CDBA Peer Forum – CDFI Banks and the Federal Home Loan Banks

June 1, 2017
Agenda

- 11:45am – 11:55am  
  **Part I** – FHLBank System Overview

- 11:55am – 12:10pm  
  **Part II** – How the FHLBank Dallas Can Work With Community Development Banks

- 12:10pm – 12:20pm  
  **Part III** – FHLBank Dallas Case Study: BankPlus

- 12:20pm – 12:35pm  
  **Part IV** – How the FHLBank Atlanta Can Work With Community Development Banks

- 12:35pm – 12:45pm  
  **Part V** – FHLBank Atlanta Case Study: Carver State Bank
Part I

The Federal Home Loan Bank System

Arthur Fleming
FHLBank Atlanta
Senior Vice President and Director of Community Investment Services
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
Overview of FHLBanks

- FHLBanks are cooperatives and were originally chartered by Congress in 1932
- 11 regional Banks with $1.06 trillion in total assets
- Offer competitively priced financing, community development grants, and other banking services
- Regulator: Federal Housing Finance Agency (FHFA)
- Debt issuer for System: Office of Finance
- The FHLBanks provided over $1 trillion in liquidity to financial institutions at the height of the recent financial crisis
FHLBanks Products and Services

<table>
<thead>
<tr>
<th>Letters of Credit</th>
<th>Mortgage Partnership Finance® (MPF®) Program and Mortgage Purchase Program (MPP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide credit enhancement on bonds for residential and economic development</td>
<td>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</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Advances</th>
<th>Affordable Housing Program (AHP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides FHLBank members low-cost financing for lending in their communities</td>
<td>Real estate funding for the acquisition, development, construction, or rehabilitation of affordable housing</td>
</tr>
<tr>
<td></td>
<td>• Ownership or rental</td>
</tr>
<tr>
<td></td>
<td>• Single-family or multifamily</td>
</tr>
</tbody>
</table>
## 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

**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

### Rental and Ownership Development

**Developer/Builder Driven**
- New construction
- Rehabilitation
- Multifamily
- Single-family

### Mortgage Purchase and Home Rehabilitation

**Mortgage Driven**
- Single-family products
- Down-payment assistance
- Closing-cost assistance
- First-time homebuyer
Unique Product and Services Offering

- 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
Part II

How the FHLBank Dallas Can Work With Community Development Banks

Greg Hettrick
FHLBank Dallas
Director of Community Investment
FHLB Dallas 2016 Financial Highlights

(Dollars in Thousands)

- **Total Assets**: $58,212,077
- **Total Advances (Loans)**: $32,506,175
- **2016 Net Income**: $79,449
- **Total Retained Earnings**: $823,984
- **Fourth Quarter 2016 Dividend**:  
  - **Membership Stock**: 0.508  
  - **Activity-based Stock**: 1.508
- **Total Membership**: 850 members and affiliated institutions
Advancing Business Opportunities

• Value of Membership

The FHLBanks’ community investment programs and services can help members:

• Create new business and loan growth opportunities
• Provide funds to support the overall improvement of their communities
• Develop varied relationships with housing developers, community representatives, local businesses and government leaders
• Achieve their community investment goals
• And...
Advancing Business Opportunities

- Share the Value of Membership
- Achieve positive public relations
FHLB Dallas’ District
**FHLB Dallas Community Investment Products**

- **Competitive AHP grants** are for the purchase, construction or rehabilitation of affordable owner-occupied or rental units.

- **Homebuyer Equity Leverage Partnership (HELP) grants** are down payment assistance for first-time low- and moderate-income homebuyers.

- **Special Needs Assistance Program (SNAP) grants** are rehabilitation assistance for elderly and special-needs low- and moderate-income homeowners.

