

SNAP Questions and Answers

SPECIAL NEEDS HOUSEHOLD REQUIREMENT

Q: *What constitutes a Special Needs Household?*

A: Special Needs owner-occupied housing means a household with any of the following: elderly person(s), person(s) with disabilities (including minors), person(s) recovering from physical abuse, alcohol, or drug abuse, or person(s) with HIV/AIDS. Elderly means an individual who is fifty-five years of age or older. At least one permanent occupant of the household must meet at least one of the special needs criteria. Acceptable special needs documentation includes any one of the following items:

- Federal or state issued identification confirming age; 55 years or older
- Social Security Benefits Statements confirming disability benefits;
- Medical reports or referral letter or document from a medical professional confirming a qualified special needs disability;
- Referral letter/form/certificate confirming treatment or participation in a program that provides services and/or treatment for a defined special need;
- A fully-completed Verification of Special Needs form (available in this Funding Manual).

NOTE: Please do not include copies of Social Security cards in the SNAP application submission.

GRANT REQUEST SUBMISSION

Q: *Can SNAP funds be reserved prior to submitting a grant application?*

A: No, our program does not allow reserving funds before submitting an application. Upon receipt of a complete SNAP request application via the GrantConnect portal, the requested grant amount is earmarked for the specific application on a first-come, first-served basis.

Q: *Can partial SNAP applications be submitted?*

A: No, each application must include all applicable items as detailed on the Request for Disbursement of Funds form when uploaded through the GrantConnect portal. Applications not containing the required initial documentation will delay review of the grant request.

HOUSEHOLD REQUIREMENTS

Q: *How is the household size determined?*

A: Any individual who is a permanent occupant of the subject home must be included and listed on the Household Income Certification form, along with his or her income, as applicable. All occupants, including minors, are to be identified on the Household Income Certification, as household size determines the household's median income limit requirement. All applicable income amounts, including non-wage income of minors (such as social security or disability) must be included. For qualification, a pregnant woman is counted as two persons within the household size.

Q: *Can a household receive more than one SNAP grant?*

A: A household cannot receive more than one SNAP grant in a calendar year. An eligible household can receive a SNAP grant in different years if the grant request covers different eligible repairs.

Q: *Is ownership of the subject home required?*

A: Yes. To be eligible for SNAP, the subject home must be the primary residence for each occupant shown in the grant application, and at least one of the permanent occupants must be an owner in title of the subject home.

HOUSEHOLD INCOME REQUIREMENT

Q: How is annual household income determined?

A: There are several acceptable methods of calculating income depending on the source of income and the income documentation. Our program considers income on a forward-looking basis by annualizing documented earnings or benefit amount.

- For wage earners, we require a paystub issued no more than 90 days prior to the date the grant application is submitted to FHLB. For wage earners, the preferred method of income calculation is a determination of annualized income utilizing the Income Calculation Tool available on our SNAP website. The Income Calculation Tool is an Excel worksheet which produces a projected annualized income based on gross YTD earnings from the date the YTD earnings began.
- Overtime, bonus, commission, tips, other pay: for wage earners, any recurring OT, bonus, commissions, tips or other special pay is considered in determining the qualifying income. We annualize these types of earnings based on average of amounts earned YTD. Depending on the nature of the income type, it may be acceptable to annualize the YTD amount separate from base wages. One-time pay amounts or income types that are no longer continuing can be excluded from annual income calculation if there is satisfactory documented confirmation of the non-recurring or non-continuation status.
- For Self-employed applicants, we require the most recent 2 years of signed, filed IRS tax returns. Self-employment income is considered stable and eligible for qualifying purposes if the income has been received for a full 2 calendar years. The income is calculated by taking an average of the net profit based on the most recent 2 full years of tax returns. Deductions in income for depreciation, amortization, depletion and other non-cash deductions should be added back to Net Profit on Schedule C, partnership or corporation income to determine compliance income. If the two-year average yields a negative number, the income for self-employment earnings should be reflected as \$0. For qualifying, net losses from self-employment should not be deducted from any other household income received, if applicable. If self-employment is less than 2 years prior, W-2's signed personal and business federal income tax returns may be required.
- For Social Security pension, SSI or Social Security Disability, we require the applicable current benefit letter confirming the gross monthly benefit amount. The gross monthly benefit is annualized for a 12-month period.
- For private pension income, we require a letter or statement from the Pension Plan confirming the current gross monthly pension amount. The gross monthly pension amount is annualized for a 12-month period.

