





AHP PRODUCTS INCOME DOCUMENTATION REQUIREMENTS



The Bank’s income calculation methodology utilizes current circumstances to determine the annual household income. Current circumstances include the composition of the household (i.e. total annual income and total household size) at the time of enrollment into the applicable AHP program.

All sources of household income must be disclosed to the Bank for any individual occupying the subject property. Income documentation must be submitted to the Bank via FHLBASap® for AHP Homeownership Set-aside and via AHPBuild® for AHP General Fund.

INCOME VERIFICATION TIMELINE

| Type | Status | Timing of Income Verification |
|-------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | All AHP Homeownership Set-aside Program Units | No more than 30 days prior to the application submission to FHLBank Atlanta via FHLBASap |
|  | All AHP General Fund Projects | At the time the household is qualified by the sponsor for participation in the project |
|  | Currently Occupied | Household must meet income targeting commitments at the time of the AHP application deadline date, or resident move-in date (whichever is later) OR If the project has a relocation plan for current occupants that is approved by one of its federal, state, or local government funders, or a reasonable relocation plan for current occupants that is otherwise approved by the Bank, a household may have an income meeting the income targeting commitments upon initial occupancy of the rental unit after completion of the purchase or rehabilitation |
|  | New Construction | Household must meet income targeting commitments at the time of resident move-in date |

INCOME TO INCLUDE FOR TOTAL ANNUAL HOUSEHOLD INCOME

| Household Member | Include Income | Periodic Payments (e.g. income from assets, etc.) |
|------------------------------------------------------------------|-----------------------|-------------------------------------------------------------|
| Head or Co-head of household | Yes | Yes |
| Spouse | Yes | Yes |
| Co-head | Yes | Yes |
| Temporarily absent household member that will reside in the home | Yes | Yes |
| Children and Adult Students | | |
| Child under 18 | No | Yes |
| 18 years or older that IS a full-time student | See note* | Yes |
| 18 years or older that IS NOT a full-time student | Yes | Yes |
| Other Household Members | | |
| Foster child | No | No |
| Adoption | See note** | No |
| Live-in aide | No | No |
| Non-occupant Co-borrowers | No | No |

*Note: The earned income of a full-time student 18 years old or older who is a dependent is excluded to the extent that it exceeds \$480.

**Note: Adoption assistance payments in excess of \$480 are not counted.

INCOME DOCUMENTATION REQUIREMENTS

The requirements below include documentation requirements, but should not be considered a comprehensive list as other documentation may be required as referenced in the FHLBank Atlanta’s Affordable Housing Program Implementation Plan available on www.fhlbatl.com.

| Income Type | Documentation |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Wage Income Documentation Base pay, overtime, bonuses, commissions, shift differential, incentive pay, etc.</p> | <p>Thirty (30) days of current and consecutive income that include pay periods for the current year must be documented.</p> <ul style="list-style-type: none"> The Verification of Employment (VOE) is the preferred document to confirm the income. Note: The verification of employment must address overtime, additional pay, bonus, frequency of bonuses, if employment is seasonal, etc. <p>OR,</p> <ul style="list-style-type: none"> Thirty (30) days of current and consecutive paystubs that include pay periods for the current year. <p>Pay Frequency:</p> <ul style="list-style-type: none"> Weekly Pay = 52 pay periods Bi-Weekly Pay = 26 pay periods Semi-Monthly Pay = 24 pay periods Monthly Pay = 12 pay periods Quarterly Pay = 4 pay periods Semi-annually Pay = 2 pay periods Annually Pay = 1 pay periods |
| <p>Self-employment Income</p> <p>Contract work paid via a 1099 is considered self-employment</p> <p>Part-time jobs (e.g. side jobs) such as Uber, LYFT, Door Dash, Mary Kay, Social Media Influencer, Online Sales or E-Commerce, etc. are considered self-employment</p> | <p>Federal tax returns are analyzed over a two-year period to determine the average gross income self-employment income for the household.</p> <p>The following documentation is required:</p> <ul style="list-style-type: none"> Taxpayer Consent Language document signed by applicant/household member Most recent two years of signed, dated and filed federal income tax returns or IRS transcript with all schedules to determine average amount of net income received and provide the AHP Self-employed Income Certification or self-prepared YTD Profit and Loss Statement If self-employed less than two years provide most recent signed, dated and filed federal income tax returns or IRS transcript with all schedules and provide the AHP Self-employed Income Certification or self-prepared YTD Profit and Loss Statement |

