FHLBank Atlanta Homeownership Purchase Products 2016 Training

Exclusively for FHLBank Atlanta Shareholders

New Users

FHLBank® ATLANTA
A FEDERAL HOME LOAN BANK

Agenda

- What are the Affordable Housing Set-aside Products?
- What is the value of Affordable Housing Set-aside Products?
- How do the Affordable Housing Set-aside Products work?
- What makes the Affordable Housing Set-aside Products different from other programs?
- Product Overview
- Product Eligibility Guidelines
- Product Workflow
- Compliance/ Risk Management
- Shareholder Success Stories
- Resources Available to Ensure Your Success
- Questions

What are the Affordable Housing Program (AHP) Set-aside Products?

- FHLBank Atlanta's Homeownership Products provide matching funds for the purchase or rehabilitation of a home
  - Can be used to reduce principal, assist in down payments, closing costs, and/or rehabilitation costs
  - Eligible homebuyers(s)/homeowner(s) recipients include low- and moderate-income households

- Funds are provided to participating FHLBank Atlanta shareholders on a first-come, first-served basis

- Homeownership Products “Get the Phones Ringing"

Value to Your Business AND Your Community

Products

- First-time Homebuyer Product (FHP)
- Community Partners Product (CPP)
- Foreclosure Recovery Product (FRP)
- Veterans Product Suite (VPP, RVPP)
- Structured Partnership Products (SPPs)

Mortgage Loan Officers

- Helps develop relationships with real estate agents, builders, and other industry professionals
- Expansion of customer base through new relationships and cross-sell opportunities

Business Development Officers

- Stimulates real estate activity and economic development
- Compatible with other funding sources

Compliance Officers

- Products are CRA and compliance friendly

Business Value: Reduce Loan Risk in Transactions

Community Partners Product (CPP)

Home Sales Price	$160,000
Without AHP:	
Member First Mortgage	$153,260
Homebuyers Matching funds (4 to 1)	$2,351
Sellers contribution	$6,512
Closing Costs	$7,565
Member LTV without AHP Grant Funds (First Mortgage/Sales Price)	**95.7%**
With AHP:	
Member First Mortgage	**$145,760**
Homebuyers Matching funds (4 to 1)	$2,351
Sellers contribution	$6,512
Closing Costs	$7,565
AHP Grant funds	**$7,500**
Member LTV with AHP Grant (First Mortgage/Sales Price)	**91.1%**

Returning Veterans Purchase Product (RVPP)

Home Sales Price	$119,000
Without AHP:	
Member First Mortgage	**$114,745**
Homebuyers Matching funds ($0)	$1,261
Sellers Contribution	$0
Closing Costs	$7,006
Member LTV without Grant funds (First Mortgage/Sales Price)	**96.4%**
With AHP:	
Member First Mortgage	**$104,745**
Homebuyers Matching funds ($0)	$1,261
Sellers Contribution	$0
Closing Costs	$7,006
AHP Grant funds	**$10,000**
Member LTV with AHP Grant (First Mortgage/Sales Price)	**88.0%**

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How do the AHP Set-aside Products Work?

- Funds will be available beginning January 19, 2016
  - Shareholders are limited to $1 million in AHP Set-aside funds during an annual offering period
- Available on a first-come, first-served basis until the earlier of:
  - December 15, 2016, or
  - Funds are depleted

What Makes the AHP Set-aside Products Different from Other Programs?

- Equity-like funding
- No interest accrues or expectation of repayment
- Secured with a note and mortgage, or other acceptable form of retention agreement to ensure compliance through the 5-year AHP retention period
- Compatible with a variety of first mortgage products including but not limited to:
  - Conventional
    - Included on Fannie Mae's Community Seconds and Freddie Mac's Affordable Seconds Checklists
  - FHA
    - Funds can used be to satisfy the 3.5% minimum borrower contribution
  - VA
  - USDA
  - Member's Portfolio First Mortgage Products

AHP Set-aside Purchase Products

FHLBank Atlanta's 2016 Homeownership Products

Purchase Products

- First-time Homebuyer Product (FHP)
- Community Partners Product (CPP)
- Foreclosure Recovery Product (FRP)

