



# AHP Project Administration

**For Homeownership Projects**

# Welcome

Congratulations on your AHP award and welcome to the FHLB Des Moines Affordable Housing Program. This document is intended to help explain the Affordable Housing Program and help navigate the administration of your AHP award.

We look forward to partnering with you as you use the program to develop affordable housing and serve your community.

If you have questions not covered in this document, please contact the Community Department Team at the contact information at the end of this document.

Thank you,  
FHLB Des Moines  
Homeownership Team

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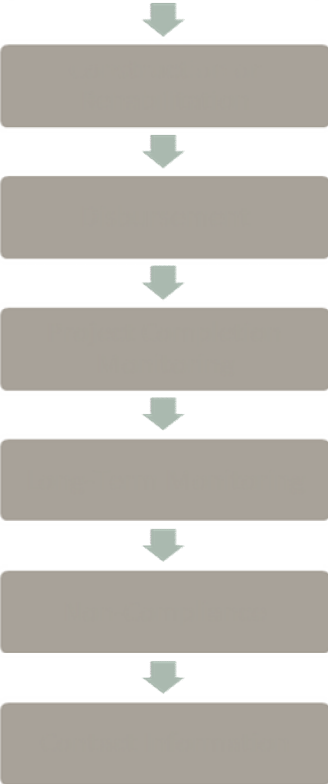


# General Information

## Homeownership Projects

# FHLB Des Moines Website

## General Information



FHLB Des Moines' website [www.fhlbdm.com](http://www.fhlbdm.com) contains:

- AHP Implementation Plan -*look for applicable project year in AHP Online Project Administration*
- Resources for Project Administration-*look for webpages*
  - AHP Online Project Administration -*with guides and forms*
  - Income Limits and Purchase Price Limits
- Required Forms
  - Income Calculation Workbook V3
  - Homeownership Feasibility Workbook (*look for project year*)
  - Construction Cost Calculator
  - Retention Agreement/Deed Restriction (purchase transactions)
  - Acknowledgement of AHP Subsidy (owner occupied rehab only)
  - Certification Forms



# AHP Implementation Plan

## General Information



The AHP Implementation Plan includes the following requirements:

- Feasibility and Scoring
- Disbursement
- Modifications
- Project Monitoring

- The AHP Implementation Plan can be found on the FHLB Des Moines website. *Look for AHP Online Project Administration.*
- AHP Implementation Plans are published each year.
- Members and sponsors should review program requirements in the AHP Implementation Plan for the year in which the project was awarded funds.



# Program Timeline and Benchmarks

## General Information



AHP Agreement: The AHP Agreement is executed by the member, the project sponsor, and FHLB Des Moines.

Disbursement: Sponsor will submit a disbursement request for **each** AHP assisted household through AHP Online. The Project must be current on all SAPR's prior to disbursement of funds. *A request for disbursement of funds may not be made until the AHP Agreement has been executed.*

Semi-Annual Progress Report (SAPR): Semi-Annual Progress Reports are required of sponsors during administration of the grant award. SAPR are due March and September.

Timing of AHP Subsidy Use: Some of the AHP subsidy must likely be drawn down or used by the project within 12 months of the date of approval of the application for AHP subsidy. FHLB Des Moines will review all projects at 12 months to determine if the AHP commitment should proceed.

