



Public Input Questions

The AHP competitive application process must be administered in a fair, efficient, and effective manner while also ensuring that the FHLBanks can verify that applicants meet the AHP eligibility, scoring, and other application requirements. To further this objective, FHFA is requesting input on the questions below regarding the FHLBanks' competitive application programs process. For stakeholders who have applied for AHP subsidy, please share your experience in applying for the subsidy when responding to the questions below. Also, please indicate whether the application was successful.

Company Name: Builders Patch Inc.

Contact: kanan@builderspatch.com, tel:+1425-829-3778

Question	Content	Response
Question 1	Are there particular components of the FHLBanks' AHP application processes that could be made more effective or efficient, and if so, how? Are any of the FHLBanks' specific documentation requirements for AHP applications unnecessary for verifying that the applicant meets the AHP eligibility requirements and scoring criteria? Are there ways to streamline the application process while maintaining the FHLBanks' ability to verify applicants' compliance with the AHP eligibility requirements and scoring criteria?	<p>Builders Patch is a SaaS solution for commercial real estate lenders and developers. The platform streamlines the financing process for developing and preserving multifamily affordable housing. Builders Patch is built for loan officers' unique and complex workflows and is underpinned by a robust AI-driven underwriting and analytics engine for both sides of the transaction.</p> <p>We hope our responses can give add a technology perspective to create scalable, repeatable and transparent systems that achieve your overall goal (and ours) to create affordable housing quickly and efficiently.</p> <p>Builders Patch's team has a deep understanding of funding across the affordable housing sector. (Their founder</p>



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		<p>has worked on both the development and financing side (origination, underwriting) of multifamily affordable deals with many sources and complex underwriting.</p> <p>The application process in our opinion needs to be simple, flexible and the first pieces of a large puzzle of information that FHLB must get to complete a transaction.</p> <p>The application process should be digital (which you already have) and should allow the flexibility to make into many steps/parts of completion. This really does multiple things allows FHLB loan underwriters and banks to create a healthy pipeline with just enough critical data to utilize incoming projects. It also should be sufficient information to create an LOI and start underwriting.</p> <p>Builders Patch is able to offer all the above, and help create scoring mechanisms utilizing AI and ML into your application process.</p> <p>Another challenge is to smoothly interface with multiple stakeholders on a project, when you are in the due diligence and closing phase, and the need to maintain a line of communication and collaboration. Currently this process is fragmented and scattered and the data does not flow from application to underwriting and closing in a streamlined fashion.</p>
Question 2	How do the FHLBanks' AHP application processes compare to those of other providers of gap funding with respect to scope,	Please see our response to Q1 to give you context about us, and our experience in responding to this RFI.



	<p>complexity, and documentation requirements?</p>	<p>We work with state housing finance agencies, the largest bond issuer for affordable housing finance in the country, several CDFIs, and developers (who are applicants) and have created application forms for them. So we have seen all levels of complexity. We believe that a system has to be able to handle different levels of complexity but it would be super useful if developers/applicants do not have to provide information more than once.</p> <p>Again, we have many important lessons from the perspective of bringing in information once and helping reduce the burden on applicants until further down the process of underwriting and loan closing.</p>
<p>Question 3</p>	<p>Do the FHLBanks' AHP application processes leverage other funders' applications/requirements? Are the AHP application processes duplicative or complementary of other funders' underwriting requirements and processes? Do the AHP application processes create the need for additional information and documentation?</p>	<p>Please see our response to Q1 to give you context about us, and our experience in responding to this RFI.</p> <p>There are a lot of repetitive, duplicative processes and documents that a developer has to present in the AHP process. It is intensive and closer to a state HFA application in some ways.</p> <p>Again, would be amazing to have the FHLB's process for different states follow the guidance and Consolidated applications that many of the state HFAs put together for LIHTC (given that AHP is an additional source to LIHTC deals.)</p>
<p>Question 4</p>	<p>Should the AHP regulation allow the FHLBanks to differentiate their AHP application requirements for projects requesting subsidy that constitutes a small percentage of</p>	<p>Please see our response to Q1 to give you context about us, and our experience in responding to this RFI.</p> <p>Yes absolutely. In general the application</p>