NOTE: Copies of bank statements are not accepted as income documentation as amounts deposited into bank accounts may not represent full gross amounts.

Q: Does income of minors count as qualifying income?

A: Gross amount of all Social Security benefits and/or Social Security Disability benefits received by the household on behalf of an occupying minor are counted as qualifying income. Job wages earned by an occupying minor are not counted as qualifying income.

Q: Does child support or alimony count as qualifying income?

A: Yes. Child support and/or alimony received on a consistent basis is counted as qualifying income. Court records reflecting the income receipt history are required.

Q: Are HUD Housing Vouchers counted as qualifying income?

A: Yes, the monthly Housing Voucher amount must be documented and counted in annual income.

HOUSEHOLD INCOME REQUIREMENT CONTINUED

Q: *What is the requirement regarding adult occupants of the subject home who have no income?*

A: If a household member (who is not a full-time student) is 18 years of age or older and has no income, a signed and dated Certification of Zero Income is required. The Certification of Zero Income Form must be completed in full, including #3 of the form. The Certification of Zero Income Form is located in the SNAP Funding Manual.

Q: *Are there some types of income that do not count as qualifying income?*

A: Yes. Exhibit G of the AHP Implementation Plan lists income categories that are excluded from consideration as qualifying income. The AHP Implementation Plan can be accessed via the SNAP website.

Q: *Does the date of income documentation matter?*

A: Some income documentation, such as paychecks and verification of employment letters or forms, must be dated within 3 months prior to the date the member submitted the SNAP application. Please refer to the Verification of Income instruction page in this Funding Manual to confirm additional requirements or clarification regarding our income documentation requirement.

ELIGIBLE REPAIR REQUIREMENTS

For SNAP, the requested repair(s) must comply with the list of Eligible Repairs contained in the current version of the SNAP Funding Manual.

Q: *Can I submit a request for repairs that are not included on the Eligible Repairs list?*

A: Upon receipt of a SNAP application, any requested repair items not consistent with the applicable year Eligible Repairs list will be excluded from consideration for the SNAP grant. Ineligible repairs will typically require a revised SNAP Home Repair Estimate and SNAP Sources and Uses of Funds form.

Q: *After submission of a SNAP application, are repair substitutions allowed to replace ineligible requested repairs?*

A: No. Substitutions to replace ineligible requested repairs in a SNAP submission are not allowed.

GENERAL OVERVIEW

Q: *What is meant by "Member Cap"?*

A: The per-member submission cap established for SNAP is the maximum total amount that the member may submit for consideration by FHLB Dallas in a given offering period and/or in a given year, subject to funds availability. Since SNAP is offered during a fixed submission window(s), the final member cap will be determined after the end of the submission window(s). The member cap amount is not a commitment to, or guaranteed amount for, any individual member.

Q: *How can non-profits and other organizations participate in SNAP?*

A: SNAP allows for the involvement of an intermediary organization working in conjunction with an FHLB Dallas member institution. A developer fee for an intermediary is allowed, not to exceed \$750. **An intermediary serving as the project contractor is not eligible to receive a developer fee.** The submitting member institution is not eligible to receive a developer fee in any situation. An Intermediary means an IRS established 501c3 nonprofit organization, government entity or tribal entity that works with a member institution to facilitate applications for the Bank's Homeownership Set-Aside programs and applicable Voluntary programs. The Intermediary must be current on filing and paid all tax obligations to participate in any program.