- **CIP & EDP programs** offer discounted advances to support affordable housing and economic development.
FHLB Dallas AHP Scale & Impact

• **AHP Competitive Program** *(since 1990)*
  - Total Units: 41,650
  - Total Grants: $225,437,092

• **AHP Set-Aside Programs** *(since 2002)*
  - Total Units: 6,101
  - Total Grants: $28,950,833

• **CICA Advance Programs** *(since 1990)*
  - Total Advances: $3.7 billion

• **Economic Development Program Plus (EDPPlus) Grants** *(since 2002)*
  - Total Small Businesses Supported: 776
  - Total Grants: $14.8 million
Part III

FHLB Dallas Case Study: BankPlus

Greg Hettrick
FHLBank Dallas
Director of Community Investment

David Johnson
BankPlus
Senior Vice President and Director of Community Development
FHLB Dallas Case Study - BankPlus®
### Community Investment Activity

<table>
<thead>
<tr>
<th></th>
<th>AHP</th>
<th>HELP</th>
<th>SNAP</th>
<th>EDP</th>
<th>EDP&lt;sup&gt;Plus&lt;/sup&gt; Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>BankPlus</td>
<td>$8,423,000</td>
<td>$970,982</td>
<td>$654,532</td>
<td>$3,439,730</td>
<td>$338,501</td>
</tr>
</tbody>
</table>

- Generating New Business
  - $60,641 in EDP<sup>Plus</sup> Grants (2014-2015)
  - $1.2 million in New Loan Activity
Affordable Housing Program Grants

- Supports the development/retention of affordable owner-occupied and rental housing for households at or below 80% of the Area Median Income (AMI)
- FHLB Dallas contributes 10% of previous year’s net income annually
- Provides direct grants or soft money for eligible projects
- Competitive application process offers project-specific grants up to $500,000
- Stable source of funding for over 25 years
A collaborative effort between BankPlus, FHLB Dallas, and Habitat for Humanity Mississippi Capital Area (HFHMCA) has resulted in a long-term relationship of supporting home ownership and home repair in Jackson, MS.

2014: 35 low-income homeowners received critical repairs to their homes via a $253,750 AHP grant.

In 2012: HFHCA received a $493,000 grant, which has allowed it to build 29 new homes and repair 29 existing homes.

In 2011: HFHMCA received a $400,000 grant, which allowed it to build 36 new homes and repair 4 existing homes.
Homebuyer Equity Leverage Partnership Program (HELP)

- HELP provides down payment and closing cost assistance for first-time homebuyers
- Grant is up to $4,000/home or $6,000/home if member originates the first mortgage; $7,000 if member originates the first mortgage and contributes at least $350 toward fees and/or closing costs
- Maximum grants per member capped at $50,000; up to half (50%) of member’s cap can be used for homes outside of FHLB Dallas’ five-state District
- Must be first-time homebuyer with household income 80% or less of area median

2002 through 2016

- $970,982 in HELP grants
- 190 families assisted
- $15,457,351 mortgage loans originated
Partnership Grant Program

• Matching grants up to $12,000
• Enables organizations to carry out missions with funds to cover everyday utility and operating expenses
• Allows organizations to have additional funds to build capacity with professional training
• Nonprofit organization (involved in affordable housing or stimulating small business development)
• Multiple member contributions allowed
• FHLB Dallas match 3:1

BankPlus and FHLB Dallas presented Partnership Grant Program (PGP) awards to:

Left to Right
Zoo Area Progressive Partnership - $4,000
Central Mississippi Housing and Development Corporation - $12,000
Mississippi Minority Business Alliance - $16,000
Community Investment Advance Programs

• Benefits to Members and Communities
  – Community Investment Program (CIP)
    > Designed to support owner-occupied and rental housing projects
  – Economic Development Program (EDP) and EDP<sup>Plus</sup>
    > Designed to promote and support small business and other commerce-related projects
Economic Development Program (EDP)

Favorably priced advances to support the financing of economic development projects in targeted communities

• Eligible Uses of Funds include:
  – Financing for commercial, industrial, social service, and public facility projects
  – Small business financing

• Qualifications
  – Location, wages, services, small business financing

• Terms
  – Advance terms from 3 months to 30 years
  – Amortizing, fixed- and floating-rate advance structures
## Reduced Cost - CIP/EDP Advances