Veterans Purchase Products

- Veterans Purchase Product (VPP)
- Returning Veterans Purchase Product (RVPP)

Structured Partnership Products

- Structured Partnership Products (SPPs)

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Purchase Products

First-time Homebuyer	Community Partners (new expanded definition)	Foreclosure Recovery
• Down-payment, closing-cost, and principal reduction assistance for **first-time homebuyers** • Must meet the definition of first-time homebuyer as defined by HUD HOC reference guide chapter 3: (http://archives.hud.gov/offices/hsg/sfh/ref/sfhp3-02.cfm), expanded to include recovering victims of catastrophic loss or natural disasters.	• Down-payment, closing-cost, and principal reduction assistance for **first-time or non-first-time** homebuyers currently employed or retired law enforcement officers, educators, health care workers, firefighters, and other first-responders	• Down-payment, closing-cost, and principal reduction assistance for homebuyers purchasing properties from an FHLBank Atlanta member's REO portfolio • Available for **first-time or non-first-time** homebuyers

Maximum Subsidy Amount:

First-time Homebuyer	Community Partners	Foreclosure Recovery
• **$5,000**	• **$7,500**	• **$15,000**

Matching Requirement :

First-time Homebuyer	Community Partners	Foreclosure Recovery
• **Min $1000** • **4:1 match from borrower**		

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Connect with the Heroes in Your Community

Community Partners Eligible Borrowers

Educators	Police Officers/ Firefighters/ First Responders	Health Care Workers
• Employee of an accredited or state-recognized private or public school • Certified teacher or administrator in an education agency • Employee of a post-secondary level educational institution	• Employee of a law enforcement agency or fire department administered by a state or local government • Sworn law enforcement officer responsible for crime prevention and detection, or criminal incarceration • Sworn member of a fire department involved in fire suppression or prevention, emergency medical response, hazardous materials incident response, or management/response to terrorism • Any other first responder, such as an emergency medical technician	• Certified, accredited, or licensed health care worker including: - Medical resident or fellow - Nurse - Nursing assistant - Pharmacist - Pharmacy technician - Physician's assistant - Medical technician - Technologist - Therapist • An employee of an accredited or state-recognized medical or health care facility
Community Partners include:		
Those that have retired as one of the above		

Connecting with the Military Community

Veterans Products

A suite of products and services to assist our shareholders' response to veterans – a highly diverse community

Ownership

- Veterans Purchase Product
- Returning Veterans Purchase Product

Financial Literacy

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

Veterans Purchase Products

Veterans Purchase	Returning Veterans Purchase
• Down-payment, closing-cost, and principal reduction assistance for **first-time** or **non-first-time veteran** homebuyer that is currently serving or has served in any branch of the U.S. military, or surviving spouse	• Down-payment, closing-cost, and principal reduction assistance for **first-time** or **non-first-time veteran** homebuyer that is currently serving or has served in an overseas military intervention environment for any branch of the U.S. military, or surviving spouse • Listings of overseas military intervention environments can be found at • http://academic.evergreen.edu/g/grossmaz/interventions.html

- U.S. military is made up of the five armed service branches: Air Force, Army, Coast Guard, Marine Corps, and Navy
- National Guard Reservists are eligible if they have served:
  - in 'active duty'
  - performed services in active duty
  - injured in active duty

Maximum Subsidy Amount:

Veterans Purchase	Returning Veterans Purchase
• **$7,500**	• **$10,000**

Who is Eligible to Receive AHP Set-aside Funds?