GENERAL OVERVIEW CONTINUED

Q: *What is meant by “Intermediary Cap”?*

A: The per-intermediary cap established for SNAP is the maximum total amount that can be submitted on behalf of an intermediary organization in a given offering period and/or in a given year, subject to funds availability. An intermediary can be involved in SNAP applications through multiple members, subject to the per-offering and annual intermediary cap. The intermediary cap amount is not a commitment to, or guaranteed amount for, any individual intermediary.

Q: *Why does FHLB require documentation before releasing funds?*

A: To validate homeowners are eligible for SNAP funds and to reduce the potential for recapture of funds from our members, we require verification of household income, documented special needs status, documented need for, and scope of, the planned repairs and documentation of the pass-through of the SNAP grant funds.

Q: *What constitutes evidence of the need for, and scope of, repairs?*

A: Each SNAP grant request submission must include a fully-executed SNAP Home Repair Estimate (form available in the current SNAP Funding Manual) and a pre-rehabilitation inspection report. The Home Repair Estimate must identify the program-eligible proposed repairs in sufficient detail and indicate the labor charge vs. materials cost. (Overall labor charge and overall material cost is acceptable.) For roof repair replacement, the estimated quantity of shingles must be indicated. The pre-repair inspection report must confirm the need for the proposed repairs.

Q: *What constitutes “pass-through” of the SNAP grant?*

A: Documented evidence is required of the SNAP subsidy passing through from the member to the applicable repair/rehabilitation project, for the benefit of the household. Documentation required to support pass-through of the SNAP grant is described in the Inspection and Pass-Through Documentation section of the current year SNAP Funding Manual.

Q: *What are the property inspection requirements?*

A: Pre-rehabilitation and post-rehabilitation inspection reports are required to mitigate the potential risk of fraud and help protect both the homeowner and the member from claims of incomplete or defective workmanship. We do not have a specified inspection report form; the inspector may use their own report format. The pre-rehabilitation inspection report must address the specific items that require modification/rehabilitation or confirm the proposed scope of work identified on the applicable SNAP Home Repair Estimate. The pre- and post- inspection reports must reflect the inspector's name and contact information. The post-rehabilitation inspection report must confirm the original scope of work was completed in an acceptable manner. Both pre-repair and post-repair reports must include sufficient representative photos. Refer to the SNAP Inspection and Pass-Through Documentation page in the current SNAP Funding Manual for further information. If not provided with original submission, the pre-inspection report is due within 45 days after the close of the applicable SNAP offering period. Disbursement will only occur after we have received and reviewed the satisfactory pre-inspection report. This step is necessary to guarantee that all requirements are met and that we maintain the highest standards of quality and compliance.

Q: *Who can perform the inspections?*

A: The pre- and post-inspections must be conducted by an independent third party selected by the member. Unless the intermediary is a government-controlled entity, the third-party inspector must not be related to the intermediary. The same inspector should conduct both the pre- and post-inspections on a given project. (If not, an explanation is required.)

Q: *Who can perform the rehabilitation repairs?*

A: The repair contractor named on the executed SNAP Home Repair Estimate should be vetted by the member to establish their qualification credentials.

GENERAL OVERVIEW CONTINUED

Q: *Do the repairs have to be completed prior to receiving SNAP funds?*

A: No. We will accept the fully-executed SNAP Home Repair Estimate and pre-inspection report to disburse the funds. Verification of the completed rehab work should be provided within 60 days of the disbursement of the SNAP funds. Failure to provide the final completion documentation within the time required could result in a delay of future funding and/or a recapture of prior disbursed funds related to the deficient document(s).

Q: *Are mobile homes or manufactured housing allowed for SNAP?*

A: Owner-occupied, primary residence mobile homes or manufactured housing, either single or double wide, are acceptable so long as the unit is permanently affixed.

Q: *Can SNAP funds be combined with any other approved AHP funds (General Fund and any Targeted Funds and Homeownership Set-Aside Programs) awarded by any Federal Home Loan Bank?*

A: No. A SNAP grant cannot be issued in combination with any additional Federal Home Loan Bank funds.

