains to both rental and homeownership housing. Demonstration of satisfactory, ongoing compliance with other federal or state subsidizing funding sources, including operating subsidy, is also required.
  - A known or experienced development sponsor is a sponsor entity which, at a minimum, has a proven seven-year track record of development and occupancy of income-restricted (“affordable”) rental or homeownership housing. This includes demonstration of satisfactory, ongoing compliance with the AHP program and/or other federal or state subsidizing funding sources, including operating subsidy.
  - FHLBank Boston has added specificity to the required Memorandum of Understanding (MOU) or Letter of Agreement (LOA) required to document the partnership between the inexperienced and known sponsors. The MOU or LOA must have a minimum term lasting through the physical completion of the initiative and the AHP Closeout Monitoring Review. FHLBank Boston recommends, but does not require, that the term extends through the applicable AHP retention period.
- **Market Data.** FHLBank Boston removed the documentation requirement.

#### **Reminders:**

- **Application Comparison.** FHLBank Boston may compare and review submitted information with other major funders. Moreover, FHLBank Boston expects all data and documentation provided with the AHP application to be generally consistent with the information provided to all other funders and prospective funders.
- **Application Changes After Submission.** Major wholesale changes to the project or application, sources and uses, the operating pro forma, or other information occurring after the AHP application has been submitted will not be accepted. While clarifications may be

- accepted, any significant changes or revisions occurring during the funding round will not be considered and may result in disqualification.
- **Mixed-Use Initiatives and Others with Nonresidential Space.** FHLBank Boston reminds applicants that initiatives with commercial space or nonresidential spaces should provide sources and uses development budgets, documentation, and operating proformas, when applicable, for both the housing-only space and the total project. Please consult the AHP Implementation Plan for more details.
  - **FHLBank Boston will review all project costs, related expenses, and fees.** Applications (or future disbursements) may be denied or disqualified for unexplained or excessive costs or fees.
    - Applications that vary from the AHP guidelines will be evaluated further to establish the reasonableness of the variation, at the sole discretion of FHLBank Boston.
    - FHLBank Boston expects all data and documentation provided with the AHP application to be generally consistent with the information provided to other funders and proposed funders.
    - Rental initiatives must demonstrate how excess cash flows are used and controlled. See the AHP Implementation Plan for details.
  - Members should adhere to the Anti-Predatory Lending Policy when entering into AHP transactions: ([http://www.fhlbboston.com/members/faqs/05\\_06\\_01\\_anti\\_pred\\_lending\\_faq.jsp](http://www.fhlbboston.com/members/faqs/05_06_01_anti_pred_lending_faq.jsp)).

### **Scoring Categories (2020 AHP Implementation Plan – Attachment B)**

- **Donated Properties.** Points will be awarded for donated land or housing units. Donated building square footage will not be used to calculate the points in this category.
- **Promotion of Empowerment.** Based on prior applications, FHLBank Boston made technical changes to the fifth service group – Resident Involvement and Decision Making – redefining this category and streamlining the eligible activities within this service group.
- **Community Stability – Sustainable Development Building Practices and Efficient Building Operations.** FHLBank Boston added the requirement that the features selected in these categories apply to a majority of the AHP-eligible housing units.
- **Alternates.** FHLBank Boston will select four (4) applications for alternate award status in the 2020 round.

### **Other Reminders**

- **Risk-based monitoring and streamlining of the AHP site visits policy.**
- **Suspensions and Debarments.**

FHLBank Boston has implemented a risk-based monitoring approach to our completion monitoring reviews and long-term monitoring of rental initiatives, including site visits. These changes will enable FHLBank

**Federal Home Loan Bank of Boston**  
**2020 AHP Notice of Changes and Information**  
**Page 5**

Boston to more effectively monitor initiatives at completion and focus our long-term monitoring of rental initiatives, including documentation review to assess income eligibility, housing payments and habitability. These changes will streamline the monitoring and reporting obligations for members and sponsors as well. For more information, please consult the AHP Implementation Plan, Attachment C – Sections K and L. FHLBank Boston has also made some technical edits to clarify our Suspensions and Debarments policy.

---

**You can reach your Community Investment Managers and the Housing and Community Investment Department by phone or email:**

Tobi Goldberg, Senior Community Investment Manager..... 617-292-9653.....[tobi.goldberg@fhlbboston.com](mailto:tobi.goldberg@fhlbboston.com)

Maine and Eastern Massachusetts, including Essex, Middlesex and Suffolk counties

Michael Pingpank, Senior Community Investment Manager ..... 617-425-9564.....[michael.pingpank@fhlbboston.com](mailto:michael.pingpank@fhlbboston.com)

New Hampshire, Vermont, and Central and Western Massachusetts (Berkshire, Franklin, Hampden, Hampshire, and Worcester counties) as well as communities outside New England

Kathleen Amonte, Community Investment Manager..... 617-425-9413.....[kathleen.amonte@fhlbboston.com](mailto:kathleen.amonte@fhlbboston.com)

Connecticut, Rhode Island, and Southeastern Massachusetts, including Barnstable, Bristol, Dukes, Nantucket, Norfolk, and Plymouth counties

Theo Noell, Affordable Housing Program and Outreach Manager 617-292-9668 .....[theodore.noell@fhlbboston.com](mailto:theodore.noell@fhlbboston.com)

Program management, long-term monitoring and reporting, refinancing, completion of AHP affordability obligations, as well as other programmatic and regulatory questions

Ken Willis, Senior Vice President/Director..... 617-292-9631.....[kenneth.willis@fhlbboston.com](mailto:kenneth.willis@fhlbboston.com)

Mary Ellen Jutras, Vice President/Deputy Director ..... 617-292-9607.....[mary.ellen.jutras@fhlbboston.com](mailto:mary.ellen.jutras@fhlbboston.com)

Paulette Vass, Community Development Advance manager .... 617-292-9792.....[paulette.vass@fhlbboston.com](mailto:paulette.vass@fhlbboston.com)

Jenni Mickool, HCI Analyst..... 617-425-9561.....[jennifer.mickool@fhlbboston.com](mailto:jennifer.mickool@fhlbboston.com)

Ivette Morillo, HCI Analyst..... 617-425-9582.....[ivette.morillo@fhlbboston.com](mailto:ivette.morillo@fhlbboston.com)

Kevin Ryan, HCI Analyst..... 617-292-9646.....[kevin.ryan@fhlbboston.com](mailto:kevin.ryan@fhlbboston.com)

Kaitlyn Mulhern, Homeownership Set-aside Programs Manager.....617-292-9606.. [kaitlyn.mulhern@fhlbboston.com](mailto:kaitlyn.mulhern@fhlbboston.com)

Housing and Community Investment Department .....888-424-3863