- Household eligibility:
  - Household income must be < = 80% of the county area median income, or the state median family income, adjusted for family size as published by HUD (whichever is higher)
    - HUD Income Limits: http://www.huduser.gov/portal/datasets/il/il15/index_il2015.html
    - Owner-occupant of the property
  - Complete FHLBank Atlanta's prescribed homebuyer counseling program provided by ClearPoint Credit Counseling Solutions
  - Contribute to the product's matching requirement (if applicable)
    - 4-to-1
    - Minimum $1,000 contribution
    - No more than $250 cash back at closing
  - Sign AHP Set-aside note and security instrument
    - Understand that failure to own and occupy the property for five years could result in the recapture of funds on a pro rata basis

Product Eligibility Guidelines

Purchase Products

The following eligibility guidelines apply to all loans that are part of the AHP Set-aside transaction:

Interest rates, fees, points, and any other charges for all loans may not exceed a reasonable market rate of interest, fees, points, and any other charges for loans of similar maturity, terms, and risk

- Minimum five year term
- Fully amortizing
- Adjustable rate mortgages are eligible with certain parameters:
  - Member qualifies customers based on cap rate or “impact” period (to avoid payment shock if a high rate environment exist during rate reset period); and
  - No negative amortization loans.
- No Interest Only or Pay Option ARMs
- Not to include prepaid, single-premium credit insurance or a fee or charge for prepayment beyond the first five years

Note: On January 1, 2016, reduced HOEPA and QM points and fee limits will become effective

Product Eligibility Guidelines

Purchase Products
• Product eligibility should be met at origination as well as following any shareholder approved refinance or subordination during the five year retention period • Must comply with all applicable federal, state, and local anti-predatory lending laws and other similar credit-related consumer protection laws designed to prevent or regulate abusive or deceptive lending practices, and all regulations and guidance issued in connection with such laws • Member to comply with all applicable BSA/AML and OFAC requirements as they relate to the transaction, including OFAC screening of the homebuyer(s) / homeowner(s)

Product Eligibility Guidelines

What types of properties are eligible?

Owner-occupied units that the primary residence of the homebuyer(s) / homeowner(s)

- Single Family detached (1-4 Units)
- Condominiums
- Townhouses
- Cooperatives
- New construction
  - Eligible when the home is within 45 days or less of being closed
  - Not eligible for Foreclosure Recovery Product
- Manufactured and Mobile Housing
  - Titled as real property in accordance with the laws and requirements of the jurisdiction where the property is located

What geographic areas are eligible?

NEW! FHP, CPP, FRP, VPP, RVPP are available within the United States and its territories through FHLBank Atlanta shareholders

Structured Partnerships available within their unique market through FHLBank Atlanta shareholders

Fast, Easy, Managed "End-to-End" Process

Our commitment is to provide you with excellent customer service along with a **streamlined** and **speedy** application process

- Web-based technology with electronic document uploading - **FHLBAsap ®**
- Real-time messaging
- 3 - 5 days turnaround on application approvals
  - Average turn time **4.6 days**; more than **3,000** applications reviewed in 2015!
- 2 days turnaround on funding requests
  - Average funding time 1.0 days; funded more than **2,400** transactions in 2015!
  - Funded more than $17 million in 2015
- Simultaneous closing
- On-demand training

Fast, Easy, Managed "End-to-End" Process

FHLBAsap® is a state of the art application intake, processing, underwriting, funding, and information management system that helps facilitate your residential financing, CRA lending, and other business development goals.