# Program Timeline and Benchmarks (Cont.)

## General Information



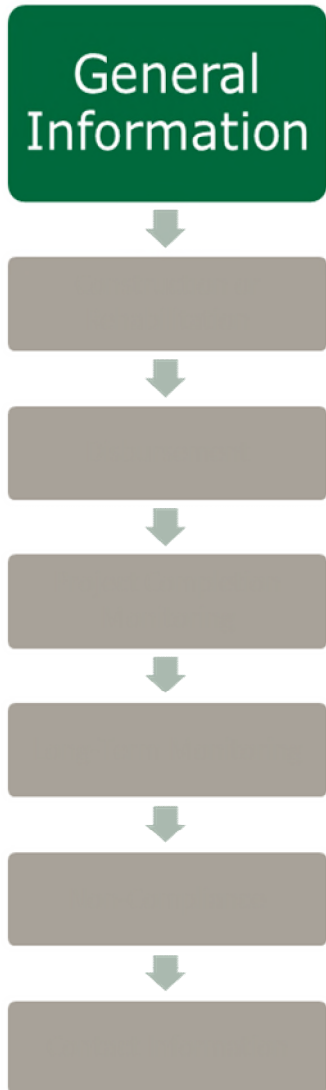
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Project Completion: Homeownership Projects have three years to be physically complete and have all AHP funds disbursed.

Project Completion Reporting (PCR): Within one month after the project is completed, FHLB Des Moines will initiate the post completion reporting process and review the project's costs, feasibility and scoring. Both sponsor and member will have PCR reporting certifications to complete via AHP Online.



# AHP Agreement



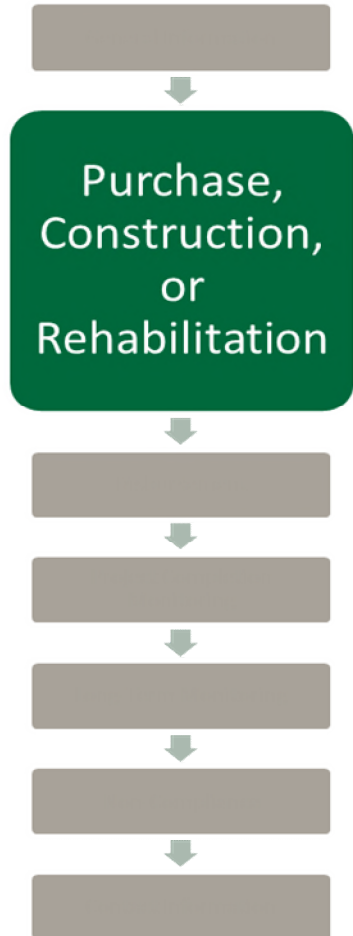
- The AHP Agreement sets forth the respective duties and obligations of FHLB Des Moines, the member and the sponsor, regarding the approval and funding of the AHP Application.
- The AHP Agreement must be signed by the member, the sponsor and FHLB Des Moines. An authorized AHP signatory of the member financial institution is required to sign the AHP Agreement.
- The member and the sponsor will be bound by the terms and conditions governing the approval and funding of the application, including all representations made in the application.
- The AHP Agreement will also outline contingencies and conditions that must be satisfied prior to disbursement of funds and/or project completion reporting.
- It is important to review the AHP Agreement thoroughly to ensure their understanding of the document.
- Terms and conditions of the AHP Agreement related to AHP regulation, policy, and procedures are non-negotiable.