| Income Type | Documentation |
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| | <ul style="list-style-type: none"> • Note: Qualifying income will be based on the average of the adjusted income plus depreciation from the two tax returns. If the income is from a sole proprietorship as reflected on Schedule C, E, etc., the income is based on the average of the net income or loss plus depreciation; plus wages; plus business use of home. <p><i>*If prior year returns will be filed after the IRS due date, provide IRS verification of non-filing or evidence of an extension</i></p> |
| <p>Periodic Payments* (Social security, annuities, insurance policies, retirement, pensions, disability or death benefits, veterans benefits, etc.)</p> | <p>The following documentation is required to confirm the payment amount and frequency of any periodic payments.</p> <ul style="list-style-type: none"> • Current year award letter all pages (Social Security, Veterans Benefits, etc.) dated within 12 months <ul style="list-style-type: none"> • <i>Military Housing Allowance is included towards the income calculation</i> • Most recent statement for pension, retirement or annuity payments dated within 12 months |
| <p>Child Support</p> | <p>The following documentation is required to confirm the average amount and frequency of child support payments.</p> <ul style="list-style-type: none"> • Final divorce decree, legal separation agreement, or court order (front and pertinent pages) that specifies the amount and timeframe of the child support obligation • Evidence of the amount received and two (2) consecutive months payment history via bank statements, canceled checks, deposit slips, etc. • Voluntary payment agreements: If not court ordered, provide a statement (over HUD 1010 language) signed and dated by the receiver to confirm the amount of the child support |
| <p>Alimony</p> | <p>The following documentation is required to confirm the average amount and frequency of alimony payments.</p> <ul style="list-style-type: none"> • Final divorce decree, legal separation agreement, or court order (front and pertinent pages) to document the amount and timeframe of the alimony obligation • Evidence of the amount received and two (2) consecutive months payment history via bank statements, canceled checks, deposit slips, tax returns, etc. • Voluntary payment agreements: If not court ordered, provide a statement (over HUD 1010 language) signed and dated by the receiver to confirm the amount of the support |

| Income Type | Documentation |
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| <p>Community Partners Income Documentation</p> | <p>Educators; Law Enforcement Officers; Firefighters and First Responders; and Healthcare Workers</p> <ul style="list-style-type: none"> • The Verification of Employment (VOE) is the preferred document to confirm employment and income; or • Monthly statement for insurance, pension or annuity payments • Any other documentation considered acceptable by the Bank <p>Veteran Documentation</p> <ul style="list-style-type: none"> • Copy of the current orders showing duty posting in a conflict environment, for current active-duty personnel, or • Military Service Record DD214, or • Veterans ID; or • Use of VA Certificate of Eligibility "COE" http://www.benefits.va.gov/HOMELOANS/purchase_seco_certificate.asp • A copy of one of the above, along with a death certificate for a surviving spouse application; and • Any other documentation that may be determined acceptable at the Bank's sole discretion <p>*Alternatively, eligible individuals that are Gold Star eligible, including parents and children of a veteran.</p> |
| <p>Income From Assets (e.g. saving and checking, interest bearing accounts, CDs, stocks, bonds, etc.)</p> | <p>The following documentation is required to confirm the income earned from assets.</p> <ul style="list-style-type: none"> • Two consecutive months of statements for each assets with a balance of \$50,000 or greater. • If the total balance of the combined assets is less than \$50,000, income from assets will not be included in the household income. <ul style="list-style-type: none"> • <i>Net assets with actual earnings will be used at the stated rate of interest to calculate annual income.</i> • <i>Net assets that do not earn interest will use a current passbook savings rate (verified through the lender's personal banking rates, bank statements, online website, etc.) to calculate annual income.</i> |
| <p>Earned Income - Full-time Student 18 Years Old or Older</p> | <p>The following documentation is required to confirm the amount and frequency of earned income for full-time students 18-years or older.</p> <ul style="list-style-type: none"> • Documentation for income sources as applicable • Verification of full-time student status from admissions, Registrar's office or dean, counselor, advisor, etc. or from VA office |

| Income Type | Documentation |
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| <p>Rental Income</p> | <ul style="list-style-type: none"> • Rental Property Currently Owned by Applicant <ul style="list-style-type: none"> • Most recent executed lease agreement(s) • Taxpayer Consent Language document signed by applicant/ household member • Most recent two years signed, dated and filed federal income tax returns (with schedule E) or IRS transcript with all schedules, confirm Schedule E is completed • <i>If prior year returns will be filed after the IRS due date, provide IRS verification of non-filing or evidence of an extension.</i> • Rental Property Being Purchased by Applicant (e.g., new rental property is not listed on tax returns) <ul style="list-style-type: none"> • If the property is rented at the time of application, provide the most recent executed lease agreement(s) or the market rent analysis from appraisal for subject property • If the property is not rented at the time of application, applicant must provide a statement (over HUD 1010 language) signed and dated confirming that “there is no lease agreement in place and the property is currently vacant”. • The Bank will use the average of the net rental income as shown on the tax returns or the rent charged on the most recent executed lease agreement(s) x 75 percent • Calculation above aligns with Fannie Mae’s Rental Income Worksheet Form 1037 |
| <p>Zero Income Certification (Adult household members with no income)</p> | <p>In circumstances where household members aged 18 and older (adult) who do not receive any income, the adult must complete and execute the AHP Zero Income Certification for all adult household members 18 years old and over not receiving income and any other documentation that may be determined acceptable at the Bank’s sole discretion</p> |

HELPFUL TOOLS

The following are tools that can be used to obtain applicant's income when determining eligibility for Affordable Housing Programs (AHP):

- AHP Intake Certification
- AHP Zero Income Certification
- AHP Self-employed Income Certification
- Fannie Mae Request for Verification of Employment Form

HUD1010 Language

The link to the HUD 1010 provisions are provided only to assist Members with their review and are not controlling with respect to the Affordable Housing Program

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form or any accompanying documentation is subject to penalties that may include fines, imprisonment, or both, under provisions of Title 18, United States Code, Sec. 1014.