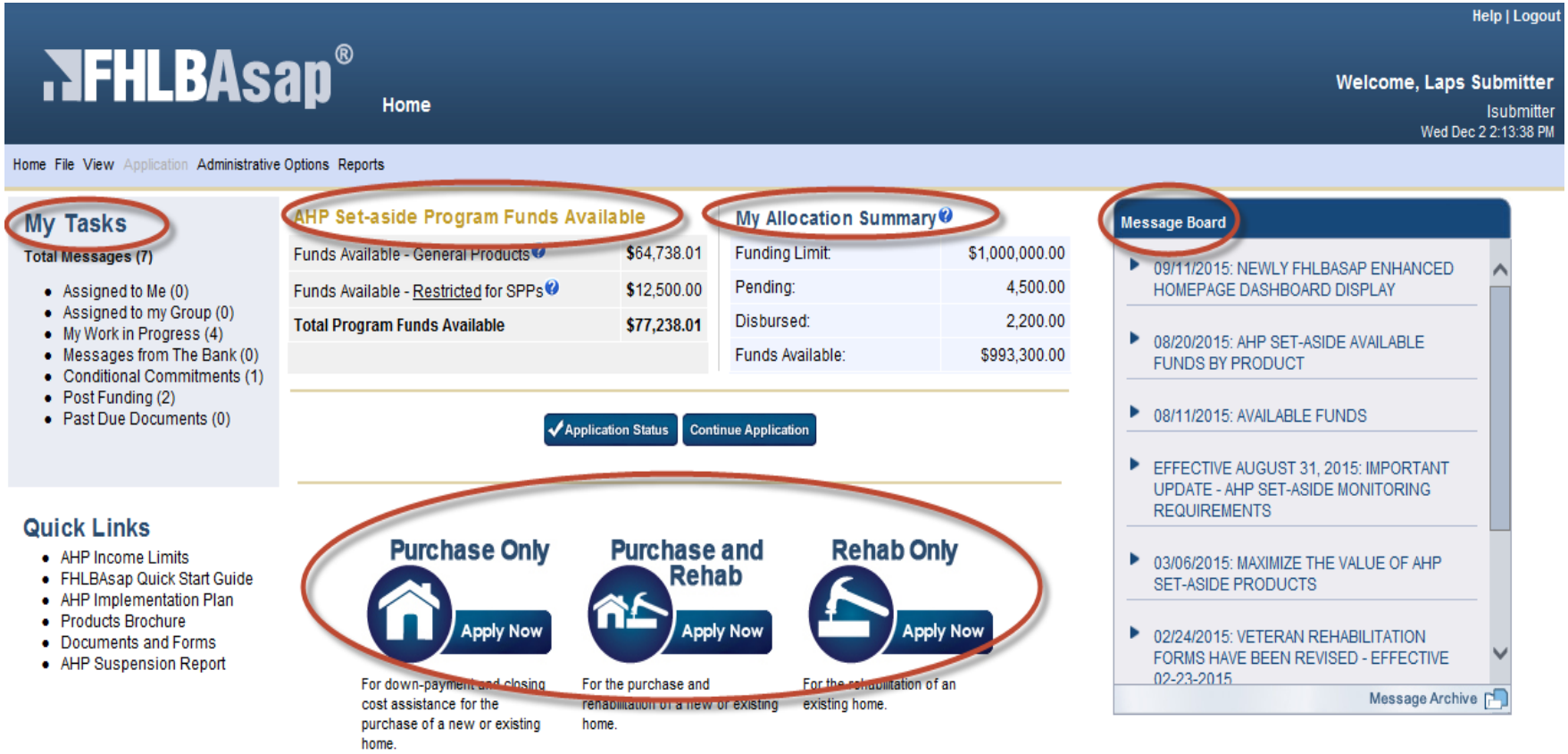
Features:

- Submit applications electronically
- Prequalify applicants for products
- Check application status at anytime
- Receive funds immediately upon FHLBank Atlanta approval

Quick Start Guide: http://corp.fhlbatl.com/files/documents/fhlbasap-quickstart.pdf