# Purchase, construction, or Rehabilitation

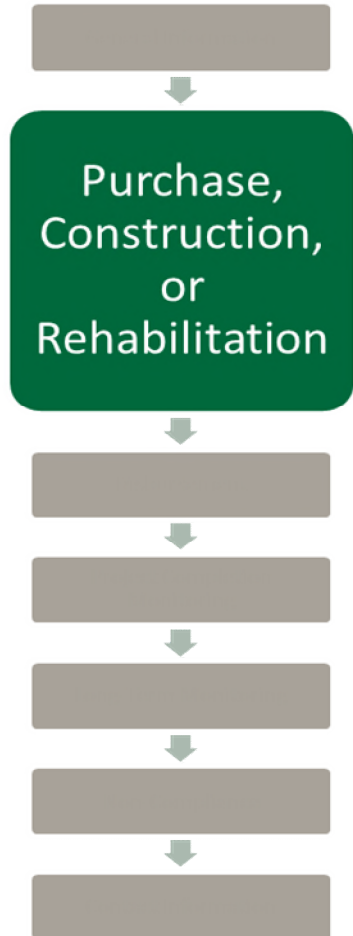
## Homeownership Projects

# Project Cost and Feasibility Guidelines



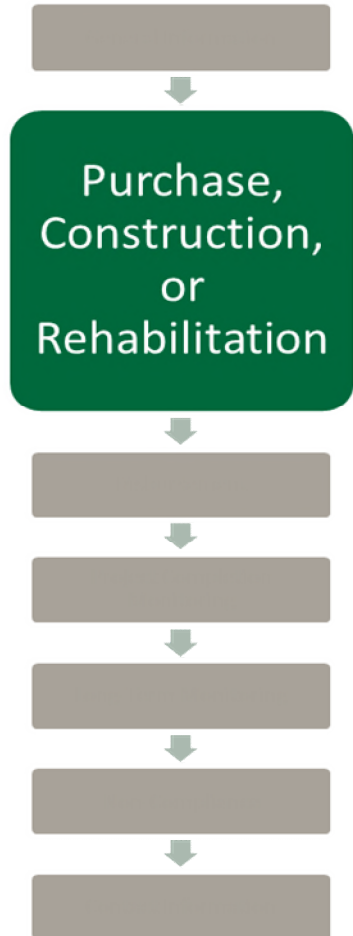
- The AHP subsidy shall be used for the purchase, construction or rehabilitation of affordable housing per the project description and commitments of the AHP application.
- FHLB Des Moines has established guidelines for the review of a project's costs, financial feasibility, affordability of units, and need for AHP subsidy.
- Project costs will be analyzed against FHLB Des Moines guidelines at the time of application, disbursement, requested project modifications, and project completion reporting (PCR).
- FHLB Des Moines' feasibility guidelines are published in the AHP Implementation Plan for the year of the award.

# Semi-Annual Progress Reports



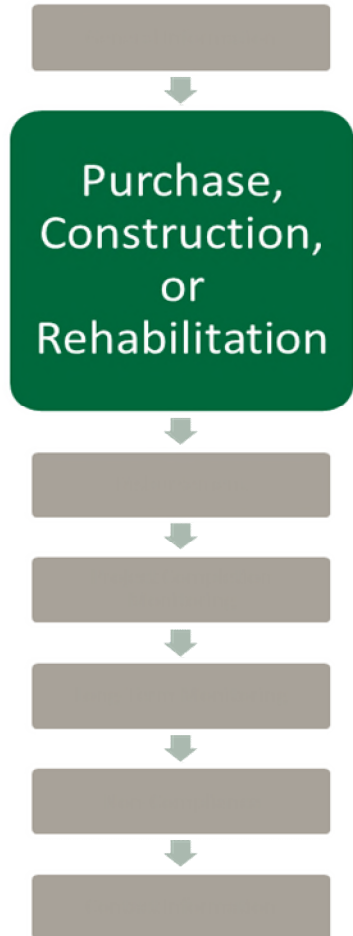
- From the time of application approval until the time of project completion, the project sponsor will submit Semi-Annual Progress Reports (SAPR) to the Bank about the project's progress toward completion.
- The SAPR will identify factors, if applicable, that may delay or jeopardize the project completion and/or continued ability to comply with the terms and conditions of the AHP award.
- SAPR occurs in March and September of each year.
- A reminder email will be sent to the Sponsor and Member indicating when it is time to submit the SAPR.
- The project sponsor will utilize the AHP Online system to submit the required SAPR.
- Instructions on submitting SAPRs can be found on the FHLB Des Moines website at <https://www.fhlbdm.com/products-services/affordable-housing/ahp-sponsors/> Homeownership Project administration. (Semi-Annual Progress Report Guide).

