



FLAHFA Conference

What's New with our Federally Chartered Partners

Federal Home Loan Bank of Atlanta's Products and Services

Presented by Jan Hadder, Vice President, Associate Director of Community Investment Services

Friday, July 14, 2017
Atlantic Beach, FL

FEDERAL HOME LOAN BANK
OF ATLANTA

Our Discussion Today

- Who Are We?
- How can HFA's become Members?
- How can We Assist Local HFAs in achieving business objectives?
- How can We Help?
- Q & A



FHLBank Atlanta

Who Are We?

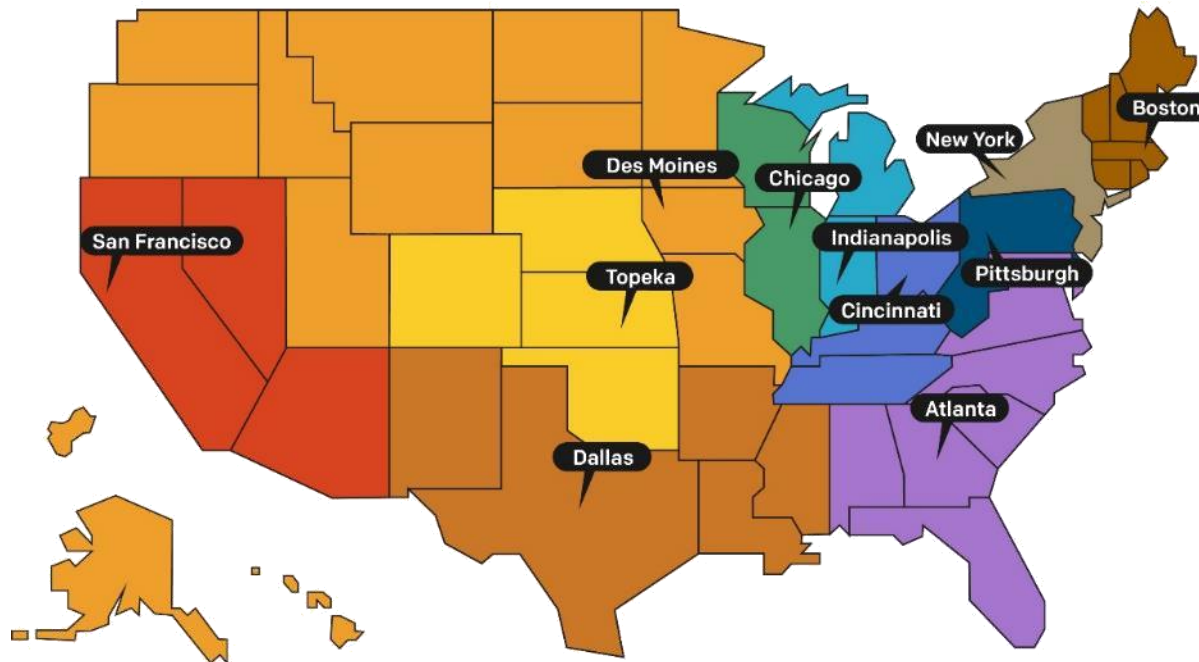
FHLBank System Overview



- Support housing finance and community investment
- Cooperative
 - Commercial banks
 - Credit unions
 - Insurance companies
 - CDFIs
- Housing Associates (Atlanta only)
 - State and local housing finance agencies
- Each FHLBank is owned and operated independently
- Federal Housing Finance Agency regulates the FHLBank system

FHLBanks Play a Key Role in Financial Services

FHLBank System



Total Assets: \$1.06 trillion*

Total Advances: \$705.2 billion*

Net Income: \$3.4 billion*

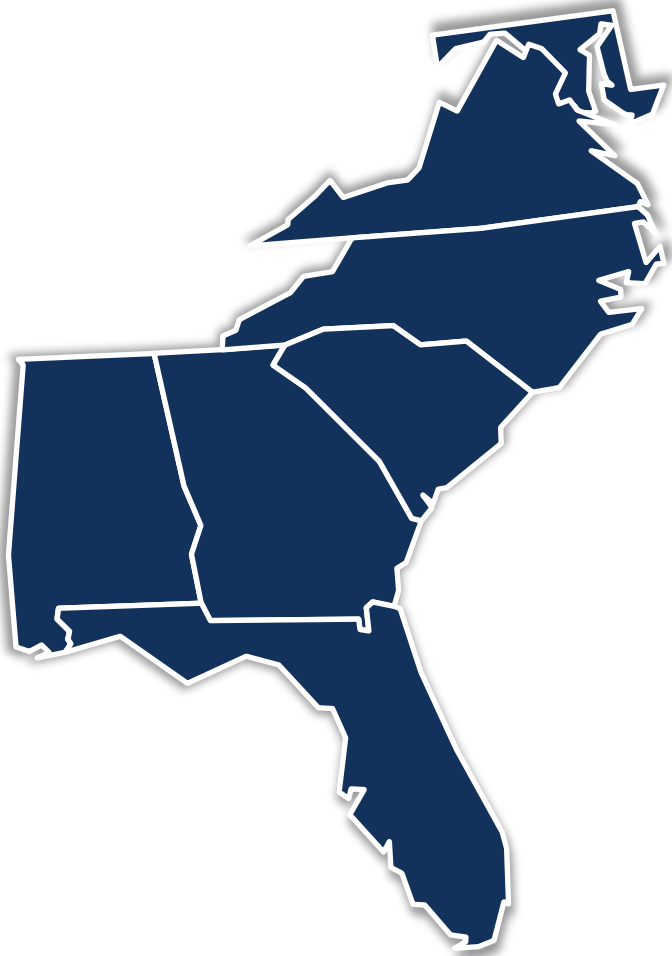
as of December 31, 2016

Provide wholesale products and services to approximately 7,000 member financial institutions

Increase and expand the availability of funds for residential mortgage and community development lending nationwide