More Deals, Faster: FHLBAsap ® System

Automated Origination System for AHP Set-aside Products



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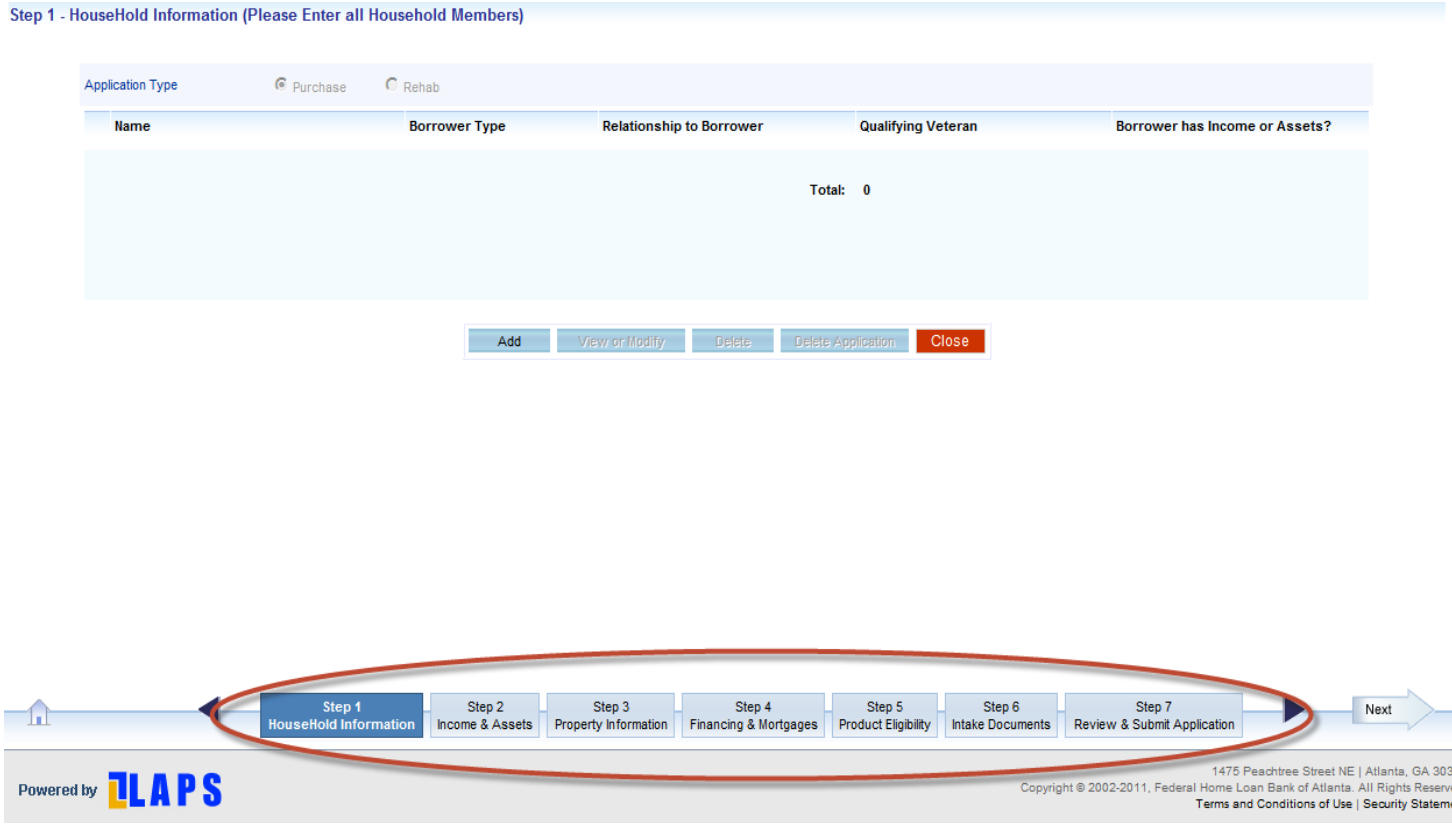
Fast, Easy, Managed "End-to-End" Process

Ready to apply?