	<p>the total funding in the project? If yes, why? Do other gap funders differentiate their application requirements for smaller projects?</p>	<p>process should be (in our opinion based on several scores of application/underwriting processes we have built for our customers) -</p> <ol style="list-style-type: none">1. Very flexible2. As MINIMAL as possible for FHLB to create and understand the deal and underwriting that will be involved.3. Keep underwriting requirements minimal or piggy back on other large senior construction and/or mortgage lenders requirements/underwriting if possible. <p>If our aim is to create more affordable housing quickly, and we have 5 or 6 different sources on each project. We have to cut down the requirements and burden on the folks doing the job and building affordable housing (housing developers).</p> <p>This is possible too, as at the end of the day the asset is one, and many transactions lead to one overall lending event for the deal. So we have to find a way to leverage information. For eg. LIHTC deals are underwritten and tax credits are allocate by state agencies but then the underwriting is done by the syndicators. (its many months apart) but one has to leverage the other.</p>
<p>Question 5</p>	<p>What role do consultants provide in applying for AHP funds? What are the reasons that an AHP applicant may use a consultant? To the extent that applicants are using the services of consultants to apply for AHP subsidy, how does the practice compare to the use of consultants for other sources of gap funding?</p>	<p>Please see our response to Q1 to give you context about us, and our experience in responding to this RFI.</p> <p>Smaller nonprofit organizations or local developers may lack the resources or expertise to navigate the complex application process, putting them at a disadvantage compared to larger, more experienced entities. It is usually these</p>



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		<p>folks that need external help and consultants to complete the process. We work with several smaller developers who have approached us simply because they need a technology and industry partner, that can help them navigate the complexity of the process via a system. Having a standardized process, with efforts around training and making smaller developers more aware of the process, can help level the field.</p> <p>It is useful when experts use the same system to help their developers navigate complex processes. BP has customers who are consultants and provide this help to various for-profit and non-profit developers including faith-based organizations that do not have the capacity to work on complex sources.</p>
Question 6	Are there effective practices the FHLBanks could implement to coordinate the underwriting review process across multiple funding sources in a project?	<p>Please see our response to Q1 to give you context about us, and our experience in responding to this RFI.</p> <p>Yes, this is the part where technology and the right system architecture can really cut time and costs. The way we have built our product, is catered to solving this exact problem for multifamily housing lenders.</p> <ol style="list-style-type: none">1. One unique entry point for each data field, file and the ability to update the data point at various times in the lifecycle of the deal.2. Automate financial dashboards for high level expense categories and learn from past underwriting to make future decisions.3. Standardize a project memo that syncs with your Excel underwriting



		<ol style="list-style-type: none">4. Build custom reports that allow you to track and filter data points pertinent to specific funding sources.5. Utilize AI and ML to extract information, benchmark deal data and summarize and create time consuming board memos/underwriting credit memos, etc. <p>The most useful solution would be to consolidate fragmented systems and make sure that all the data is being captured, stored, organized and utilized on a single platform. In our conversations with FHLBanks, we have realized that a technology like this didn't exist before but now it does and there's incredible scope for improving data management and turnaround time, with the right system in place.</p>
Question 7	What is the single most important change you would recommend for improving the AHP application process?	<ol style="list-style-type: none">1. Single source of truth for all deal data that is receiving AHP funds through the 11 FHLB banks and leveraging existing data on a deal/project. Make this data additive and not have duplicative processes.
Question 8	What concrete steps would you recommend for simplifying the AHP application process and why?	<ol style="list-style-type: none">1. Implement a system that can bring multiple stakeholders on the same platform, and serve as the single source of truth.2. Reduce reliance on manual data entry in Excel sheets, communication/due-diligence collection via multiple email conversations and fragmented document sharing. Data should flow from one stage of the application to the other, without



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		requiring much effort on the part of the underwriting team or the developer who is applying.
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