# Semi-Annual Progress Reports (Continued)



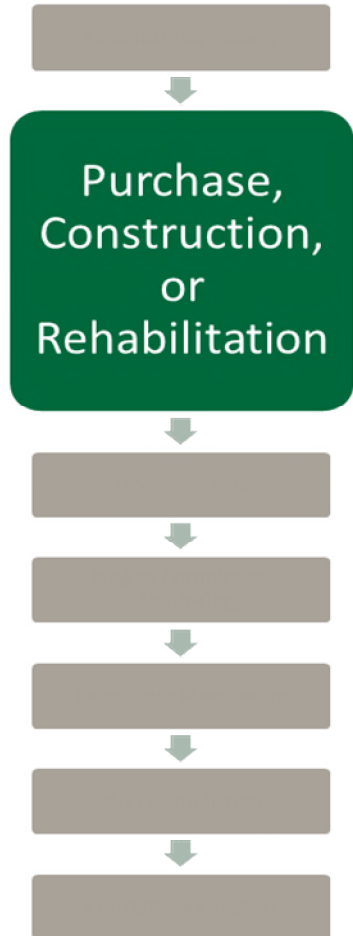
- SAPRs will include the following:
  - Status indicating changes in the development timeline, funding, construction status, and estimated completion date.
  - Changes affecting the approved scoring criteria that have occurred since the application was approved including number of units, targeting, special needs populations served, property locations, and services to be provided to eligible households.
- FHLB Des Moines will review SAPR to measure the progress of the project towards project completion and/or occupancy.
- Based on the findings of the SAPR, FHLB Des Moines will determine whether to grant an extension, withdraw the project or recapture any previously disbursed AHP funds.
- SAPRs will be required until project completion.
- Project completion is defined as all of the project units are complete and all of the AHP funds have been disbursed by FHLB Des Moines.

# Retention Agreements



- All AHP purchase transactions are required to have a recorded Retention Agreement on the assisted unit to secure the amount of AHP awarded. Members shall ensure that the retention agreement is executed and recorded. Sponsors may be delegated as “lender” for servicing.
- Any household receiving AHP funds for rehabilitation repairs only is required to sign an Acknowledgement of AHP subsidy which is not recorded.
- The Retention Agreement form used by the FHLB Des Moines is a Deed Restriction. FHLB Des Moines provides standard agreements on its website for fee simple land and tribal trust land. Other forms of the agreement are available on request, such as form for mobile homes.
- For homeownership purchase projects, the retention period is 5 years based on the date the agreement is executed/signed. AHP award is forgiven after 5 years. Repayment to the FHLB Des Moines may be required in the event of a sale or refinance of the unit within 5 years. Forms for repayment with instructions are provided on our website.
- Project may use an alternate form of Retention Agreement if required in local jurisdictions. Approval of the alternate document is at the discretion of the FHLB Des Moines and is required prior to disbursement. FHLB requirements for retention and repayment may not be waived or altered.

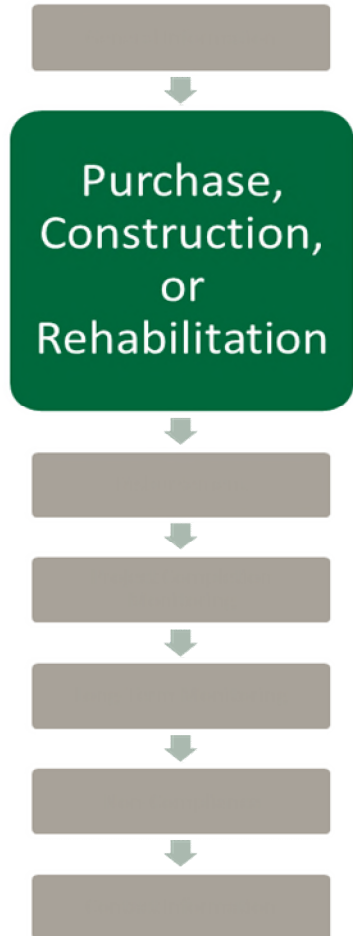
# Modifications



If changes to the homeownership project occur during project development, a modification of the project and the AHP Agreement may be required.

