

## CICA Programs for Housing

### Affordable Housing Program (AHP)

The AHP subsidizes the cost of housing for very low-income and low- or moderate-income owner-occupied and rental housing. The subsidy may be in the form of a grant (“direct subsidy”) or a below-cost interest rate on an advance (loan) from the FHLBank to a member lender. AHP subsidies must be used to fund the purchase, construction or rehabilitation or refinancing of:

- **owner-occupied housing** for very low-income and low- or moderate-income households (at or below 80% of area median income (AMI)); or
- **rental housing** in which at least 20% of the units will be occupied by and affordable for very low-income households (50% of AMI). (AHP funds may also be used to fund additional units targeted to households with incomes up to 80% of AMI.)

Each of the 12 FHLBanks contributes at least 10% of its annual net earnings to its AHP. In 2005, a combined total of \$214 million is available for the AHP. The majority of the AHP subsidy is made available through a **competitive application process** at each of the FHLBanks. Member lenders submit applications for subsidy on behalf of the sponsors of eligible housing projects. The rest of the subsidy is made available through an optional **homeownership set-aside process**.