<table>
<thead>
<tr>
<th>Balloon /Amort.</th>
<th>5 Yr</th>
<th>7 Yr</th>
<th>10 Yr</th>
<th>15 Yr</th>
<th>20 Yr</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SecureConnect Amortizing as of 05/09/2017</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Year</td>
<td>1.997</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>10 Year</td>
<td>2.176</td>
<td>2.443</td>
<td><strong>2.634</strong></td>
<td>n/a</td>
<td>n/a</td>
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<tr>
<td>15 Year</td>
<td>2.212</td>
<td>2.528</td>
<td>2.856</td>
<td>3.070</td>
<td>n/a</td>
</tr>
<tr>
<td>20 Year</td>
<td>2.227</td>
<td>2.561</td>
<td>2.928</td>
<td>3.264</td>
<td>3.363</td>
</tr>
<tr>
<td>30 Year</td>
<td>2.241</td>
<td>2.589</td>
<td>2.985</td>
<td><strong>3.388</strong></td>
<td>3.595</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Balloon /Amort.</th>
<th>5 Yr</th>
<th>7 Yr</th>
<th>10 Yr</th>
<th>15 Yr</th>
<th>20 Yr</th>
<th>30 Yr</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CIP/EDP Amortizing as of 05/09/2017</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Year</td>
<td>1.862</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>10 Year</td>
<td>1.999</td>
<td>2.254</td>
<td><strong>2.336</strong></td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>15 Year</td>
<td>2.034</td>
<td>2.335</td>
<td>2.473</td>
<td>2.554</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>20 Year</td>
<td>2.049</td>
<td>2.366</td>
<td>2.519</td>
<td>2.642</td>
<td>2.669</td>
<td>n/a</td>
</tr>
<tr>
<td>30 Year</td>
<td>2.062</td>
<td>2.394</td>
<td>2.554</td>
<td><strong>2.698</strong></td>
<td>2.751</td>
<td>2.770</td>
</tr>
</tbody>
</table>

29.8 bps savings on a 10-year advance  
69 bps savings on a 30-year advance with a 15-year balloon
EDP\textsuperscript{Plus} Grant Program

Noncompetitive grant program designed to promote small business development

- EDP\textsuperscript{Plus} grants may be up to $20,000

- EDP\textsuperscript{Plus} grant must be used in conjunction with an EDP advance with a term of at least one year

- Member institutions are eligible for up to $80,000 in EDP\textsuperscript{Plus} grants annually
EDP\textsuperscript{Plus} Grant Program

- Furniture company located in Central Mississippi
- EDP advance for $440,000 to expand their warehouse
- $20,000 EDP\textsuperscript{Plus} grant
- Consolidated existing debt from another institution with the request
- Generated new loan business for BankPlus
- Business owner opened new business and personal depository accounts with BankPlus

BankPlus is only as strong as the communities we serve. We have a vested interest in seeing our neighborhoods, cities and our state thrive.

Our promise isn’t something we take lightly. It is something we take personally.