- The AHP regulation requires that if there are changes that affect the individual scoring criteria of an application, a modification must be completed. FHLB Des Moines, in its sole discretion, may approve a written modification to the terms of an approved application, if:
  - The project would continue to meet the eligibility requirements of the AHP regulations.
  - The application continues to score high enough to have been approved in the funding period in which it was originally scored and approved by FHLB Des Moines.
  - There is good cause for the modification. FHLB Des Moines will document the analysis and justification for the modification in writing.
- The project sponsor should contact the Community Investment Department to discuss project changes and the modification process and how they are requested in AHP Online.

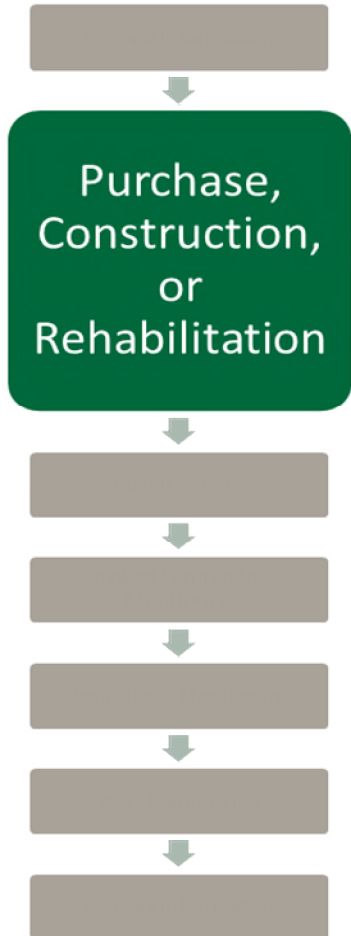
# Project Timelines



- Each project is given a performance date by which the project must be completed.
- Homeownership projects should be complete within 36 months of the AHP Award.
- Extensions may be approved provided reasonable progress is being made in obtaining funding or toward completion of the project.
- FHLB Des Moines will, in its sole discretion, determine whether to extend the time for project completion and disbursement of AHP funds.
- Extensions will be limited to the period necessary to address the specific issue(s) delaying completion and typically only for units identified as in-process at time of the extension.



# Project Extension



- FHLB Des Moines will consider issues including, but not limited to the following when reviewing an extension request:
  1. The percentage of the project completed to date
  2. The timing of applications and requirements of other funding sources involved in the project
  3. Weather-related construction problems
  4. Natural disasters or local conditions that cause delay
  5. Legal requirements
  6. Community challenges
- The project sponsor will utilize the AHP Online system to submit an Extension Request.
- Instructions on for submitting Extension Requests can be found on the FHLB Des Moines website. [Affordable Housing/AHP Housing Sponsors/Homeownership Project Administration](#) (Extension Guide).