FHLBank Atlanta – Financial Highlights

December 31, 2016



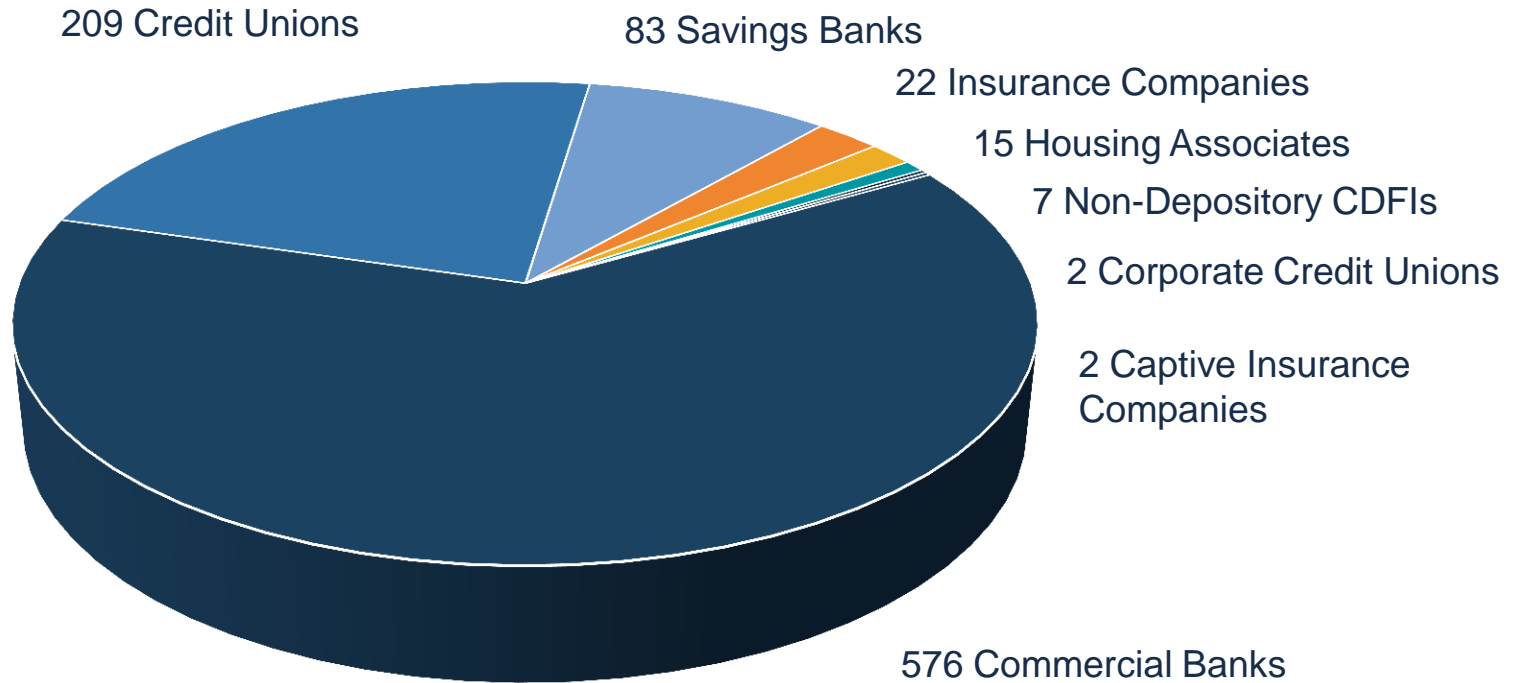
- Total Assets: **\$138.7 billion**
- Total Advances (loans): **\$99.1 billion**
- 2016 Net Income: **\$278 million**
- Retained Earnings: **\$1.9 billion**
- Fourth Quarter 2016 Dividend: **4.77%**
- Total Membership: **901 institutions**



- Like every “dividend,” predicated upon earnings
- “Equity-like” capital for real estate transactions
- Direct and indirect benefits to shareholders, developers, homebuyers, tenants, and the community

FHLBank Atlanta Shareholders

As of December 31, 2016



916 Total Members

Advances

Provides FHLBank members low-cost financing for lending in their communities

Mortgage Partnership Finance[®] (MPF[®]) Program and Mortgage Purchase Program (MPP)

Empowers small- to medium-size FHLBank members to originate more mortgages. Provides an alternative to Fannie Mae, Freddie Mac, and Ginnie Mae for the sale/securitization of mortgage loans

Letters of Credit

Provide credit enhancement on bonds for residential and economic development

Affordable Housing Program (AHP)

Real estate funding for the acquisition, development, construction, or rehabilitation of affordable housing

- Ownership or rental
- Single-family or multifamily



Working with Housing Finance Agencies

How can HFAs become Members?



Housing Associate of the FHLBanks is defined as...



Housing Finance Authorities - a public agency, authority, or publicly sponsored corporation that serves as an instrumentality of any state or political subdivision of any state, and functions as a source of residential mortgage loan financing in that state

Value and Benefits of Becoming a Housing Associate



- Access to all liquidity products without purchasing stock
 - Short-term warehouse
 - Term funding
 - Fixed- and variable-rate
- Access to Letters of Credit/AAA-rated bond credit enhancement product
- Cash management, including safekeeping services
- Interest-rate risk management tools

FHLB Atlanta's Housing Associate Contact:

- **Leah Douglass**

Vice President and Sales and Training Operations Manager

404.888.8453 (o)

404.210.1039 (m)

ldouglass@fhlbatl.com



Affordable Housing Products and Services

How can we Leverage our Products and Services to Advance Your LIHTC Objectives?



What is the Affordable Housing Program?

AHP Competitive Program

- \$500,000 to \$1.5 million for rental or ownership development projects
- Competitive application
- Each FHLBank has its own scoring criteria
- Accessed only via member

Rental and Ownership Development

Developer/Builder Driven

- New construction
- Rehabilitation
- Multifamily
- Single-family

AHP Set-Aside Program

- Down payment, closing cost, and principal reduction grants for home purchase or home rehabilitation
- Generally first come/first served
- Accessed only via member

Mortgage Purchase and Home Rehabilitation

Mortgage Driven

- Single-family products
- Down-payment assistance
- Closing-cost assistance
- First-time homebuyer

FHLBank Atlanta AHP Scale and Impact



SCALE AND IMPACT



\$714.6 Million

competitive funds awarded to create over 113,000 rental and homeownership opportunities for moderate-, low- and very low-income households since 1990
AHP Competitive Leverage Ratio – 1:13

\$177 Million

funded through AHP Set-aside products and supporting 25,885 units since 1997
AHP Set-aside Purchase Leverage Ratio – 1:21

\$7.8 Billion

low-cost CICA advances supporting community economic initiatives and affordable housing development

As of 12/31/2016

Affordable Housing Program (AHP)



AHP Competitive – rental and ownership

- New construction/rehabilitation
- Single-family/multi-family
- Acquisition/owner-occupied