Bill Ray, BankPlus President and CEO
# Community Investment Grants and Loans

<table>
<thead>
<tr>
<th>PROGRAM</th>
<th>DESCRIPTION</th>
<th>Transaction Max.</th>
<th>Final Recipient</th>
<th>Owner occupied</th>
<th>Rental</th>
<th>Economic Dev.</th>
<th>Purchase</th>
<th>Down payment</th>
<th>Closing cost</th>
<th>Construction</th>
<th>Rehabilitation</th>
<th>Modify/Renovate</th>
<th>Operational</th>
<th>Machinery</th>
<th>Working Capital</th>
<th>Within District Projects</th>
<th>FHLB REQUIREMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COMPETITIVE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>Available annually: Applications available April 3, 2017; due May 18, 2017</td>
</tr>
<tr>
<td>AHP</td>
<td>Affordable Housing Program Grants</td>
<td>$500K</td>
<td>Income qualified households</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HELP</td>
<td>Homebuyer Equity Leverage Partnership</td>
<td>$7K</td>
<td>First-time home buyers</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td>$6K if member originates the mortgage, $7K if member also contributes $350</td>
</tr>
<tr>
<td>SNAP</td>
<td>Special Needs Assistance Program</td>
<td>$6K</td>
<td>Special-needs homeowners</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td>$5K max. unless member contributes $350, then up to $6K</td>
</tr>
<tr>
<td>HAVEN</td>
<td>Housing Assistance for Veterans</td>
<td>$7.5K</td>
<td>Households with disabled veterans</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td>For disabled veterans who served since 9/11.</td>
</tr>
<tr>
<td><strong>VOLUNTARY</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PGP</td>
<td>Partnership Grant Program</td>
<td>$12K</td>
<td>Community-based organizations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Member grant is matched $3 for $1</td>
</tr>
<tr>
<td>EDP+</td>
<td>Economic Development Program Plus</td>
<td>$20K</td>
<td>Small businesses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>In conjunction with EDP Advance</td>
</tr>
<tr>
<td><strong>EDP</strong></td>
<td>Economic Development Program</td>
<td>None</td>
<td>Economic dev. projects/Small business</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Favorable Pricing for qualified projects</td>
</tr>
<tr>
<td><strong>CIP</strong></td>
<td>Community Investment Program</td>
<td>None</td>
<td>Financing of affordable housing</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td></td>
<td>Favorable pricing of qualified projects and terms up to 40 years.</td>
</tr>
</tbody>
</table>
Part IV

How the FHLBank Atlanta Can Work With Community Development Banks

Arthur Fleming
FHLBank Atlanta
Senior Vice President and Director of Community Investment Services
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
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
Community Development Financial Institutions (CDFIs)

CDFIs located within FHLBank Atlanta’s District

Other CDFIs
Affordable Housing Program (AHP)

**AHP Competitive – rental and ownership**
- New construction/rehabilitation
- Single-family/multi-family
- Acquisition/owner-occupied

**AHP Set-aside – ownership only**
- First-time Homebuyer Product (FHP)
- Community Partners Homebuyer Product (CPP)
- Foreclosure Recovery Homebuyer Product (FRP)
- Community Rebuild and Restore Product (CRR)
- Veterans Product Suite (VPP, RVPP, VRP, RVRP)
- Structured Partnership Products (SPP)

**Community Investment Program (CIP)/Economic Development Program (EDP)**
- Discounted advance products for residential or economic development projects

**AHP PRODUCTS AND SERVICES**

- 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
Housing projects that include 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.  
$1 million AHP award for supportive housing for homeless residents

**1:14 Leverage**

**TOTAL DEVELOPMENT BUDGET FOR SUPPORTIVE HOUSING DEALS**  
$4.4 billion  
$305.6 Million AHP

877 (60%) of AHP rental projects awarded since 1990 include Supportive Housing
FHLBank Atlanta’s Impact with LIHTC Deals

LIHTC AHP CUMULATIVE IMPACT

1:20 Leverage

53,062 LIHTC Units Awarded AHP Funds

TOTAL DEVELOPMENT BUDGET BY STATE

<table>
<thead>
<tr>
<th>State</th>
<th>Development Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>GA</td>
<td>$882,016,941</td>
</tr>
<tr>
<td>NC</td>
<td>$859,334,949</td>
</tr>
<tr>
<td>FL</td>
<td>$790,941,037</td>
</tr>
<tr>
<td>VA</td>
<td>$726,216,133</td>
</tr>
<tr>
<td>MD</td>
<td>$665,249,969</td>
</tr>
<tr>
<td>SC</td>
<td>$447,893,349</td>
</tr>
<tr>
<td>AL</td>
<td>$433,246,453</td>
</tr>
<tr>
<td>DC</td>
<td>$309,974,316</td>
</tr>
<tr>
<td>CA</td>
<td>$291,109,999</td>
</tr>
<tr>
<td>LA</td>
<td>$155,365,216</td>
</tr>
<tr>
<td>TN</td>
<td>$113,486,628</td>
</tr>
<tr>
<td>IL</td>
<td>$70,223,396</td>
</tr>
<tr>
<td>TX</td>
<td>$51,476,696</td>
</tr>
<tr>
<td>NY</td>
<td>$46,835,590</td>
</tr>
<tr>
<td>PA</td>
<td>$32,249,744</td>
</tr>
<tr>
<td>WV</td>
<td>$23,943,684</td>
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<tr>
<td>MA</td>
<td>$21,756,331</td>
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<td>WA</td>
<td>$21,060,339</td>
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<td>IN</td>
<td>$11,802,796</td>
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<tr>
<td>NJ</td>
<td>$11,452,462</td>
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<tr>
<td>IA</td>
<td>$4,975,394</td>
</tr>
<tr>
<td>KY</td>
<td>$1,831,600</td>
</tr>
</tbody>
</table>

