

Agreement  
For AHP Set-aside Program Products

The Federal Home Loan Bank Atlanta ("Bank") and \_\_\_\_\_("Member") enter into this Agreement for AHP Set-aside Program Products ("Agreement"), effective which sets forth the duties and obligations of the Member with regard to funding provided by the Bank to the Member for products offered under the Bank's Affordable Housing Program ("AHP") Set-aside.

This Agreement shall be binding upon the parties and upon any successor in interest to the parties.

1. Member agrees to be bound by (i) the AHP regulations (12 C.F.R. Part 1291) and policies of the Federal Housing Finance Agency ("FHFA") as may be in effect from time to time, or the regulations in effect from time to time of any successor in interest to the FHFA and (ii) the AHP policies and procedures of the Bank, including, but not limited to, the Bank's AHP Implementation Plan, or any successor in interest to the Bank as may be in effect from time to time, and to comply in all material respects with all other applicable federal, state and local laws, rules, regulations, ordinances and codes relating to participation in the AHP Set-aside Program. To the extent the FHFA's regulations are inconsistent with any term or provision of this Agreement; said regulations shall govern the conduct and obligations of the parties. In the event there is a conflict between the AHP Implementation Plan and this Agreement, the terms of the Implementation Plan in effect at the time of the conflict will control.

2. The maximum amount of funds that the Member may grant to any household under a specific AHP Set-aside Product shall be set forth in the then-applicable AHP Implementation Plan.

3. The Member shall pass on the full amount of the subsidy to the household for which the subsidy was approved.

4. The Member shall use the subsidy in accordance with the terms of the requirements of

the FHFA's regulations and the Bank's AHP policies, procedures and Implementation Plan.

5. Prior to the disbursement of the subsidy requested by the Member, the Member shall deliver or cause to be delivered to the Bank, in form and substance satisfactory to the Bank, the documents and other required items specified for each AHP Set-aside Product, as applicable, together with such other documents and information relating to the transactions contemplated as the Bank may reasonably request. The Member shall fully cooperate with the Bank in each funding, modification, or extension request and agree to provide the Bank with any documentation requested by the Bank within thirty (30) days. The Member acknowledges that failure to provide such requested information within such period may cause such a request for funding to be denied, in the sole discretion of the Bank.

6. A demand deposit account (DDA) has been opened at the Bank in the name of the Member. Upon the Bank's approval of the funding of the AHP Set-aside Product subsidy, the subsidy shall be deposited into such DDA, and the Member shall be responsible for the disbursement of funds. The subsidy must be drawn down and used by eligible households within the timeframe(s) set forth in the Bank's AHP Implementation Plan. If the subsidy is not drawn down and used by eligible households within the timeframe(s) set forth in the Bank's AHP Implementation Plan, the Bank shall cancel its approval, any funded subsidy shall be returned to the Bank, and the Bank shall make such cancelled subsidy available for other AHP-eligible households.

7. Member acknowledges and agrees that disbursement of subsidy is subject to Member credit review and that any disbursement may be denied pursuant to the Credit and Collateral Policy of the Bank, as set forth in the Bank's Affordable Housing Program Implementation Plan and the Member Products and Services Guide, in effect at the time of such request for disbursement.

8. The Member shall repay to the Bank that portion of the subsidy, including interest as

determined in the Bank's discretion, if appropriate, that as a result of the Member's actions or omissions is not used in compliance with the requirements of the FHFA regulations and the Bank's AHP policies and procedures, as may be determined by the Bank or the FHFA pursuant to its authority to adopt and enforce regulations addressing the establishment and administration of the AHP, unless such non-compliance is cured by the Member within a reasonable period of time as determined by the Bank. The Member shall not be liable to the Bank under this section for the return of amounts that cannot be recovered from the owner of an AHP Set-aside Product-assisted unit through the reasonable collection efforts by the Member unless: (1) the Bank determines that reasonable collection efforts were not made by the Member, or (2) the FHFA or its staff determines, pursuant to 12 C.F.R. § 1291.8(a), that the Bank is required to recover such amounts from the Member or to reimburse the AHP Fund or if the FHFA or its staff takes other enforcement action under the AHP Regulations. Member agrees to be party to any enforcement action and to be bound by the FHFA's final determination regarding repayment or reimbursement. If a Member cannot recover AHP subsidy from owner of a AHP Set-aside Product-assisted unit, the Member shall, upon request of the Bank, provide written documentation to the Bank setting forth Member's collection efforts. Collection efforts shall generally be determined to be reasonable by the Bank if the Member engages in such actions as it would normally undertake in the collection of its own non-AHP commercial and consumer loans and in accordance with prudent banking practices. Collection efforts shall generally not be considered reasonable by the Bank if (among other reasons) the Bank determines that such efforts are adversely affected by any failure of the Member to fulfill its obligations to record a deed restriction or other legally enforceable retention agreement or mechanism pursuant to section 10 of this Agreement.