AHP Set-aside – ownership only

- Down payment and closing cost assistance
- Rehab assistance
- Veterans Focus



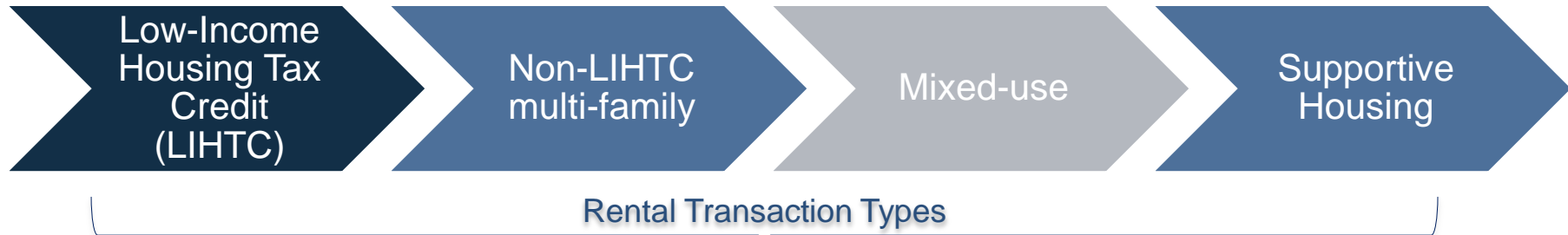
Community Investment Program (CIP)/ Economic Development Program (EDP)

- Discounted advance products for residential or economic development projects

- Commercial loan officers
- CRA officers
- Business development officers

- Single-family mortgage loan officers
- CRA officers
- Business development officers

- Commercial loan officers
- CRA officers
- Business development officers



Reduces project debt service

- Which thereby permits a reduction in project rents to enable affordability

Use of Funds

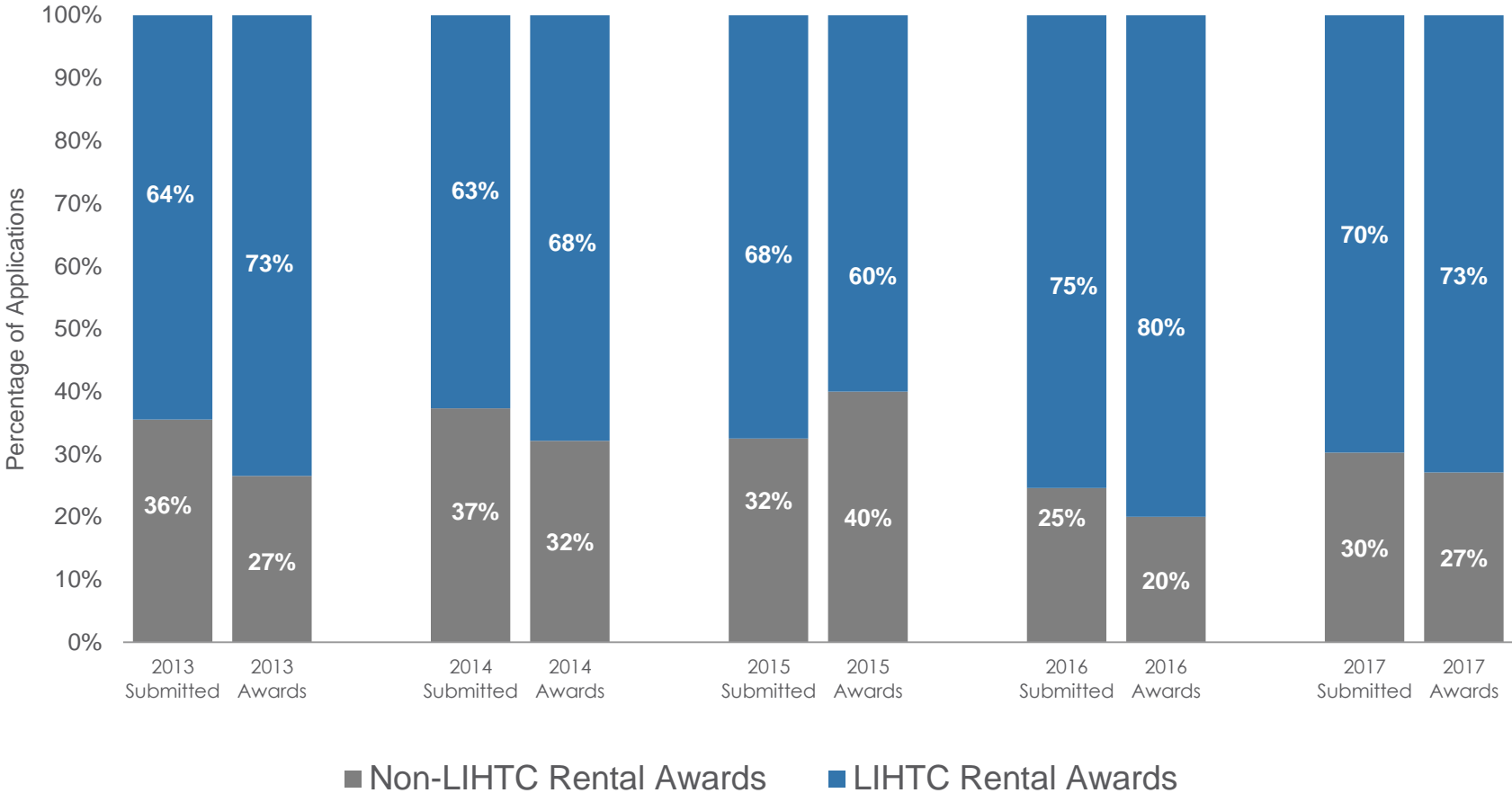
- Acquisition
- Rehabilitation
- New construction and/ or
- Permanent funding



La Joya Villages | Lake Worth, FL
AHP Investment: \$500,000
55 Rental Units
Total Development Cost: \$12,206,957
Special Use: Veterans Housing

FHLBank Atlanta

LIHTC VS. NON-LIHTC Rental, 2013 - 2017



Low Income Housing Tax Credit (LIHTC) 9% LIHTC Project



Example: 52-unit, elderly rental project

	Total Sources	AHP	Shareholder First Mortgage	Other Sources*
Acquisition	\$180,000	\$157,800		\$22,200
Construction	\$5,131,407	\$310,200	\$180,000	\$4,641,207
Soft Costs	\$706,376			\$706,376
Other Costs	\$1,010,059			\$1,010,059
Total Development Budget	\$7,027,842	\$468,000	\$180,000	\$6,379,842

Borrowing the Amount of AHP from the Shareholder

Total Shareholder First Mortgage	\$648,000
AHP	\$0
Shareholder Loan-to-Value (LTV)/cost	9.2%
DCR	0.56

Making Lending Possible and Projects Feasible

Using AHP Funds

Total Shareholder First Mortgage	\$180,000
AHP	\$468,000
Shareholder Loan-to-Value (LTV)/cost	2.6%
DCR	2.14

