

2022 AHP NOTICE OF CHANGES AND INFORMATION

March 31, 2022

Federal Home Loan Bank of Boston (FHLBank Boston) made several programmatic and technical changes to the Affordable Housing Program (AHP) for the 2022 AHP funding program. The program updates are summarized below.

For full details, instructions and other information, visit our [website](#) and the [2022 AHP Implementation Plan](#). Contact information for your community investment manager and the entire Housing and Community Investment department is included in this notice. We look forward to working with you.

2022 Application Deadlines

- The AHP funding round opens on Monday, June 6, 2022. Applications are due by 3:00 p.m. on Thursday, July 28, 2022.
- Member financial institutions 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 4, 2022.
- Funding awards will be announced by December 31, 2022.
- Applications are submitted through our [Community Lending Portal](#).
- Housing developers, consultants, and lenders new to AHP must first create community lending log-in accounts through the portal linked above.
- We are offering five [online training sessions](#) beginning in May to learn more about this year's changes. The dates are:
 - May 17 – Members' only training;
 - May 19 and June 2 - AHP scoring; and
 - May 24 and June 7 – AHP feasibility.

Supporting Community Development Comprehensively

FHLBank Boston realizes its mission to support affordable housing and economic growth by offering a full slate of financial products and services to help our member financial institutions invest in their communities. [Our Housing and Community Investment programs](#) support small business lending, mortgage financing and community development capital. Our Housing and Community Investment department staff will provide the technical assistance you need to access our programs effectively to serve your communities.

2022 AHP Application and Subsidy Limits

- The maximum AHP subsidy per application is \$650,000, including both the AHP direct subsidy and the advance interest-rate subsidy.
- The maximum direct subsidy for homeownership is \$40,000 per unit.
- 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.

AHP Implementation Plan Program Changes

FHLBank Boston has made a number of procedural changes related to the AHP application and our program operations.

Affordable Housing Program Application

Project Cost and Feasibility Guidelines (2022 AHP Implementation Plan - Attachment A)

- **Income targeting commitments for rental initiatives occupied at time of application.** An occupied rental initiative which has an eligible relocation plan for current residents does not need to demonstrate that the current residents meet the income targeting commitments at the time of application. Income eligibility can be determined based on initial occupancy after completion of the purchase or rehabilitation. Eligible relocation plans include those approved by one of the federal, state, or local government funders, or separately approved by FHLBank Boston based on detailed standards established in the AHP Implementation Plan, consistent with industry standards regarding relocation plans.

Applicants with occupied units which are not subject to an approved relocation plan as noted, must document the household's income-eligibility as of the time of application.

Effective for the 2022 Application: Applicants must document the income eligibility of the occupied units by entering the applicable data into the online application itself, rather than uploading a FHLBank-provided spreadsheet. This application change will reduce application errors and facilitate the review process. FHLBank Boston will not accept spreadsheets or other documentation. This data is limited in nature and will be securely entered and processed through our online application website/databases.

- **Market rates and fees.** FHLBank Boston continues to assess the interest rates and fees charged by members on both construction and permanent financing extended to an AHP rental or homeownership initiative. Members will be required to explain interest rates and fees outside of the Bank's-determined upper limit for a variety of loan maturities – one-, two-, five-, 10-, and 20-year term loans.

Effective for the 2022 Application: Members are required to formally review and confirm the loan information, terms, and origination fees on these loans as part of the member application review and submission process.

- **FHLBank Boston-required 15-year operating proforma template.** FHLBank Boston will continue to require applicants to use our standardized 15-year operating proforma template. This document ensures that the housing operating income and expenses are entered correctly and consistently, facilitating application review and reducing application errors. Alternate formats will not be accepted.

Affordable Housing Program Scoring Guidelines (2022 AHP Implementation Plan – Attachment B)

- **Expanded the inclusion of minority- and women-owned business enterprises on the housing development team to include disabled-owned and veteran-owned businesses.** FHLBank Boston will award points for development team roles held by disabled-owned and veteran-owned businesses in addition to minority- and women-owned business enterprises. Both rental and homeownership applications are eligible for points in this category. The list of eligible development team roles includes project owner/sponsor, general contractor, lead architect, attorney, accountant, or property management firm (new for 2022). Separately, if no development team roles are filled by eligible businesses, applicants may submit the lead sponsor's diversity/inclusion plan for consideration. See the 2022 AHP Implementation Plan for more details.
- **FHLBank Boston removed the scoring category "Rental Housing for Extremely-Low Income Households" from consideration for points in the 2022 AHP scoring framework.** This change clarifies the AHP scoring framework and streamlines future monitoring and reporting.
- **FHLBank Boston consolidated the Community Stability certification documentation to streamline the application submission and review processes.** See the 2022 AHP Implementation Plan for more details. All elements proposed and awarded for points in this category, as with all scoring categories, must be completed to FHLBank Boston standards. Failure to do so will result in noncompliance and full repayment of all disbursed AHP funds, subject to the AHP Regulation and the AHP Implementation Plan.

Affordable Housing Program Monitoring and Administration (2022 AHP Implementation Plan – Attachment C)

- **Modifications of AHP obligations in an event of noncompliance.** Consistent with the AHP Regulation, FHLBank Boston requires that reasonable cure efforts and cure period be observed before any modification may be considered.
- **Sponsor certifications at AHP application and disbursement.** Based on internal best practices and regulatory changes, FHLBank Boston now requires a formal certification from the project housing sponsor at application and disbursement that it meets the AHP sponsor qualifications criteria, including but not limited to covered misconduct in the Federal Housing Finance Agency's Suspended Counterparty Program Regulation (12 CFR 1227) and the AHP Implementation Plan.

Reminders:

- **FHLBank Boston will review all project costs, related expenses, and fees.**
- **Changes to the application cannot be accepted after submission.**
- **FHLBank Boston may compare and review submitted applications with other major funders.**
 - We review applications against our feasibility and eligibility guidelines to determine both developmental and operational feasibility and need for subsidy. We expect all data and documentation to be consistent with the information provided to other

- funders.
- Applications or future disbursements may be denied or disqualified for unexplained or excessive costs or fees.

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

Kathleen Amonte, Senior Community Investment Manager • 617-425-9413 • kathleen.amonte@fhلبoston.com

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

Tobi Goldberg, Senior Community Investment Manager • 617-292-9653 • tobi.goldberg@fhلبoston.com

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

Michael Pingpank, Senior Community Investment Manager • 617-425-9564 • michael.pingpank@fhلبoston.com

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

Theo Noell, Affordable Housing Program and Outreach Manager • 617-292-9668 • theodore.noell@fhلبoston.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@fhلبoston.com

Livia Bourque, HCI Operations Manager • 617-292-9607 • livia.bourque@fhلبoston.com

Paulette Vass, Community Development Advance Manager • 617-292-9792 • paulette.vass@fhلبoston.com

Kevin Ryan, Senior HCI Analyst • 617-292-9646 • kevin.ryan@fhلبoston.com

Kaitlyn Mulhern, Homeownership Set-Aside Programs Manager • 617-292-9606 • kaitlyn.mulhern@fhلبoston.com

Jack Newton, HCI Analyst • 617-425-9561 • jack.newton@fhلبoston.com

Housing and Community Investment Department • 800-357-3452 option 5