Total Development Budget: $5,984,093,799

- 38% of all awarded AHP projects are LIHTC projects
- 45% of all awarded AHP subsidy was awarded to LIHTC projects
- 50% of all awarded AHP units are LIHTC units

TOTAL DEVELOPMENT BUDGET ALL LIHTC DEALS

$5.98 billion

$305 million LIHTC/AHP
FHLBank Atlanta’s AHP Set Aside Products

**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**
## Ownership Example

### Ability for Homebuyer to Purchase a Home

<table>
<thead>
<tr>
<th>Community Partners Product</th>
<th>Returning Veterans Purchase Product</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Home Sales Price</strong></td>
<td><strong>$160,000</strong></td>
</tr>
<tr>
<td><strong>Without AHP:</strong></td>
<td></td>
</tr>
<tr>
<td>Member First Mortgage</td>
<td>$193,000</td>
</tr>
<tr>
<td>Homebuyer Contribution</td>
<td>$7,000</td>
</tr>
<tr>
<td>Seller Contribution</td>
<td>$6,000</td>
</tr>
<tr>
<td>Closing Costs</td>
<td>$6,000</td>
</tr>
<tr>
<td><strong>Member LTV without AHP</strong></td>
<td><strong>96.5%</strong></td>
</tr>
<tr>
<td><em>(First Mortgage/Sales Price)</em></td>
<td></td>
</tr>
<tr>
<td><strong>With AHP:</strong></td>
<td></td>
</tr>
<tr>
<td>Member First Mortgage</td>
<td>$185,500</td>
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<tr>
<td>Homebuyer Contribution</td>
<td>$7,000</td>
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<tr>
<td>Seller Contribution</td>
<td>$6,000</td>
</tr>
<tr>
<td>Closing Costs</td>
<td>$6,000</td>
</tr>
<tr>
<td><strong>AHP</strong></td>
<td><strong>$7,500</strong></td>
</tr>
<tr>
<td><em>(4:1 match to homebuyer contribution)</em></td>
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<tr>
<td><strong>Member LTV with AHP</strong></td>
<td><strong>92.8%</strong></td>
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<tr>
<td><em>(First Mortgage/Sales Price)</em></td>
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<tr>
<td><strong>Without AHP:</strong></td>
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</tr>
<tr>
<td>Member First Mortgage</td>
<td>$160,000</td>
</tr>
<tr>
<td>Homebuyer Contribution</td>
<td>$0</td>
</tr>
<tr>
<td>State Housing Grant</td>
<td>$4,800</td>
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<tr>
<td>Closing Costs</td>
<td>$4,800</td>
</tr>
<tr>
<td><strong>Member LTV without AHP</strong></td>
<td><strong>100.0%</strong></td>
</tr>
<tr>
<td><em>(First Mortgage/Sales Price)</em></td>
<td></td>
</tr>
<tr>
<td><strong>With AHP:</strong></td>
<td></td>
</tr>
<tr>
<td>Member First Mortgage</td>
<td>$145,000</td>
</tr>
<tr>
<td>Homebuyer Contribution</td>
<td>$0</td>
</tr>
<tr>
<td>State Housing Grant</td>
<td>$4,800</td>
</tr>
<tr>
<td>Closing Costs</td>
<td>$4,800</td>
</tr>
<tr>
<td><strong>AHP</strong></td>
<td><strong>$15,000</strong></td>
</tr>
<tr>
<td><em>(No matching is required for AHP Veterans products)</em></td>
<td></td>
</tr>
<tr>
<td><strong>Member LTV with AHP</strong></td>
<td><strong>90.6%</strong></td>
</tr>
<tr>
<td><em>(First Mortgage/Sales Price)</em></td>
<td></td>
</tr>
</tbody>
</table>
Ownership Production
AHP Set-aside – Five Years of Unprecedented Volume!