*Other sources include subordinate and soft debt and equity

Low Income Housing Tax Credit (LIHTC) 4% LIHTC Project

Example: 55-unit, family rental project

	Total Sources	AHP	First Mortgage	Other Sources*
Acquisition	\$990,000			\$990,000
Construction	\$7,238,687	\$492,945	\$2,143,684	\$4,612,058
Soft Costs	\$2,137,494		\$41,150	\$2,096,344
Other Costs	\$3,124,470		\$665,166	\$2,459,304
Total Development Budget	\$13,490,651	\$492,945	\$2,850,000	\$10,147,706

Borrowing the Amount of AHP from the First Mortgage Lender

Total First Mortgage	\$3,332,945
AHP	\$0
Shareholder Loan-to-Value (LTV)/cost	24.7%
DCR	0.90

Making Lending Possible and Projects Feasible

Using AHP Funds

Total Shareholder First Mortgage	\$2,850,000
AHP	\$482,945
Shareholder Loan-to-Value (LTV)/cost	21.1%
DCR	1.15

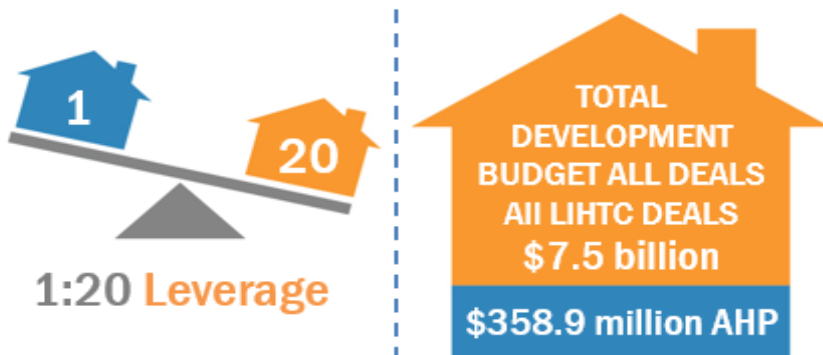
*Other sources include subordinate and soft debt and equity

AHP Scale and Impact Profile

Low Income Housing Tax Credit (LIHTC) AHP Financing

May 2017

LIHTC AHP CUMULATIVE IMPACT



TOTAL DEVELOPMENT BUDGET BY STATE



VA	\$1,177,627,728	TN	\$131,306,996	WV	\$23,943,684
GA	\$1,056,130,872	PA	\$95,077,743	MA	\$21,756,331
NC	\$990,573,727	TX	\$72,857,819	WA	\$21,068,339
FL	\$839,477,177	IL	\$70,223,396	WI	\$11,563,756
MD	\$776,981,227	AR	\$49,226,137	KY	\$8,336,092
AL	\$495,944,619	NY	\$46,835,590	ME	\$8,316,736
SC	\$491,959,963	NJ	\$38,642,295	MI	\$7,761,252
CA	\$451,391,511	MS	\$30,087,323	IA	\$4,975,394
DC	\$354,584,348	CT	\$27,954,349	TOTAL	\$7,514,585,433
LA	\$184,187,883	IN	\$25,793,146		

UNITS



62,215 LIHTC Units Awarded AHP Funds

LOW INCOME HOUSING TAX CREDIT (LIHTC) / AHP FINANCING



958 (41%) of all awarded AHP projects are LIHTC projects



62,215 (54%) of all awarded AHP units are LIHTC units

Supportive Housing: Low to moderate income units reserved for individuals and families that are homeless, mentally or physically disabled, recovering from physical or substance abuse, or have HIV/AIDS.

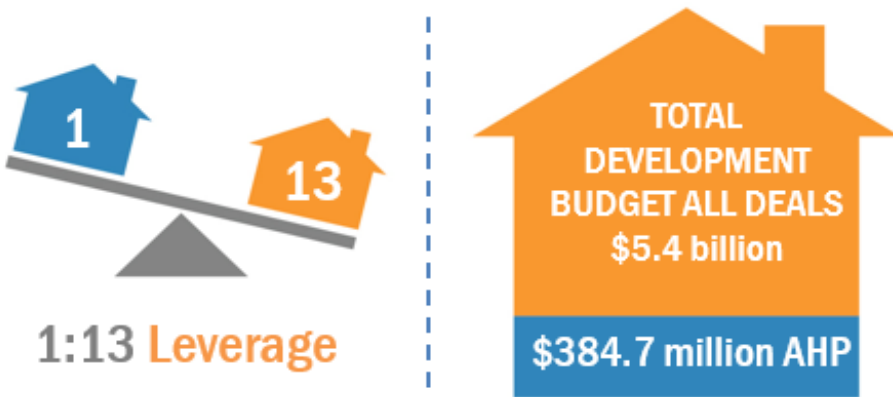


Project: Moore Place, Charlotte, NC

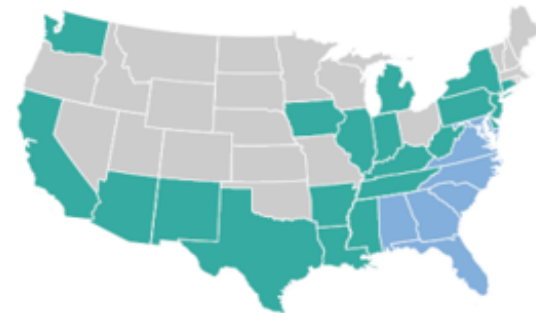
Sponsor: Charlotte Center for Urban Ministry, Inc.

AHP Award: \$1 million awarded for supportive housing for homeless residents

SUPPORTIVE HOUSING AHP CUMULATIVE IMPACT



TOTAL DEVELOPMENT BUDGET BY STATE



UNITS



62,711 units awarded AHP funds via Supportive Housing projects

GA	\$992,347,476	NY	\$46,835,590
MD	\$767,044,366	NJ	\$38,642,295
FL	\$674,485,671	CT	\$27,954,349
VA	\$627,072,357	IN	\$25,793,146
NC	\$577,243,546	MS	\$22,643,393
DC	\$386,379,651	MA	\$21,756,331
SC	\$373,729,061	WA	\$21,068,339
AL	\$223,848,320	WV	\$15,735,892
TN	\$119,897,881	MI	\$9,361,252
TX	\$91,005,579	ME	\$8,316,736
PA	\$77,922,954	IA	\$4,975,394
IL	\$77,422,832	AR	\$4,793,171
LA	\$66,445,527	KY	\$2,875,348
CA	\$56,100,771	DE	\$1,436,902
		TOTAL	\$5,363,134,130

How Often Do We Offer the AHP Competitive Program?



