

Affordable Housing Program (AHP): Project Compliance and Monitoring for Owner- Occupied Projects

Presentation to 2009 AHP Award Recipients
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Seattle Bank's Affordable Housing Program

- ***In 2009:***
 - 32 AHP applications submitted
 - \$7.51 million of AHP subsidy requested
 - 10 AHP applications approved
 - \$2.75 million awarded to support the acquisition, construction, or rehabilitation of 258 units of affordable housing
- ***Since 1990,*** the Seattle Bank has contributed almost **\$142.0 million** to help finance **27,443 units** of rental and owner-occupied affordable housing.

Now that you've been notified of your AHP award... what happens next?

Key Steps in the AHP Compliance Process:

1. Executing the Regulatory Agreement
2. Submitting disbursement requests
3. Knowing when AHP subsidy expires
4. Monitoring and reporting during construction
5. Completing the Final Audit Report
6. Five-Year Retention Period

1. Executing the Regulatory Agreement

The Regulatory Agreement:

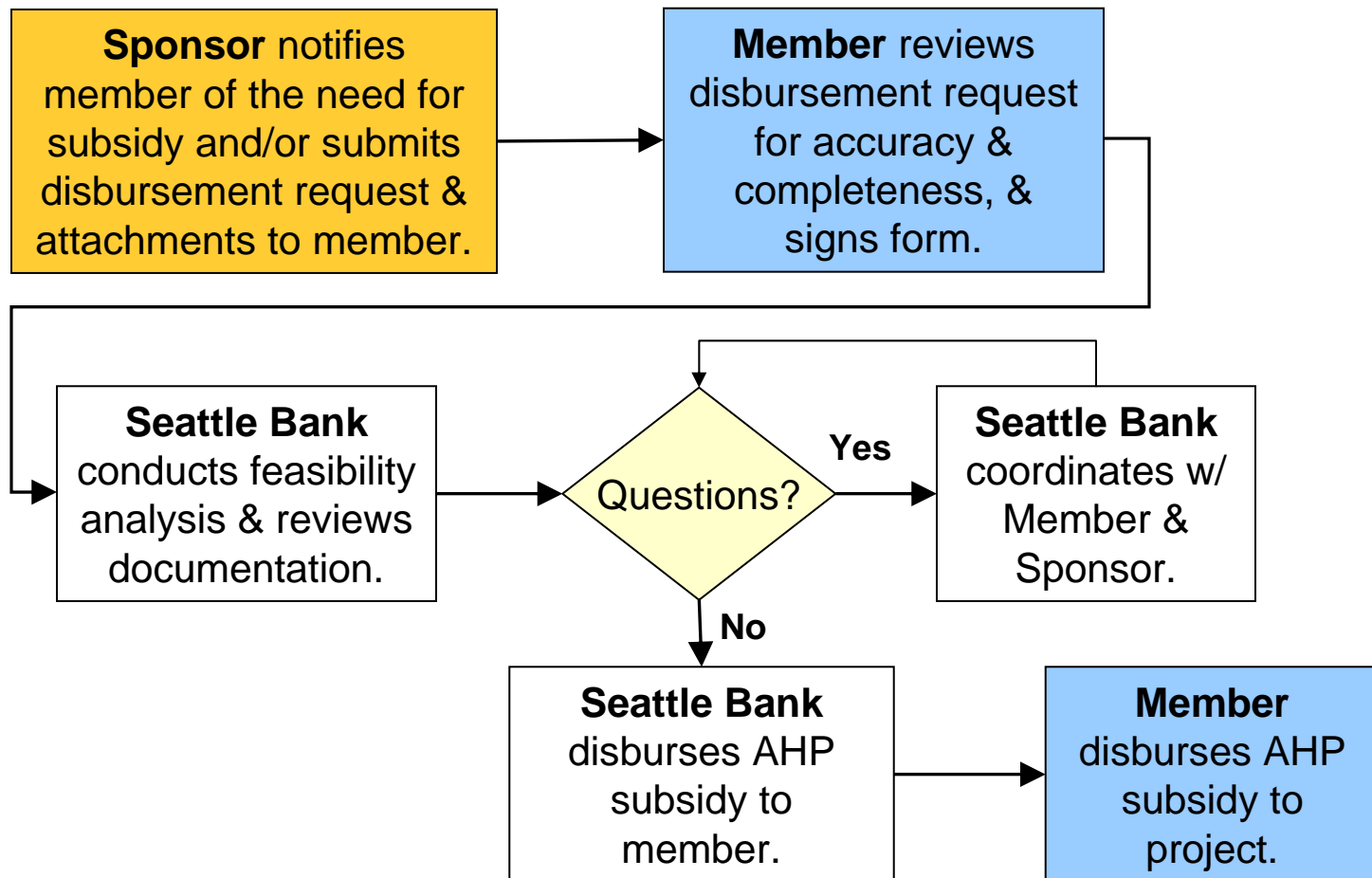
- Provides information about the terms and conditions of your AHP award, including regulatory requirements and set-aside commitments.
- Must be signed by an authorized individual at the Member institution and by the project Sponsor.
- ***AHP subsidy cannot be disbursed without a properly signed Regulatory Agreement on file!***

