§ 1291.4 Advisory Councils.

(a) Appointment. (1) Each Bank’s board of directors shall appoint an Advisory Council of 7 to 15 persons who reside in the Bank’s District and are drawn from community and not-for-profit organizations that are actively involved in providing or promoting low- and moderate-income housing, and community and not-for-profit organizations that are actively involved in providing or promoting community lending, in the District. 

(2) Each Bank shall solicit nominations for membership on the Advisory Council from community and not-for-profit organizations pursuant to a nomination process that is as broad and as participatory as possible, allowing sufficient time for responses.

(3) The Bank’s board of directors shall appoint Advisory Council members from a diverse range of organizations so that representatives of no one group constitute an undue proportion of the membership of the Advisory Council, giving consideration to the size of the Bank’s District and the diversity of low- and moderate-income housing and community lending needs and activities within the District.

(b) Terms of Advisory Council members. Pursuant to policies adopted by the Bank’s board of directors, Advisory Council members shall be appointed by the Bank’s board of directors to serve for terms of 3 years, which shall be staggered to provide continuity in experience and service to the Advisory Council, except that Advisory Council members may be appointed to serve for terms of 1 or 2 years solely for purposes of reconfiguring the staggering of the 3-year terms. No Advisory Council member may be appointed to serve for more than 3 full consecutive terms. An Advisory Council member appointed to fill a vacancy shall be appointed for the unexpired term of his or her predecessor in office.

(c) Election of officers. Each Advisory Council shall elect from among its members a chairperson, a vice chairperson, and any other officers the Advisory Council deems appropriate.

(d) Duties—(1) Meetings with the Banks. (i) The Advisory Council shall meet with representatives of the Bank’s board of directors at least quarterly to provide advice on ways in which the Bank can better carry out its housing finance and community lending mission, including, but not limited to, advice on the low- and moderate-income housing and community lending programs and needs in the Bank’s District, and on the use of AHP subsidies, Bank advances, and other Bank credit products for these purposes.

(ii) The Advisory Council’s advice shall include recommendations on:

(A) The amount of AHP subsidies to be allocated to the Bank’s competitive application program and any Bank homeownership set-aside programs;

(B) The AHP Implementation Plan and any subsequent amendments thereof;

(C) The scoring criteria, related definitions, and any additional optional District eligibility requirements for the competitive application program; and

(D) The eligibility requirements and any priority criteria for any Bank homeownership set-aside programs.

(ii) Summary of AHP applications. The Bank shall comply with requests from the Advisory Council for summary information regarding AHP applications from prior funding periods.

(3) Annual analysis; public access. (i) Each Advisory Council annually shall
Federal Housing Finance Agency.

§ 1291.5 Competitive application program.

(a) Establishment of program. A Bank shall establish a competitive application program pursuant to the requirements of this part.

(b) Funding periods and application process—(1) Funding periods. A Bank may accept applications for AHP subsidy under its competitive application program during a specified number of funding periods each year, as determined by the Bank.

(2) Eligible applicants. A Bank shall accept applications for AHP subsidy under its competitive application program only from institutions that are members of the Bank at the time the application is submitted to the Bank.

(3) Submission of applications. Except as provided in paragraph (c)(13)(i) of this section, a Bank shall require applications for AHP subsidy to contain information sufficient for the Bank to:

(i) Determine that the proposed AHP project meets the eligibility requirements of paragraph (c) of this section; and

(ii) Evaluate the application pursuant to the scoring guidelines adopted by the Bank pursuant to paragraph (d) of this section.

(4) Review of applications submitted. Except as provided in paragraph (c)(13)(ii) of this section, a Bank shall review the applications for AHP subsidy to determine that the proposed AHP project meets the eligibility requirements of paragraph (c) of this section, and shall evaluate the applications pursuant to the Bank’s scoring guidelines adopted pursuant to paragraph (d) of this section.

(c) Minimum eligibility requirements. Projects receiving AHP subsidies pursuant to a Bank’s competitive application program must meet the following eligibility requirements:

(1) Owner-occupied or rental housing. The AHP subsidy shall be used exclusively for:

(i) Owner-occupied housing. The purchase, construction, or rehabilitation of owner-occupied housing for very low-income or low- or moderate-income households. A household must have an income meeting the income targeting commitments in the approved AHP application at the time the project is qualified by the project sponsor for participation in the project.

(ii) Rental housing. The purchase, construction, or rehabilitation of an owner-occupied project by or for very low-income or low- or moderate-income households. A household must have an income meeting the income targeting commitments in the approved AHP application upon initial occupancy of the rental unit, or for projects involving the purchase or rehabilitation of rental housing that already is occupied, at the time the application for AHP subsidy is submitted to the Bank for approval.

(2) Need for subsidy. (i) The project’s estimated sources of funds shall equal its estimated uses of funds, as reflected in the project’s development budget. The difference between the project’s sources of funds and uses of funds is the project’s need for AHP subsidy, which is the maximum amount of AHP subsidy the project may receive. A Bank, in its discretion, may permit a project’s sources of funds to include or exclude the estimated market value of in-kind donations and voluntary professional labor or services (excluding the value of sweat equity), provided...