# Disbursement

## Homeownership Projects

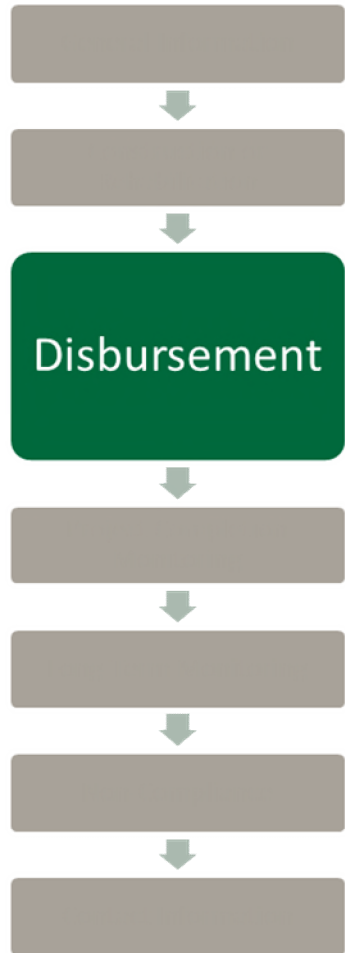
# Disbursement



## Disbursement

- Disbursement requests should be submitted within 60 days of closing or rehabilitation completion date when all required documents are available.
- The project sponsor will initiate disbursement requests in AHP Online. Each unit will require its own disbursement record.
- All disbursements are on a reimbursement basis after units are complete. The sponsor is responsible for interim funding of the AHP award.
- Disbursement requests require approval by the member prior to submission. Member approval is conducted in AHP Online.
- Instructions for submitting and managing disbursements in AHP Online can be found on the FHLB Des Moines website. Look for the homeownership disbursement guides at Homeownership Project Administration including:
  - AHP Online - Homeownership: Sponsor Disbursement Guide
  - AHP Online: Member Disbursement Guide
- The project sponsor should initiate the disbursement request allowing sufficient time for review and approval of the request.
- Each project is unique and the time to process a disbursement request is dependent on the complexity of the project and the responsiveness to questions by the project sponsor.
- FHLB Des Moines will review requests and send initial questions within ten (10) business days of member approval in AHP Online.

# Disbursement (Continued)



- Prior to the disbursement of AHP funds, FHLB Des Moines will verify that the project:
  - Meets eligibility and feasibility requirements
  - Continues to display a need for the AHP subsidy
  - Meets the commitments made at application
- Additional disbursement requirements include, but are not limited to:
  - The AHP Regulatory Agreement must be executed and received by FHLB Des Moines.
  - The project has cleared or resolved any conditions and contingencies identified in the AHP Agreement Regulatory Agreement.
  - All sources of funds are committed as evidenced by commitment letters or funding agreements.
  - An acceptable form of a retention agreement has been executed and recorded (purchase transactions).
  - All assisted households require verification and calculation of income and must meet targeting requirements in the application.



# Project Completion Reporting

## Homeownership Projects

# Project Completion



- The purpose of the Project Completion Reporting (PCR) process is to ensure that the project was developed and is completed in accordance with AHP regulations and the AHP Agreement.
- Within one month after FHLB Des Moines is notified that a homeownership project is complete, the PCR process will begin.
- During the PCR process, FHLB Des Moines will verify that the project:
  - Meets eligibility and feasibility requirements
  - Continues to display a need for the AHP Subsidy
  - Has met the scoring commitments made at application
- The PCR process is required to be completed within one year of the project completion date.
- If compliance cannot be verified within one year of the completion date, the project will be placed on a Compliance Plan and FHLB Des Moines may seek repayment of the AHP funds.

# Project Completion (Continued)



- It is the project sponsor's responsibility to maintain all documentation necessary for compliance review.
- The sponsor will be required to complete the following during the PCR process:
  - Certify that the AHP funds were used for eligible purposes according to the commitments made in the application.
  - Demonstrate that the final costs were reasonable in accordance with FHLB Des Moines' guidelines and the AHP subsidies were necessary for the completion of the project.
  - Certify that services and activities committed to in the approved AHP application have been provided in connection with the project.

The following information will be collected during the PCR process:

- Certification of Use of Affordable Housing Program Funds (in AHP Online)
- If applicable, other items that are tied to the project's scoring criteria.