Over the last five years, AHP Set-aside funded more households than Kingstown, MD, Winnsboro, SC, Woodbridge VA, Clarkston, GA, Wetumpka, AL, and Miami Shores, FL combined!

AHP Set-aside 2012 - 2016

Total Household based on 2010-2014 historical housing occupancy data from www.usa.com
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:
- Shareholder penetration
- Production
- Franchise value
- Advancing shareholders’ brand through media
SPP Media Examples

Palm Beach County, Atlantic bank provide housing help to veterans

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 inhabit 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 $540,000 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 palmbeach.gov/CES.

Palm Beach Post, Tues Jan 13 2015

Savannah Partnership Provides Housing Help

WSAV, Fri Feb 13 2015

Press Release, City of Savannah Website Fri Feb 13 2015

FHLBank Atlanta and Savannah Housing Authority team up to provide housing assistance to Savannah veterans

Joint Press Release, Atlanta BeltLine Website Tues March 3 2015

Atlanta BeltLine, Inc. and Savannah Housing Authority team up to provide housing assistance to Savannah veterans

Atlanta Business Chronicle, Wed March 4 2015

WSB-TV, Action News Mon April 27 2015
• **Connections to Business Drivers:** FHLBank Atlanta has a database of over 4,000 developers, Realtors, contractors, nonprofits, etc. that can be shared with shareholders
  - 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 shareholders

• **Technical Assistance:** FHLBank Atlanta will conduct, in collaboration with our shareholders, webinars, CRA consultations, joint outreach, business development events, etc. to attract, train, or retain our shareholders’ customers
Business Value

- Enable shareholders’ extension of credit
- Enable shareholders’ lending on difficult to finance transaction
  - Could enhance local positive branding of shareholder
- Value proposition for shareholders to attract new relationships with gatekeepers
- Shareholders brand products in their name
- Get the phones to ring!

Compliance Value

- Reduce shareholders’ loan risk in transaction
- Enable shareholders’ extension of credit
  - CRA-eligible Lending Opportunity
- Shareholder sponsored the AHP Competitive application for the direct subsidy
  - CRA-eligible Service Opportunity
- Tenants and/or borrowers are all at 80% or below of area median income
  - Project positioned as a CRA-eligible activity
One-on-one, personalized sessions with a shareholder devoted to brainstorming and collaborating on ways to advance their CRA Business Development opportunities

- Beneficial to assessment of shareholder’s:
  - Business strategies
  - Response to the community and market challenges
  - Demographic and economic data
Services
CRA Business Development Success Roadmap

Member Bank’s CRA Exam Success Roadmap

“Lending” Evaluation
- Member’s Use of AHP Set-aside Homeownership Products
  - Served (X) families
  - Leveraged (X) in first mortgages
- Member’s extension of First Mortgage Credit in AHP Competitive Application
  - Leveraged (X) in total development
  - Total units

- Member’s Accessing Innovative Lending Opportunities
  - Member’s partnering with local governments and Housing Finance Agencies through Structured Partnership Product (SPP)
- Member’s take-down a CIP/EDP Advance

“Service” Evaluation
- Member’s Submission of (X) of Aesthetic Housing Program (AHP) Competitive Applications

“Investment” Evaluation
- AHP Competitive Application with (Member Bank’s) Purchase of Tax Credits

Member Bank’s CRA Success Roadmap

Assessment of Member’s CRA Capacity, Constraints, and Business Strategies
- FHL Bank Atlanta Database
  - Member’s utilization of FHLBank Atlanta contact database of nonprofits, developers, community organizations

