

Competitive Affordable Housing Program

Key Roles and Responsibilities

Participating Members and Sponsors



AHP Application Timeline	Sponsor	Member Financial Institution	FHLBC
Pre-Application	<ul style="list-style-type: none"> ✓ Review AHP Implementation Plan and application materials ✓ Identify Member partner(s) ✓ Attend FHLBC training and contact staff for technical assistance 	<ul style="list-style-type: none"> ✓ Review AHP Implementation Plan and application materials ✓ Attend FHLBC training and contact staff for technical assistance ✓ Review project, verify capacity of Sponsor, and communicate expectations ✓ Discuss Member financial participation opportunities, if appropriate 	<ul style="list-style-type: none"> ✓ Outreach ✓ Provide education and technical assistance ✓ Make <i>AHP Online</i> (i.e. application system) available approximately 45 days prior to due date
Application Submission	<ul style="list-style-type: none"> ✓ Start early! Complete application via <i>AHP Online</i> and assemble required documentation ✓ Approve application which then prompts Member review and approval 	<ul style="list-style-type: none"> ✓ Identify authorized AHP contact through <i>eBanking</i> (required before Sponsor is able to begin an application) ✓ Complete Member pages, review, and approve application via <i>AHP Online</i> 	<ul style="list-style-type: none"> ✓ Generate email notifications confirming application submission
Application Review	<ul style="list-style-type: none"> ✓ Respond to FHLBC requests for additional information by deadline ✓ Submit additional documentation for clarification on eligibility and/or feasibility issues ✓ Include Member in responses to FHLBC 	<ul style="list-style-type: none"> ✓ Respond to FHLBC requests for additional information 	<ul style="list-style-type: none"> ✓ Review and underwrite applications ✓ Distribute clarification letters ✓ Incorporate additional information into final review and approval of applications
Award	<ul style="list-style-type: none"> ✓ Execute and upload pdf. version of Sponsor and Member executed subsidy agreement to <i>AHP Online</i> ✓ Satisfy all conditions of award prior to submitting funding request 	<ul style="list-style-type: none"> ✓ Execute subsidy agreement and return to project sponsor 	<ul style="list-style-type: none"> ✓ Board of Directors approves application awards ✓ Distribute award notification letters, summary of commitments, and subsidy agreements

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RENTAL PROJECTS



Disbursement and Monitoring Timeline	Sponsor	Member Financial Institution	FHLBC
Disbursement	<ul style="list-style-type: none"> ✓ Review Disbursement Policy, Guide For Project Management, and Documentation Matrix ✓ Inform FHLBC and Member of any material changes to the project ✓ Submit any modification requests or extension prior to submission of disbursement request (note: modifications will need to be processed prior to a sponsor initiating a disbursement request via <i>AHP Online</i>) ✓ Initiate and approve disbursement request with all required documentation via <i>AHP Online</i> 	<ul style="list-style-type: none"> ✓ Review and approve disbursement request via <i>AHP Online</i> ✓ Prepare the Retention Agreement and a mortgage (or other appropriate real property security instrument under applicable law) ✓ Request FHLBC pre-approval of disbursement request prior to disbursement of funds to the Sponsor (optional, but encouraged) ✓ Disburse funds to Project after FHLBC pre-approval ✓ Record Retention Agreement and mortgage 	<ul style="list-style-type: none"> ✓ Monitor that project is progressing as expected, fulfilling its commitments, continues to have a need for subsidy, and remains eligible and feasible ✓ Review disbursement request via <i>AHP Online</i> ✓ Request any additional information and/or documentation to supplement funding request ✓ Reimburse Member via its DID Account
Initial Monitoring / Semi-Annual Progress Reporting	<ul style="list-style-type: none"> ✓ Meet requirements outlined in monitoring policies and guidelines ✓ Inform FHLBC and Member of any material changes to the project ✓ Complete and approve Semi-Annual Progress Report via <i>AHP Online</i> ✓ Respond to FHLBC inquiries regarding status of project 	<ul style="list-style-type: none"> ✓ Understand monitoring policies and guidelines ✓ Review and ensure the Sponsor completes reports and documentation requirements 	<ul style="list-style-type: none"> ✓ Within the first year after award, initiate a progress report via <i>AHP Online</i> to Member and Sponsor ✓ Initiate Semi-Annual Progress Reports via <i>AHP Online</i> to Member and Sponsor until project completion ✓ Review reports and monitor status of project to ensure compliance