Q: *Can SNAP funds be leveraged with non-FHLB funding sources?*

A: Yes. All funding sources are to be identified on the SNAP Sources of Funds form.

Q: *Can the homeowner receive cash from the SNAP grant proceeds?*

A: No. The full SNAP grant amount must pass through to applicable parties in accordance with the documented Uses of Funds. Disbursement of any portion of the grant directly to the homeowner is prohibited.

Q: *How will I know if a SNAP funding request is approved?*

A: Upon approval, an email confirming the grant disbursement will be sent to the member contact listed on the "SNAP Request for Disbursement of Funds" form.

Q: *How will the member institution receive funding after a SNAP application has been approved?*

A: We will credit the member's DDA in the amount approved. Upon receipt, the member serves as gatekeeper of the SNAP funds and oversees disbursement of the funds to the applicable contractor and/or intermediary and/or inspector in accordance with their own internal procedures.

Q: *Are extensions for repair completion allowed?*

A: We understand situations may occur outside the member's control. The member should keep us apprised of legitimate delays and continue to monitor the situation to accomplish completion of the applicable project repairs as soon as possible. A pattern of extended past-due final documents without adequate justification may impact our ability to disburse future SNAP grants for the member.

Q: *For a funded grant, what is the required process if the requested repairs are not completed?*

A: After a SNAP grant is disbursed, if the project is cancelled due to repairs not completed, we are to be notified via email to the department inbox (ahp@fhlb.com) so the grant can be cancelled. The grant cancellation process will generate a debit to the member's DDA in the amount of the grant, reversing the amount originally credited to the DDA. Timing of the cancellation will be coordinated with applicable member staff.

GENERAL OVERVIEW CONTINUED

Q: What is the process for SNAP applications that are withdrawn prior to the grant being disbursed?

A: If a SNAP grant application needs to be withdrawn prior to disbursement, please notify us via email to ahp@fhlb.com and we will withdraw the request in the portal. If a SNAP grant application is deemed ineligible by FHLB staff, the applicable member contact will be notified accordingly and the funds will be allocated back to the general pool of funds.

Q: *If a disbursed SNAP grant is canceled, do those funds remain allocated for use with a different applicant?*

A: No. If a disbursed SNAP grant is canceled, the amount of the canceled funds revert back to the general pool of funds available to be offered to any already submitted waitlist applications, if applicable.

Q: *Is the member penalized for SNAP grant applications that cancel or withdraw?*

A: There is no financial penalty incurred by the member in connection with a SNAP application withdrawal or SNAP grant disbursement cancellation. However, a pattern of high cancellation or withdrawal will be a matter of concern and could impact our ability to disburse future SNAP grants to the member.

Q: *Are repair change orders allowed?*

A: As stated on the SNAP Home Repair Estimate form, we are to be notified of any change in contractor or scope of work. A change in either the contractor or the scope of work will require submission of a revised SNAP Home Repair Estimate and may require additional pre-inspection review and revised SNAP Sources and Uses of Funds form. A change order reducing the requested SNAP grant amount will typically be allowed. Approval of a change order requesting an increase in the SNAP grant is subject to funds availability .

Q: *Does FHLB require a recorded Deed Restriction in connection with a SNAP grant?*

A: No. The current SNAP grant program has no Deed Restriction requirement.

Q: *What is the process for obtaining a release of a previously-recorded SNAP Deed Restriction?*

A: When requested via an email to the department mailbox (ahp@fhlb.com), we will provide to the requester an executed Release for a previous SNAP grant, including Deed Restrictions that still have a remainder of the original 60-month term. The requester is responsible for having the Release recorded in the applicable jurisdiction.

Q: What is the most common mistake regarding SNAP applications?

A: The most common oversights are discrepancies in the SNAP Sources and Uses of Funds form. The total of Sources must match the total of Uses, and the SNAP grant amount reflected on the Request for Disbursement of Funds must be supported by the Uses of Funds amount. Also, the requested repairs must comply with the Eligible Repairs list of the current year Funding Manual.