- FHL Bank Atlanta Forums and Training
  - Member’s participation at FHLBank Atlanta trainings and forums

- 15
  - Affordable Housing Product Trainings and Visits
  - CRA Executive Committees

- Marketing Assistance
  - Member’s deployment of customizable marketing brochure for AHP Homeownership products to realtors and consumers throughout assessment area – Branded in (Member Bank’s) name

- FHLBank Reporting Assistance
  - Member’s access to Census Track Level Data Reporting

- Crafting Your CRA Success Stories

- Impact
  - Member’s AHP Scale and Impact Profile
    - What is the Community and Economic Impact of Member’s AHP Dollars?
  - (X) in Tax Revenue¹
  - (X) in Total Development
  - (X) Jobs Created
  - (X) total units were awarded
  - Through our AHP Homeownership Products
    - Served (X) Families
    - (X) Jobs created
    - Leverage Ratio

- Initiative
  - Member’s Partnering with FHLBank Atlanta for a series of in-market events targeting local businesses, consumers, and community partners
  - Member’s Innovative leveraging of Affordable Housing Products and Services to better serve your community

We can Help Build Your CRA Success Roadmap

Contacts
- Arthur Fleming, Senior Vice President and Director of Community Investment: 404.888.8509 / alfleming@fhlbatl.com
- Alana D’Auria, Community Investment Project Coordinator: 404.888.5660 / adauria@fhlbatl.com
- Shalonda Dosser, Business Development Manager: 404.888.8416 / sdosser@fhlbatl.com

¹ Based on: Economic Benefit of Federal Home Loan Bank of Atlanta’s Affordable Housing Program, The Hendriksen Company in conjunction with The Stambaugh Center for Housing Studies, University of Florida, 2010
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** and **Letters of Credit** in addition to existing homeownership

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

Search Options

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..”
Part V

Case Study: Carver State Bank

Arthur Fleming
FHLBank Atlanta
Senior Vice President and Director of Community Investment Services

Robert E. James II
Carver State Bank
President and CEO
Carver State Bank has initiated a series of development services designed to assist individuals in the community with building better futures for themselves and their families.

**Products**

- Tailored and Flexible
- Second Chance Checking Accounts
- Credit Rebuilder Loans
- IDA Accounts
- Affordable Housing Loans
- Small Business Loans
- Commercial Real Estate Loans

**Customers**

- Largely African American
- Low-income Population
- Lack financial resources
- Do not meet traditional underwriting standards

Service Area: Census tract-based investment areas spread across GA including, Bryan County, Chatham County, Liberty County, Other targeted populations of African Americans
## Relationship Management

### FHLBank Atlanta

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Contact Info</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arthur Fleming</td>
<td>Senior Vice President, Director of Community Investment Services</td>
<td>404.888.8359, <a href="mailto:afleming@fhlatl.com">afleming@fhlatl.com</a></td>
</tr>
<tr>
<td>Jan Hadder</td>
<td>Vice President, Associate Director of Community Investment Services</td>
<td>404.888.8355, <a href="mailto:jhadder@fhlatl.com">jhadder@fhlatl.com</a></td>
</tr>
<tr>
<td>Joel Brockmann</td>
<td>Assistant Vice President, Rental Production Manager</td>
<td>404.888.8156, <a href="mailto:jbrockmann@fhlatl.com">jbrockmann@fhlatl.com</a></td>
</tr>
<tr>
<td>Cassandra Madden</td>
<td>Banking Officer, Ownership Production Manager</td>
<td>404.888.5321, <a href="mailto:cmadden@fhlatl.com">cmadden@fhlatl.com</a></td>
</tr>
<tr>
<td>ShaDonte Butler</td>
<td>Assistant Vice President, Community Investment Business Development Manager</td>
<td>404.888.8416, <a href="mailto:sburler@fhlatl.com">sburler@fhlatl.com</a></td>
</tr>
<tr>
<td>Rob Boyd</td>
<td>Community Investment Services Strategic Initiatives Lead</td>
<td>404.888.8366, <a href="mailto:rboyd@fhlatl.com">rboyd@fhlatl.com</a></td>
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### Carver State Bank