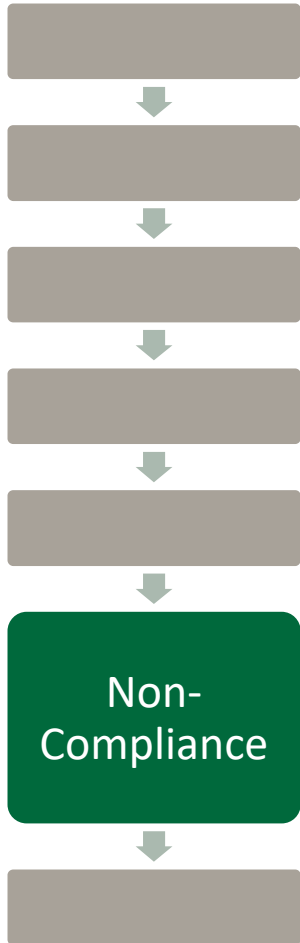


# Recaptures, Deobligation Non-Compliance

**Homeownership Projects**

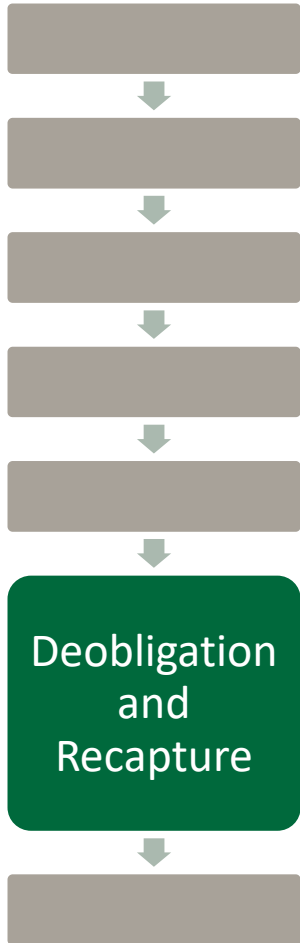


# Non-Compliance



- A project may be placed under FHLB Des Moines' Compliance Plan or Watch List for failure to comply with AHP Regulations and/or FHLB Des Moines policies and procedures. Such status may lead to disqualification for future AHP funding.
- Pursuant to the AHP regulation, a member or sponsor shall repay to FHLB Des Moines the amount of any subsidized funds plus interest as appropriate, that as a result of the member's or sponsor's actions or omissions is not used in compliance with the terms of the approved application, unless the noncompliance is cured within a reasonable period of time.
- The member shall not be liable to the FHLB Des Moines for issues of non-compliance by the sponsor including the return of amounts that cannot be recovered from the project; however, the member may be required to assist in reasonable collection efforts by the member.
- Refer to your executed AHP Agreement and the AHP regulation for more information on this topic.

# Deobligation and Recapture



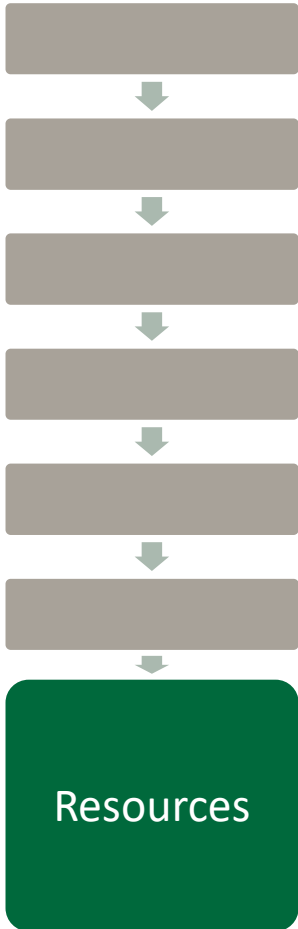
- Deobligation occurs when committed AHP funds that were never disbursed to a member or were never disbursed by a member to an AHP project sponsor are returned to FHLB Des Moines.
  - Recapture occurs if homeowner sells/refinances prior to the end of the five-year retention period, AHP must be repaid on a pro-rata basis if homeowner receives net gain/proceeds of \$2,500 or more at time of sale or refinancing; unless:
    - The unit was assisted with a permanent mortgage loan funded by an AHP subsidized advance (not applicable when the AHP subsidy was provided as a grant or forgivable loan);
    - The unit is sold to a very low-, low- or moderate-income household or;
    - Homeownership Value Limits (Proxy Determination)
    - Following a refinancing, the unit continues to be subject to deed restriction or other legally enforceable retention agreement or mechanism;
- Sponsor will use Recapture form located on Bank's website to determine amount due at time of sale/refinance;