FHLBank Atlanta AHP Competitive 3-Year Application Schedule



Purchase Products



First-time Homebuyer
Product



Community Partners
Product



Foreclosure Recovery
Product



Veterans Purchase
Product



Returning Veterans
Purchase Product

Rehabilitation Products



Veterans
Rehabilitation Product



Returning Veterans
Rehabilitation Product



Community Rebuild
and Restore

Structured Partnership Products

Connecting with the Military Community



Ownership

- Veterans Purchase Product
- Returning Veterans Purchase Product
- Veterans Rehabilitation Product
- Returning Veterans Rehabilitation Product



Rental Housing

- Supportive Housing
- Units Reserved for Veterans



Financial Literacy

Online debt management learning environment for active duty and veterans that use FHLBank Atlanta products



Ownership Example

Ability for Homebuyer to Purchase a Home



VALUE AND BENEFITS

Community Partners Product

Home Sales Price	\$200,000
<u>Without AHP:</u>	
Member First Mortgage	\$193,000
Homebuyer Contribution	\$7,000
Seller Contribution	\$6,000
Closing Costs	\$6,000
Member LTV without AHP <small>(First Mortgage/Sales Price)</small>	96.5%

<u>With AHP:</u>	
Member First Mortgage	\$185,500
Homebuyer Contribution	\$7,000
Seller Contribution	\$6,000
Closing Costs	\$6,000
AHP <small>(4:1 match to homebuyer contribution)</small>	\$7,500
Member LTV with AHP <small>(First Mortgage/Sales Price)</small>	92.8%

Returning Veterans Purchase Product

Home Sales Price	\$160,000
<u>Without AHP:</u>	
Member First Mortgage	\$160,000
Homebuyer Contribution	\$0
State Housing Grant	\$4,800
Closing Costs	\$4,800
Member LTV without AHP <small>(First Mortgage/Sales Price)</small>	100.0%

<u>With AHP:</u>	
Member First Mortgage	\$145,000
Homebuyer Contribution	\$0
State Housing Grant	\$4,800
Closing Costs	\$4,800
AHP <small>(No matching is required for AHP Veterans products)</small>	\$15,000
Member LTV with AHP <small>(First Mortgage/Sales Price)</small>	90.6%



Connections to Business Drivers: FHLBank Atlanta has a database of over 4,000 developers, realtors, contractors, nonprofits, etc. that can be shared with members

- Can be sorted by local market



Marketing: FHLBank Atlanta provides templates for the marketing of homeownership products

- Templates available on the web
- Direct assistance with members



Education and Outreach: FHLBank Atlanta will conduct, in collaboration with our shareholders, webinars, joint outreach, business development events, etc. to attract, train, or retain our members' customers

Services

Expanding Your Eligible Customer Base



FHLBank Atlanta's AHP Income Limit Methodology and Calculator

Enter Calculation Criteria	
Application Year [?]	2015 - Present <input type="button" value="v"/>
HUD Year [?]	2017 <input type="button" value="v"/>
State	FL <input type="button" value="v"/>
County	Highlands County <input type="button" value="v"/>
MSA	Highlands County, FL <input type="button" value="v"/>
Household Size	4 <input type="button" value="v"/>
Household Income	<input type="text"/> <input type="button" value="Calculate AMI%"/>
Maximum 80% Income	
Household AMI%	

- New Methodology and Calculator **implemented in 2015**
- Selects the **greatest of four** calculation methodologies
- **Point-and-click** calculator automatically provides the highest income limit
- 548 of 599 counties in the Bank's district (91%) now have a higher income limit!

AHP Income Limit "Under Old Methodology"	AHP Income Limits "Under New Methodology"	% Higher than Old Methodology
\$38,700	\$47,200	22%

Highlands County, FL – Example above based on 4 person household

Garrett County, MD New AHP Income Methodology	4-Person Household 80% of AMI
Method 1 - 100% County Basis	\$46,000
Method 2 - 80% County Basis	\$54,850
Method 3 - 50% County Basis	\$54,800
Method 4 - 80% State Basis	\$68,000
<i>Impact: Increased Eligibility</i>	\$13,150

AHP Income Eligibility is now based on the greater of 4 different calculation methods

AHP Income Limits increased by **24%** for Garrett County, MD under the New Methodology

Services

Connecting with Potential Customers

- Lenders that participate in AHP Ownership and Multifamily Housing
 - “Find A Member” on the Bank’s website now includes member business contacts for **multifamily** in addition to existing homeownership <http://corp.fhlbatl.com/find-member/>
 - Helps connect developers with shareholders



The screenshot shows the 'Find a Member Near You' tool interface. A yellow starburst graphic highlights '206 Shareholder Business Contacts'. A dashed box on the right contains sample messages sent via the locator tool. A bracket at the bottom points to a 'Search Options' box.

Find a Member Near You

Select the type of member you'd like to find

- Member Financial Institutions
- Lenders that participate in AHP Ownership Products
- Lenders that participate in Multifamily Housing