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert E. James</td>
<td>President and Chief Executive Officer</td>
<td>Savannah, GA</td>
</tr>
<tr>
<td>David Douse</td>
<td>Vice President, Corporate Secretary, and Chief Financial Officer</td>
<td>Savannah, GA</td>
</tr>
<tr>
<td>Claudia Clarke</td>
<td>Vice President and Senior Lending Officer</td>
<td>Savannah, GA</td>
</tr>
</tbody>
</table>
Carver State Bank
Utilization of AHP Bank Products and Services

- **2007**: 1st AHP Competitive rental project award ($250,000)
- **2014**: 1st City of Savannah Structured Partnership product funding
- **2015**: 1st Foreclosure Recovery product funding
- **2016**: More AHP Set-aside product fundings to further leverage business objectives
- **2017**: 1st Community Rebuild and Restore Product funding

Carver State Bank
Utilization of AHP Bank Products and Services
Carver State Bank – Homeowner’s Story:

Carver State Bank was able to use FHLBank Atlanta’s Affordable Housing Program to help a customer become a first-time homeowner.

Ms. Faye Lynette Pugh was employed at South Coast Medical Group as a medical assistant for 4 years.

Carver held the mortgage on the home she rented.

Ms. Pugh has become a customer of Carver and has a perfect payment history on her new home.

• When her landlord encountered difficulties and was unable to meet his obligations, the bank was forced to foreclose on the property.

• Ms. Pugh was able to purchase the home from Carver for $55,000.

• Along with the $4,200 Ms. Pugh was able to save, Carver financed 90% of the purchase.

• The FHLB program provided an additional $15,000 for Ms. Pugh to use towards closing costs and improvements to the property.
Sponsor: Old Savannah Mission, Inc.

AHP funds used for the rehabilitation of 28 multifamily rental units in Savannah, Georgia. The project renovated 3,668 square feet of available space in the existing facility as 28 double occupancy units for Fresh Start residents, and expanded the community kitchen/dining shared with the Clean Start residents. This existing 35,000 square foot, two story masonry building was constructed in 1930 and extensively renovated in 2002. This project will expand OSCM's transitional housing capacity from 22 to 50 units. OSCM participates in the Savannah/Chatham County Continuum of Care.

1 Based on FHLBank Atlanta multiplier factors. Beyond Units: Economic Benefit of Federal Home Loan Bank of Atlanta’s Affordable Housing Program, The Hendrickson Company in conjunction with The Shinberg Center for Housing Studies, University of Florida, 2010.
Carver State Bank
Affordable Housing Program (AHP) Scale and Impact Profile

**Carver State Bank AHP Homebuyer Financing**
- $120,623 AHP Investment
- $2.4 million Total Mortgages
- 1:19 Leverage

**Carver State Bank AHP Homeowner Rehab Financing**
- 24 Families Purchased their First Home Since 1999
- 19 Families Rehabilitated their Home Since 2014
- AHP $243,225

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1 Based on FHLBank Atlanta multiplier factors. Beyond Units: Economic Benefit of Federal Home Loan Bank of Atlanta’s Affordable Housing Program, The Hendrickson Company in conjunction with The Shimberg Center for Housing Studies, University of Florida, 2010
Carver State Bank
Affordable Housing Program (AHP) Scale and Impact Profile

TOTAL DEVELOPMENT BY COUNTY

State of Georgia:

<table>
<thead>
<tr>
<th>County</th>
<th>Development Budget</th>
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<tbody>
<tr>
<td>Fulton</td>
<td>$899,189</td>
</tr>
<tr>
<td>Chatham</td>
<td>$895,130</td>
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<tr>
<td>Clayton</td>
<td>$395,503</td>
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<tr>
<td>DeKalb</td>
<td>$355,873</td>
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<tr>
<td>Paulding</td>
<td>$116,013</td>
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<td>Douglas</td>
<td>$115,746</td>
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<tr>
<td>Cobb</td>
<td>$113,485</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$2,890,939</td>
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Do You Have Any Questions?

We are happy to help!