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Disbursement and Monitoring Timeline	Sponsor	Member Financial Institution	FHLBC
Project Completion	<ul style="list-style-type: none"> ✓ Review Monitoring Policy and Documentation Matrix ✓ Complete Project Completion Report, certifications, and upload all required documentation via <i>AHP Online</i> 	<ul style="list-style-type: none"> ✓ Review and ensure Sponsor completes Project Completion Report and complete the Member Certification via <i>AHP Online</i> ✓ Provide copy of recorded security instrument and retention agreement to the sponsor to upload in the Project Completion Report module via <i>AHP Online</i> 	<ul style="list-style-type: none"> ✓ Initiate Project Completion Report via <i>AHP Online</i> ✓ Review documentation to ensure compliance
Long-Term Monitoring (Non-LIHTC projects)	<ul style="list-style-type: none"> ✓ Maintain documentation for verification of rents and income eligibility ✓ Complete annual certification via <i>AHP Online</i> that project meets rent and income targeting commitments ✓ Periodically complete Tenant Income Worksheet and provide income verification documentation ✓ Submit any additional information requested by FHLBC to confirm project compliance 	<ul style="list-style-type: none"> ✓ Complete member certification via <i>AHP Online</i> and in conjunction complete Periodic visual inspection of project that project appears suitable for occupancy ✓ Submit any additional information requested by FHLBC to confirm project compliance 	<ul style="list-style-type: none"> ✓ Initiate certifications and requests for Tenant Income Worksheet on a periodic basis ✓ Periodically review sample of documentation used to confirm income eligibility ✓ Periodic on-site visits ✓ Request additional information to confirm project compliance
Long-Term Monitoring (LIHTC projects)	<ul style="list-style-type: none"> ✓ FHLBC relies on the monitoring of the applicable state-designed housing finance agency for a LIHTC project's compliance with the income targeting and rent commitments. (Permitted under section 1291.7 (a)(iii)(2) of the Regulations.) 		
Retention Requirements	<ul style="list-style-type: none"> ✓ The retention period for a rental project is 15 years from the project's completion date. Project completion is defined as the later of the date the project reports construction completion, an 85% occupancy rate, or the date of the final AHP subsidy disbursement. ✓ AHP funds disbursed by the Member to the sponsor or project must be secured by a mortgage (or other appropriate real property security instrument under applicable law). The real property security instrument and retention agreement must be recorded with the county recorder. ✓ The Member must ensure the real property security instrument: (1) is enforceable under applicable law, (2) is in proper form for recording under applicable law, and (3) is properly recorded. ✓ The Member should refer to the Disbursement Policy for Rental Projects for further information on AHP retention requirements. 		

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OWNER-OCCUPIED PROJECTS



Disbursement and Monitoring Timeline	Sponsor	Member Financial Institution	FHLBC
Disbursement	<ul style="list-style-type: none"> ✓ Review Disbursement Policy and Documentation Matrix ✓ Inform FHLBC and Member of any material changes to the project ✓ Submit any modification requests or extension prior to submission of disbursement request (note: modifications will need to be processed prior to a sponsor initiating a disbursement request via <i>AHP Online</i>) ✓ Initiate and approve disbursement request and all required documentation via <i>AHP Online</i> ✓ Maintain income documentation for each assisted household 	<ul style="list-style-type: none"> ✓ Review and approve disbursement request via <i>AHP Online</i> ✓ Prepare the Retention Agreement and submit to sponsor to upload via <i>AHP Online</i> ✓ Member ensures beneficiary income eligibility and confirms any other targeting commitments before funding the grant 	<ul style="list-style-type: none"> ✓ Monitor that project is progressing, fulfilling its commitments, continues to have a need for subsidy, and remains eligible and feasible ✓ Review disbursement request via <i>AHP Online</i> ✓ Request any additional information and/or documentation to supplement funding request ✓ Review and confirm income documentation ✓ Reimburse Member via its DID Account
Initial Monitoring / Semi-Annual Progress Reporting	<ul style="list-style-type: none"> ✓ Meet requirements outlined in monitoring policies and guidelines ✓ Inform FHLBC and Member of any material changes to the project ✓ Complete and approve Semi-Annual Progress Report via <i>AHP Online</i> ✓ Respond to FHLBC staff inquiries regarding status of project 	<ul style="list-style-type: none"> ✓ Understand monitoring policies and guidelines ✓ Review and ensure Sponsor completes reports and documentation requirements 	<ul style="list-style-type: none"> ✓ Within the first year after award, initiate a progress report via <i>AHP Online</i> to Member and Sponsor ✓ Initiate Semi-Annual Progress Reports via <i>AHP Online</i> to Member and Sponsor until project completion ✓ Review reports and monitor status of project to ensure compliance

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Disbursement and Monitoring Timeline	Sponsor	Member Financial Institution	FHLBC
Project Completion	<ul style="list-style-type: none"> ✓ Review Monitoring Policy and Documentation Matrix ✓ Complete Project Completion Report, certifications, and upload all required documentation via <i>AHP Online</i> 	<ul style="list-style-type: none"> ✓ Review and ensure Sponsor completes Project Completion Report and complete the Member Certification via <i>AHP Online</i> ✓ Provide copies of recorded retention agreements to sponsor to upload via <i>AHP Online</i> 	<ul style="list-style-type: none"> ✓ Initiate Project Completion Report to Sponsor and Member via <i>AHP Online</i> ✓ Review documentation to ensure compliance
Long-Term Monitoring	<ul style="list-style-type: none"> ✓ Maintain documentation for verification of income eligibility ✓ Submit any additional information requested by FHLBC to confirm project compliance 	<ul style="list-style-type: none"> ✓ Monitor liens 	<ul style="list-style-type: none"> ✓ Periodically review sample of documentation used to confirm income eligibility ✓ Request additional information to confirm project compliance
Retention Requirements	<ul style="list-style-type: none"> ✓ The retention period for all owner-occupied projects is a rolling five years from the completion date of each unit in the project. For AHP-Assisted Units involving homebuyer acquisitions, the retention agreement execution date must correspond to the closing / settlement date set forth on the final closing disclosure for that unit. For AHP-Assisted Units that do not involve homebuyer acquisition and consist of rehabilitation only, the retention agreement execution date should correspond to the date upon which all rehabilitation work for that unit was completed. ✓ AHP funds disbursed by the Member to the sponsor or project are required to execute and record a Retention Vehicle (retention agreement) that enumerates the requirements of section 1291.9(a)(7) of the Regulations. The retention agreement must be recorded with the county recorder. ✓ The Member must ensure that the retention vehicle: (1) incorporates the requirements of the AHP regulations, (2) is enforceable under applicable law, (3) is in proper form for recording under applicable law, and (4) is properly recorded. ✓ The Member should refer to the Funding Guidelines for Owner-Occupied Projects for further information on AHP retention requirements. 		