206 Shareholder Business Contacts

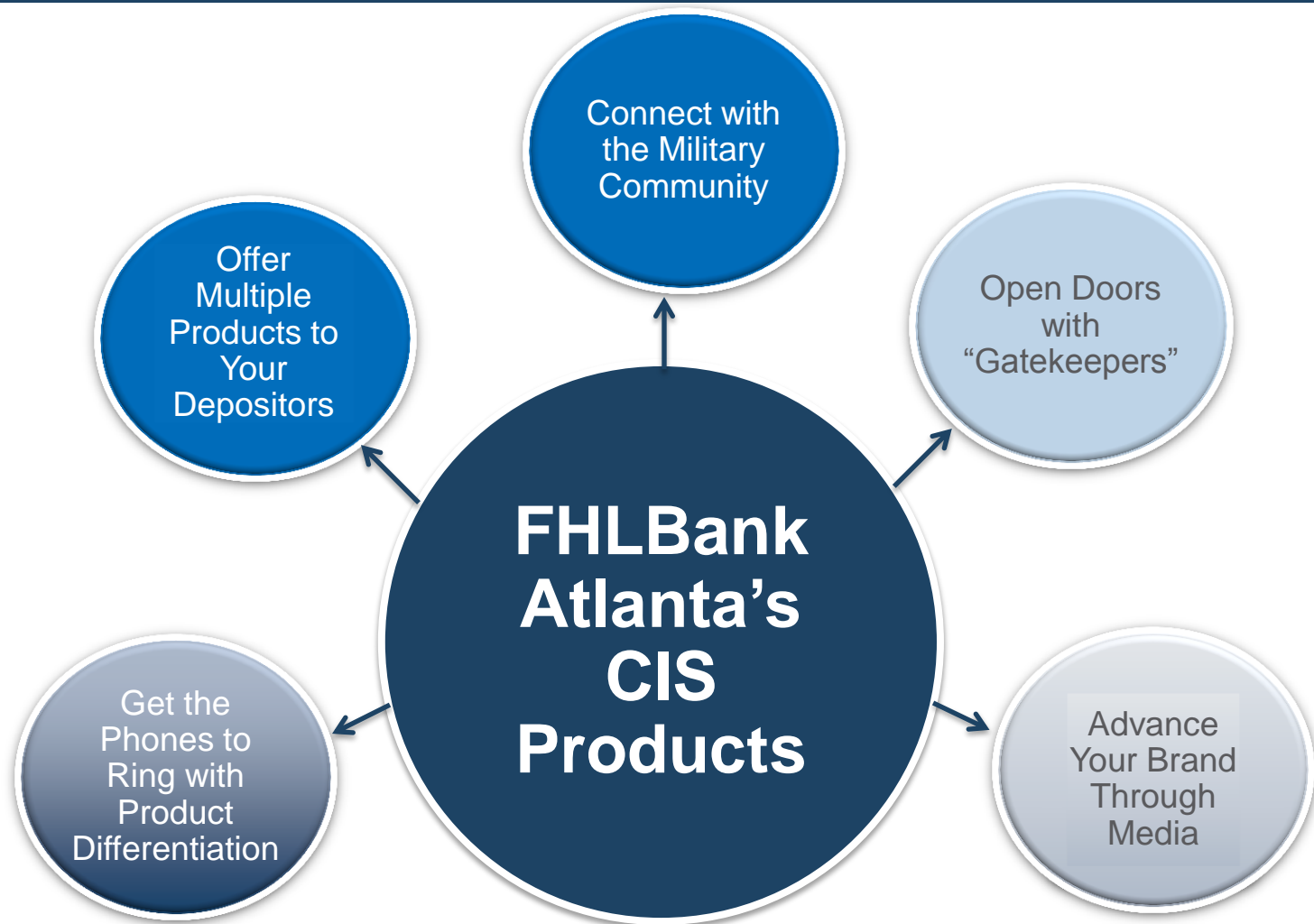
Messages below sent to members via locator tool

“I am interested in becoming a homeowner. I am a veteran and need additional information as to what I need to do to qualify. Please contact me as soon as possible.”

*“Hello, I see your bank is a member of FHLB. I am interested in a first time homebuyers or REO GRANT from FHLB
May I please have a current list of your REO PROPERTIES?
Please contact me by email with a property list.
I would like to purchase something in the next 1-3 months..”*

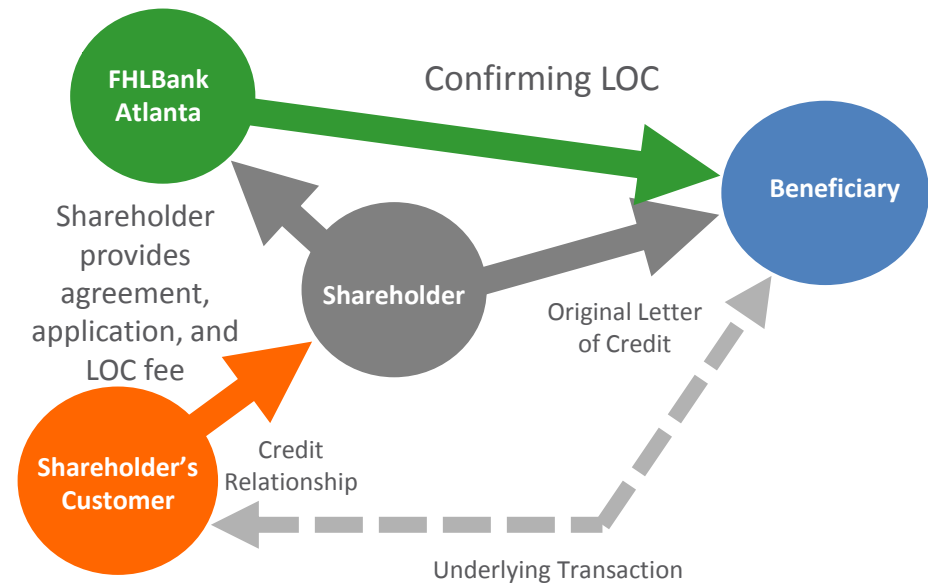
Search Options

Business Value of AHP Products



FHLBank Atlanta Letters of Credit – Overview

- A Confirming LOC – sometimes called a ‘wrap’ – can help secure improved credit terms for community-focused bonds, enhancing the bond’s credit rating, reducing borrowing costs, and improving marketability
- In certain instances, permanent lenders or GSEs may not take construction risk
- Can be used through one of our shareholder banks, to obtain construction or permanent financing
- 4% LIHTC Bonds/ RAD Projects are excellent uses



Key Takeaway: The Confirming LOC product allows developers to access financing from a broader range of banks at a potentially lower LOC and/or interest cost

Structured Partnership Products (SPP)



Palm Beach County

- \$1.5 Million Total
- \$1.0 Million Palm Beach
- \$500,000 AHP
- Focused on Veterans



City of Savannah

- \$600,000 Total
- \$400,000 City of Savannah
- \$200,000 AHP
- Borrowers within the City limits of Savannah



Atlanta BeltLine

- \$600,000 Total
- \$400,000 Atlanta Beltline
- \$200,000 AHP
- Borrowers along the Atlanta Beltline Planning Area