9. The Member agrees to cooperate fully with the Bank in effectuating off-site and on-site reviews of the Member's AHP Set-aside Product operations and compliance, and to provide to the

Bank any documentation periodically required under the FHFA regulations and the Bank's AHP policies and procedures. Member shall at all times maintain full and complete records of all application documentation and authorizations, disbursement documentation, and monitoring compliance documentation in connection with the AHP Set-aside Products. The Member shall permit the Bank and its agents, upon request from time to time, to inspect and copy any of such books, records and other supporting documents. Member shall establish and maintain adequate and efficient internal controls, policies and procedures, to assure an effective system for the prevention, detection and reporting of fraud or abuse in connection with the AHP Set-aside Products., including but not limited to the appropriate countersignatures and notarization of documents, as applicable.

10. The Member shall ensure that an owner-occupied unit that is purchased, constructed, or rehabilitated with the proceeds of an AHP Set-aside direct subsidy is subject to a deed restriction or other legally enforceable retention agreement or mechanism requiring that (i) the Bank is to be given notice of any sale or refinancing of the unit occurring prior to the end of the 5-year AHP retention period; (ii) in the case of a sale prior to the end of the 5-year AHP retention period, an amount equal to a pro rata share of the direct subsidy that financed the purchase, reconstruction, or rehabilitation of the unit, reduced for every year the seller owned the unit, shall be repaid to the Bank from any net gain realized upon the sale of the unit after deduction for sales expenses, unless the purchaser is a low- or moderate-income household, as defined in the FHFA regulations; (iii) in the case of a refinancing prior to the end of the 5-year AHP retention period, an amount equal to a pro rata share of the direct subsidy that financed the purchase, construction, or rehabilitation of the unit, reduced for every year the occupying household has owned the unit, shall be repaid to the Bank from any net gain realized upon the refinancing, unless the unit continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism, as described in this paragraph 8; and (iv) the obligation to repay the FHP subsidy to the Bank shall terminate after any foreclosure. Any repayments of principal or interest, if any, received by the

Member must be promptly paid to the Bank.

11. The Member agrees that the Bank is authorized to verify with other parties and to make any investigation of the matters in connection with the AHP Set-aside Products and this Agreement, either directly or through any agency or third party employed by the Bank for that purpose. The Bank may disclose to any other interested parties information as to the Bank's experiences or transactions with the Member or with respect to the AHP Set-aside Products or this Agreement. Member understands that the Bank will retain this Agreement and any other supporting information received, even if no subsidy is disbursed. Member further authorizes the Bank to provide any such interested party any information and documentation they may request with respect to Member, any application for AHP Set-aside Product funds,, or this Agreement. These representations and authorizations extend not only to the Bank, but also to the FHFA.

12. The Member acknowledges and agrees that (a) this Agreement and all related documents constitute "Borrowing Documents" under the Advances and Security Agreement between the Member and the Bank (as the same may be amended, restated, supplemented or modified from time to time, the "*Advances Agreement*"), (b) the obligations of the Member under this Agreement and all related documents constitute "Liabilities" under the Advances Agreement, (c) all such obligations are secured by the collateral granted from time to time pursuant to the Advances Agreement, (d) any failure by the Member to comply with any of its obligations under this Agreement or any related document shall constitute an "Event of Default" under the Advances Agreement, and (e) Member agrees that any liability, loss, cost or expense suffered or incurred by the Bank as a result of a Member noncompliance shall be deemed to be a Loss, as such term is defined in Section 6.12 of the Advances Agreement, for which Member agrees to indemnify, defend (with

counsel acceptable to the Bank), and hold harmless the Bank, and its subsidiaries and affiliates, and the respective directors, officers, agents, attorneys and employees of each.

The parties accept the terms and conditions of the funding as set forth herein by executing this Agreement in the space set forth below. In indicating their acceptance of the terms and conditions of the funding set forth herein, the parties also represent and warrant that they have full corporate power and authority and have received all corporate and governmental authorizations and approvals as may be required to enter into and perform their obligations under this Agreement, that they will maintain this Agreement as part of their corporate records, and that at all time they will adhere to the terms and conditions set forth herein. The parties further agree that this Agreement may be executed in separate counterparts, each of which shall be considered an original and that no amendment may be made to this Agreement except in a writing executed by all parties hereto. This Agreement shall be governed by the statutory and common law of the United States and, to the extent state law is applicable, by the laws of the State of Georgia (without giving effect to choice of law principles included therein). No delay on the part of a party in exercising any right, power or privilege shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude other or further exercise thereof or the exercise of any other right, power or privilege or be construed to be a waiver of any default under this Agreement. No waiver of any default shall be effective unless in writing and signed by an authorized officer of the party waiving such default, and no such waiver shall be deemed to be a waiver of a subsequent default or be deemed to be a continuing waiver. No course of dealing between the parties, or their agents or employees, shall be effective to change, modify or discharge any provision of this Agreement or to constitute a waiver of any default hereunder. If any provision of this Agreement is held invalid or unenforceable to any extent or in any application, the remainder of this agreement, or application of such provision to different persons or circumstances or in different jurisdictions, shall not be affected thereby.

In Witness Whereof, the parties hereto have set their hand and seal as of the date below.

For: FHLBank Atlanta

Agreed to and Accepted

Dated:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

For: [Member]

Agreed to and Accepted

Dated:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_