# Resources

## Homeownership Projects

# Resources

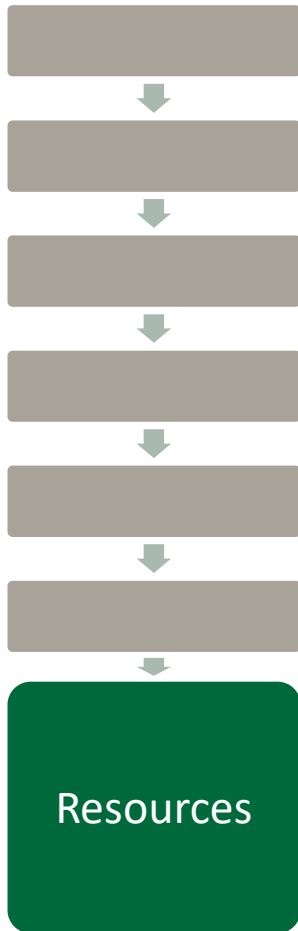


- Competitive AHP relies on the successful partnership and communication between member institutions, project sponsors, and FHLB Des Moines.
- We are available to answer any questions, provide additional information on the AHP program, or address specific issues that affect your project and the AHP award.


## Community Investments- Homeownership Team

| Name                            | Title                        | Contact Information  |
|---------------------------------|------------------------------|--|
| Evelyn Bengtson                 | Lead Homeownership Analyst   | 800.544.3452, ext. 2140<br><a href="mailto:ebengtson@fhlbdm.com">ebengtson@fhlbdm.com</a>    |
| Tara Trexel                     | Senior Homeownership Analyst | 800.544.3452, ext. 2227<br><a href="mailto:ttrexel@fhlbdm.com">ttrexel@fhlbdm.com</a>        |
| Tiffany Lehman                  | Senior Homeownership Analyst | 800.544.3452 ext. 2196<br><a href="mailto:tlehman@fhlbdm.com">tlehman@fhlbdm.com</a>         |
| Jodee Wedgeworth                | Senior Homeownership Analyst | 800.544.3452 ext. 1844<br><a href="mailto:jwedgeworth@fhlbdm.com">jwedgeworth@fhlbdm.com</a> |
| Mary Jo Vogl                    | Homeownership Manager        | 800.544.3452, ext. 2403<br><a href="mailto:mvogl@fhlbdm.com">mvogl@fhlbdm.com</a>            |
| Community Investment Department |                              | 800.544.3452, ext. 2400  |

# Resources (Continued)



- AHP Online can be accessed by a link on the FHLB Des Moines website or at <https://ahp.fhlbdm.com/>
- Your UserID will be the same for the life of the project (from application through the retention period)
- If it has been 90 days since you last logged into AHP Online, your account will be locked due to inactivity.
- Call the FHLB des Moines Service Desk at 1-800-544-3452 ext. 2555 to unlock your account.

 **AHP Online**

This is a secured site for Federal Home Loan Bank of Des Moines Affordable Housing Program participants

User ID

Password

Login

Grant Applicants

Create a User ID\*

Forgot your User ID?

Forgot your password?

FHLB Des Moines Members

Forgot your password?

Need access to AHP Online?

\*If you have previously created a User ID, please log in using that User ID.  
Do not create a new User ID for each Funding Round.

If it has been more than 90 days since you last logged in, your account is currently locked due to inactivity.  
Call the FHLB Des Moines Service Desk at 800.544.3452, ext. 2555 to unlock your account.

AHP Online hours: 6:30 AM to Midnight CST.

For optimum performance, the Bank recommends the use of Internet Explorer 8.0 or higher.

If you have questions, please contact the FHLB Des Moines [Community Investment Department](#) at 800.544.3452, ext. 2400.



# Thanks

**Community Investment Department  
Homeownership Team**

**800.544.3452 ext. 2400**

**or**

**[communityinvestment@fhlbdm.com](mailto:communityinvestment@fhlbdm.com)**