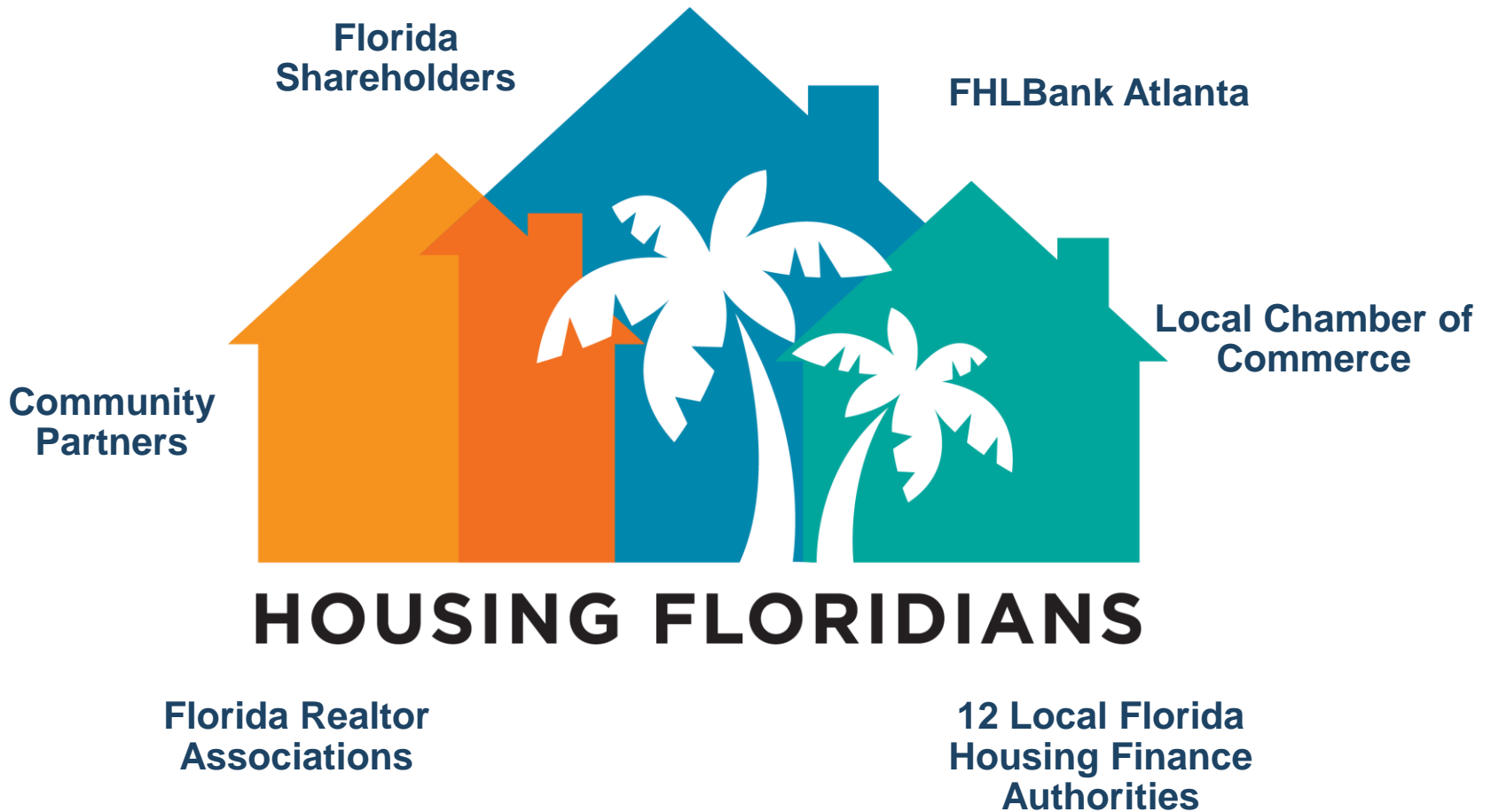


City of Columbia

- \$900,000 Total
- \$600,000 City of Columbia
- \$300,000 AHP
- Purchase of new homes in targeted city neighborhoods and energy efficiency rehab

Measures of Success:

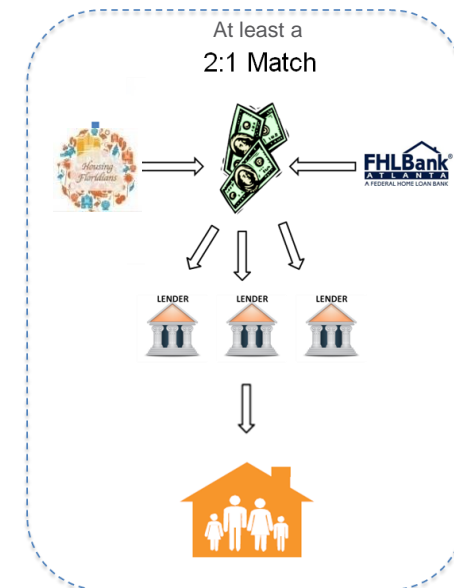
- ✓ Member penetration
- ✓ Production
- ✓ Community Impact
- ✓ Advancing members' brand through media



Structured Partnership

Structured arrangement between the Federal Home Loan Bank of Atlanta (FHLBank Atlanta) and a group of Florida local housing finance agencies (HFAs) using a universal agreement

Lead HFA	Participating Counties	Products
HFA of Hillsborough County	Hillsborough*, Brevard, Clay, and Duval	<ul style="list-style-type: none"> • FHA Loans • VA Loans • RD Loans • Freddie Mac* • Fannie Mae** • Section 108 Indian Program
HFA of Miami-Dade County	Miami-Dade* **	
HFA of Pinellas	Pasco, Pinellas*, and Polk	
Orange County HFA	Orange, Lake, Osceola, and Seminole	