2. Submitting Disbursement Requests

You may request AHP subsidy for your project after:

- Member and Sponsor have signed the Regulatory Agreement and returned it to the Seattle Bank
- Member and Sponsor have participated in our Compliance Seminar – as you are doing right now!
- And:
 - All disbursement conditions have been met
 - 75% of other funding sources have been approved
 - Recorded Deed of Trust and Retention Agreements are received
 - If AHP subsidy is being used to pay the developer's fee, we will disburse based on the percentage of project completion.

Disbursement Request Process



Required Attachments for Disbursement Requests

Seattle Bank Forms

- Signed Regulatory Agreement
- Signed Disbursement Request form
- Disbursement checklist
- Disbursement workbook
 - Attachments A (part 1 and 2)
 - Attachments D and G, if needed
- Recorded retention agreements

Third-party Documentation

- Executed funding agreements
- Invoices, receipts, HUD-1, etc.

Submitting Disbursement Requests: 30-Day Rules

1. If all the required documentation for an AHP disbursement is not received and all questions are not resolved by the Seattle Bank within 30 days of the original request, the disbursement request must be resubmitted.
2. Please allow up to 30 days for the disbursement request to be reviewed by the Seattle Bank.
3. If AHP subsidy is not used by the project within 30 days, it must be returned to the Seattle Bank. After 30 days, interest may apply.

3. Knowing When AHP Subsidy Expires

Your award date is December 17, 2009. This date is listed on page one of your Regulatory Agreement.

- AHP subsidy expires **one year** from the date of the award: December 17, 2010.
- A project is expected to draw all AHP subsidy and be complete within **three years** from the date of the award: December 17, 2012.

4. Monitoring and Reporting During Construction

- Semi-annual Progress Reports
 - The Seattle Bank sends this form to the Member for completion with input from the Sponsor.
- Retention
 - Members ensure that the project is subject to a recorded deed restriction or other legally enforceable retention agreement or mechanism.
- Site Inspections
 - The Seattle Bank reserves the right, with reasonable notice, to conduct a site inspection at anytime.

5. Completing the Final Audit Report

- The Seattle Bank sends the Final Audit request after the project is complete.
- The **Member** completes a certification form and submits it to the Seattle Bank.
- The **Sponsor** completes the report and submits it along with the sponsor certification form and other required attachments to the Seattle Bank.
- The **Seattle Bank**:
 - Compares the proposed project (application) with the complete project (Final Audit)
 - Reviews AHP workbooks to validate the need for and appropriate use of the AHP subsidy

Required Attachments for Final Audit

- AHP-compliant retention documents
- Third-party verification of homebuyer income
- Certification of set-asides (homelessness, first-time homebuyer, special needs, etc.)
- Other project specific attachments

6. Five-Year Retention Period

If the homebuyer sells their property within the five-year retention period, they will be required to pay a pro-rata share of the AHP subsidy.

Online Resources

- Visit the Community Investment section of our Web site www.fhlbsea.com for:
 - Program information
 - Forms and Manuals
 - AHP Regulation
 - *Community Investments Program Guide*

AHP Team

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Questions?

Thank you for attending our Web seminar!