

# 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.

Financial institutions participating in the Bank’s programs must comply with applicable law including all fair housing, equal credit opportunity and unfair and deceptive acts and practices laws.

## INCOME VERIFICATION

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

<b>Household Member</b>	<b>Include Income</b>	<b>Periodic Payments</b> (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
<b>Children and Adult Students</b>		
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
<b>Other Household Members</b>		
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](http://www.fhlbatl.com).

Income Type	Documentation
<p><b>Wage Income Documentation</b> 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"> <li>• The Verification of Employment (VOE) is the preferred document to confirm the income. <b>Note:</b> The verification of employment must address overtime, additional pay, bonus, frequency of bonuses, if employment is seasonal, etc.</li> <li>• Signed Offer Letters that list a start date and salary amount are acceptable <b>OR,</b></li> <li>• Thirty (30) days of current and consecutive paystubs that include pay periods for the current year.</li> </ul> <p><b>Pay Frequency:</b></p> <ul style="list-style-type: none"> <li>• Weekly Pay = 52 pay periods (4 paystubs)</li> <li>• Weekly Pay = 26 pay periods (2 paystubs)</li> <li>• Semi-Monthly Pay = 24 pay periods (2 paystubs)</li> <li>• Monthly Pay = 12 pay periods (1 paystub)</li> <li>• Quarterly Pay = 4 pay periods (1 paystub)</li> </ul>
<p><b>Self-employment Income</b></p> <p><b>Contract work paid via a 1099 is considered self-employment</b></p> <p><b>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</b></p>	<p>Members must analyze Federal tax returns to determine the appropriate gross income for the household using the FNMA Cash Flow Analysis worksheet.</p> <ul style="list-style-type: none"> <li>• Member to submit the FNMA Cash Flow Analysis worksheet completed, signed and dated by the first mortgage underwriter. <ul style="list-style-type: none"> <li>○ If self-employed <b>less than one year</b>, provide Self-employed Income Certification or self-prepared YTD Profit and Loss Statement.</li> </ul> </li> </ul> <p><b>Note:</b> Qualifying income will be based on the average of the adjusted income plus depreciation based on the income as shown on the cash-flow analysis. 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> <p>*If prior year returns will be filed after the IRS due date, provide IRS verification of non-filing or evidence of an extension of an extension</p> <p><b>*Federal tax returns and Taxpayer Consent Language document signed by applicant/household member may require at the Bank’s sole discretion</b></p>

Income Type	Documentation
<p><b>Periodic Payments*</b> (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"> <li>• Current year award letter all pages (Social Security, Veterans Benefits, etc.) dated within 12 months <ul style="list-style-type: none"> <li>• <i>Military Housing Allowance is included towards the income calculation</i></li> </ul> </li> <li>• Most recent statement for pension, retirement or annuity payments dated within 12 months</li> </ul>
<p><b>Child Support</b></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"> <li>• Final divorce decree, legal separation agreement, or court order (front and pertinent pages) that <b>specifies the amount and timeframe of the child support obligation</b></li> <li>• Evidence of the amount received and two <b>(2) consecutive months</b> payment history via bank statements, canceled checks, deposit slips, etc.</li> <li>• <b>Voluntary payment agreements:</b> 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</li> </ul>
<p><b>Alimony</b></p>	<p>The following documentation is required to confirm the average amount and frequency of alimony payments.</p> <ul style="list-style-type: none"> <li>• Final divorce decree, legal separation agreement, or court order (front and pertinent pages) to document the amount and timeframe of the alimony obligation</li> <li>• Evidence of the amount received and two (2) consecutive months payment history via bank statements, canceled checks, deposit slips, tax returns, etc.</li> <li>• 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</li> </ul>

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

Income Type	Documentation
<p><b>Rental Income</b></p>	<p><b>Rental Property Currently Owned by Applicant</b></p> <ul style="list-style-type: none"> <li>Members must analyze Federal tax returns to determine the appropriate gross income for the household using <a href="#">FNMA Rental Income Worksheet Form 1037</a> and most recent executed lease agreement(s).</li> </ul> <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><b>*Federal tax returns may be required at the Bank’s sole discretion</b></p> <p><b>Rental Property Being Purchased by Applicant (e.g., new rental property is not listed on tax returns)</b></p> <ul style="list-style-type: none"> <li>If the property <b>is rented</b> at the time of application, provide the most recent executed lease agreement(s) or the market rent analysis from appraisal for subject property.</li> <li>If the property <b>is not rented</b> 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.”</li> </ul> <p><i>*The Bank will use the average of the net rental income as shown on the <a href="#">FNMA Rental Income Worksheet Form 1037</a> or the rent charged on the most recent executed lease agreement(s) x 75%.</i></p> <p><i>* Calculation above aligns with Fannie Mae’s Rental Income Worksheet <a href="#">Form 1037</a>.</i></p>
<p><b>Zero Income Certification</b> (Adult household members with no income)</p>	<p><b>For AHP Homeownership Set-aside Program:</b></p> <ul style="list-style-type: none"> <li>In circumstances where household members aged 18 and older (adult) do not receive any income, the adult must complete and execute the Zero Income Certification in the Intake Certification.</li> </ul> <p><b>For AHP General Fund:</b></p> <ul style="list-style-type: none"> <li>In circumstances where household members aged 18 and older (adult) who do not receive any income, the adult must complete and execute the <a href="#">AHP General Fund Zero Income Certification</a> 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.</li> </ul>

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## 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 Self-employed Income Certification](#)
- [AHP General Fund Zero Income Certification](#)
- [Fannie Mae Request for Verification of Employment Form](#)
- [Fannie Mae Cash Flow Analysis \(Form 1084\)](#)

### 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.**