Funding



\$1 Million

FHLBank Atlanta commitment is up to \$1 million



\$2 Million

FL HFAs maximum commitment is \$2 million

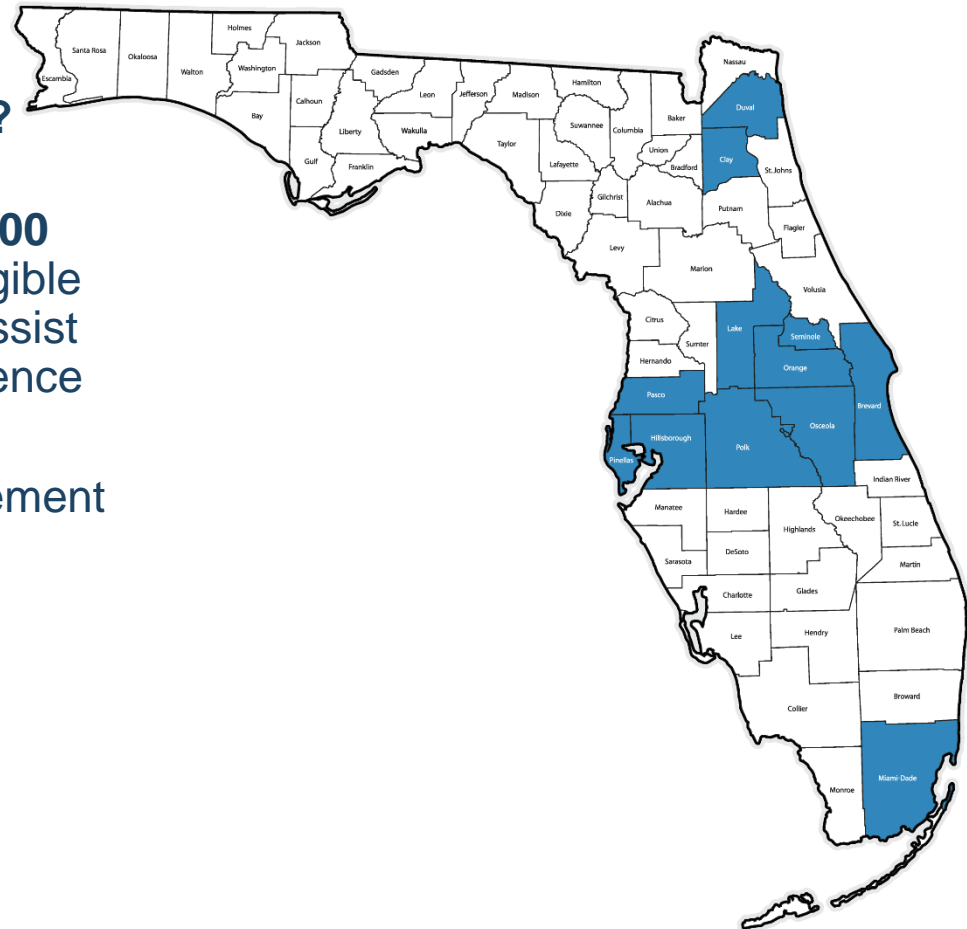


2:1 Ratio

FHLBank Atlanta and FL HFAs will commit grant funds on at least a 2:1 ratio, on a transactional basis

What is the value to our shareholders?

- Exclusive access to **\$11,250 to \$22,500** per household in grant funding for eligible homebuyers in targeted markets to assist in the purchase of their primary residence
- Engage local HFAs via a single agreement (universal MOA)
- Major metro markets in Florida
- CRA Innovation Strategy
- Positive branding and public relations



Media Coverage of Structured Partnerships



Palm Beach County, Atlanta bank provide housing help to veterans

© 6:00 a.m. Tuesday, Jan. 13, 2015 | Filed in: News

Palm Beach County and an Atlanta bank are providing housing financial assistance to active and retired military personnel.

Working with Federal Home Loan Bank of Atlanta, the county is helping veterans rehabilitate their existing homes or buy new ones. A total of \$1.5 million — \$1 million from the county's State Housing Initiative Partnership program and \$500,000 from the bank — has been set aside to provide help to veterans.

Eligibility for the program is based on income. More information is available at www.pbccgov.com/DES.

Palm Beach Post, Tues Jan 13 2015

Commissioner Speaks about County Program to Help Veterans Receive Housing Assistance

Posted: January 12, 2015

Commissioner Taylor spoke at a news conference held Jan. 9 at the West Palm Beach Marriott hotel to announce a groundbreaking program provided by the Board of County Commissioners and the Federal Home Loan Bank of Atlanta (FHLBank Atlanta) that provides housing financial assistance to active and retired military personnel, veterans, and their families in Palm Beach County.

Through the Veterans Homeownership and Preservation Program, a total of \$1.5 million is being made available to help veterans rehabilitate their existing homes or purchase a primary residence in the county. Income-eligible active-duty and retired U.S. military personnel, veterans, and surviving spouses with household incomes at or below 80 percent of area median income may apply. The income levels vary depending upon the size of the household. For example, for a family of four, the income limit would be \$52,300.

Commissioner Priscilla Taylor stated that Palm Beach County has made it a priority to improve quality of life issues for veterans, including having access to safe, decent and affordable housing. "It is incumbent upon us as policy makers in partnership with private industry and social service agencies to provide a way to help our veterans," said Commissioner Taylor.

###



Palm Beach County Press Release, Tues Jan 12 2015

Savannah Partnership Provides Housing Help

Posted: Feb 13, 2015 8:23 PM EST

Updated: Feb 13, 2015 8:23 PM EST

By Ian Margol | CONNECT



SAVANNAH, GA - Having a place to call your own is a big part of achieving "The American Dream" and the City of Savannah is doing

WSAV, Fri Feb 13 2015

Posted on February 13, 2015

Affordable housing partnership expands in 2015

For Immediate Release
Date: February 13, 2015



At a luncheon today, Mayor Edna Jackson joined with the Federal Home Loan Bank of Atlanta (FHLBank Atlanta) and area bank officials to announce that the affordable housing partnership "Banking Works, Savannah" will return to Savannah in 2015.

Under the 2015 partnership, FHLBank Atlanta and the City of Savannah have committed grant funds totaling \$600,000, that will primarily provide income-eligible Savannah households with down payment assistance for the purchase of homes. Income-eligible households may also access grant funds to assist with the rehabilitation of a currently owned home.

"This is a great day for our city as we continue to build partnerships that bring much needed private investment to deserving, limited income, Savannah households," said Mayor Jackson.

Press Release, City of Savannah Website
Fri Feb 13 2015



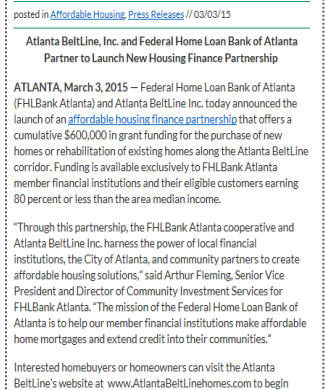
WJCL News, Tues Feb 13 2015

FHLBank Atlanta, Atlanta BeltLine offer funding for new homes, rehabilitation



Atlanta Business Chronicle, Wed March 4 2015

Atlanta BeltLine, Inc. and Federal Home Loan Bank of Atlanta Partner to Launch New Housing Finance Partnership



Joint Press Release, Atlanta BeltLine Website
Tues March 3 2015



WSB-TV, Action News
Mon April 27 2015

RELATIONSHIP MANAGEMENT

FHLBank Atlanta STAFF	TITLE	CONTACT INFO
Arthur Fleming	Senior Vice President, Director of Community Investment Services	404.888.8359, afleming@fhlbatl.com
Jan Hadder	Vice President, Associate Director of Community Investment Services	404.888.8355, jhadder@fhlbatl.com
Joel Brockmann	Assistant Vice President, Rental Production Manager	404.888.8156, jbrockmann@fhlbatl.com
Cassandra Madden	Ownership Production Manager	404.888.5321, cmadden@fhlbatl.com
ShaDonte Butler	Community Investment Business Development Manager	404.888.8416, sbutler@fhlbatl.com

Contact Us For More Information

800.536.9650, Option 3, Option 1, Option 3

Visit our website at www.fhlbatl.com