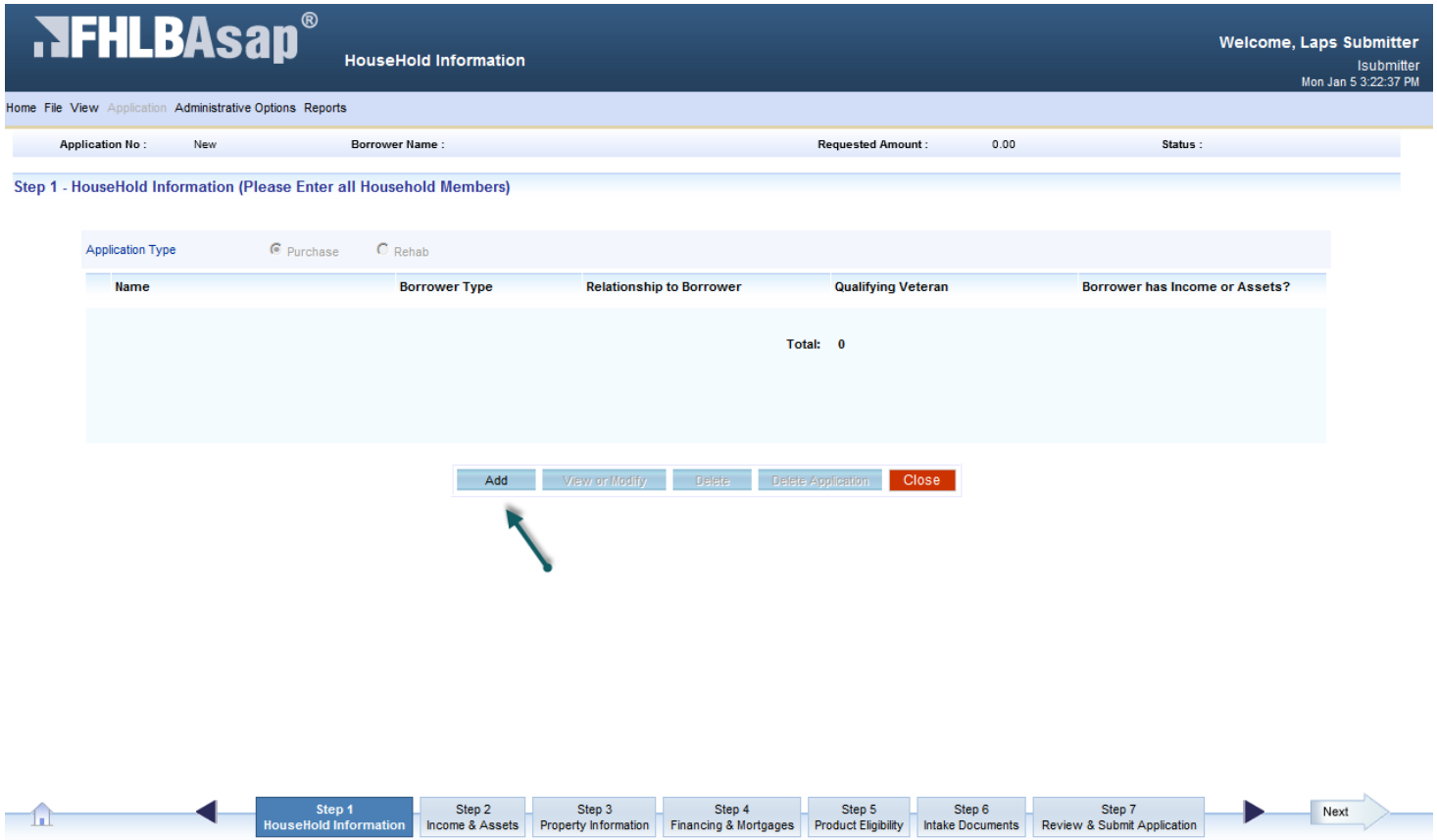
Submitting an application is as easy as completing 7 steps



Quick Start Guide: http://corp.fhlbatl.com/files/documents/fhlbasap-quickstart.pdf

Fast, Easy, Managed "End-to-End" Process

Step 1: Enter the applicant's information (all household members)



Quick Start Guide: http://corp.fhlbatl.com/files/documents/fhlbasap-quickstart.pdf

Fast, Easy, Managed "End-to-End" Process

Step 2: Enter income and asset information for all household members

FHLBAsap®

Income & Assets

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ome File View Application Administrative Options Reports

Application No : 13860000012 Borrower Name : Joe Doe Requested Amount : 0.00 Status : Open

Step 2 - Income & Assets

Name	Borrower Type	Relationship to Borrower	Income Earned	Income from Assets	Total Household Income
Joe Doe	Borrower	Self	17,680.00	2.00	17,682.00
		Total	17,680.00	2.00	17,682.00

Total Income Earned	17,680.00
Total Assets	2,000.00
Final Income from Assets	2.00
Total Household Income	17,682.00

Add or Modify Delete Close

Previous | Step 1 HouseHold Information | Step 2 Income & Assets | Step 3 Property Information | Step 4 Financing & Mortgages | Step 5 Product Eligibility | Step 6 Intake Documents | Step 7 Review & Submit Application | Next

Quick Start Guide: http://corp.fhlbatl.com/files/documents/fhlbasap-quickstart.pdf

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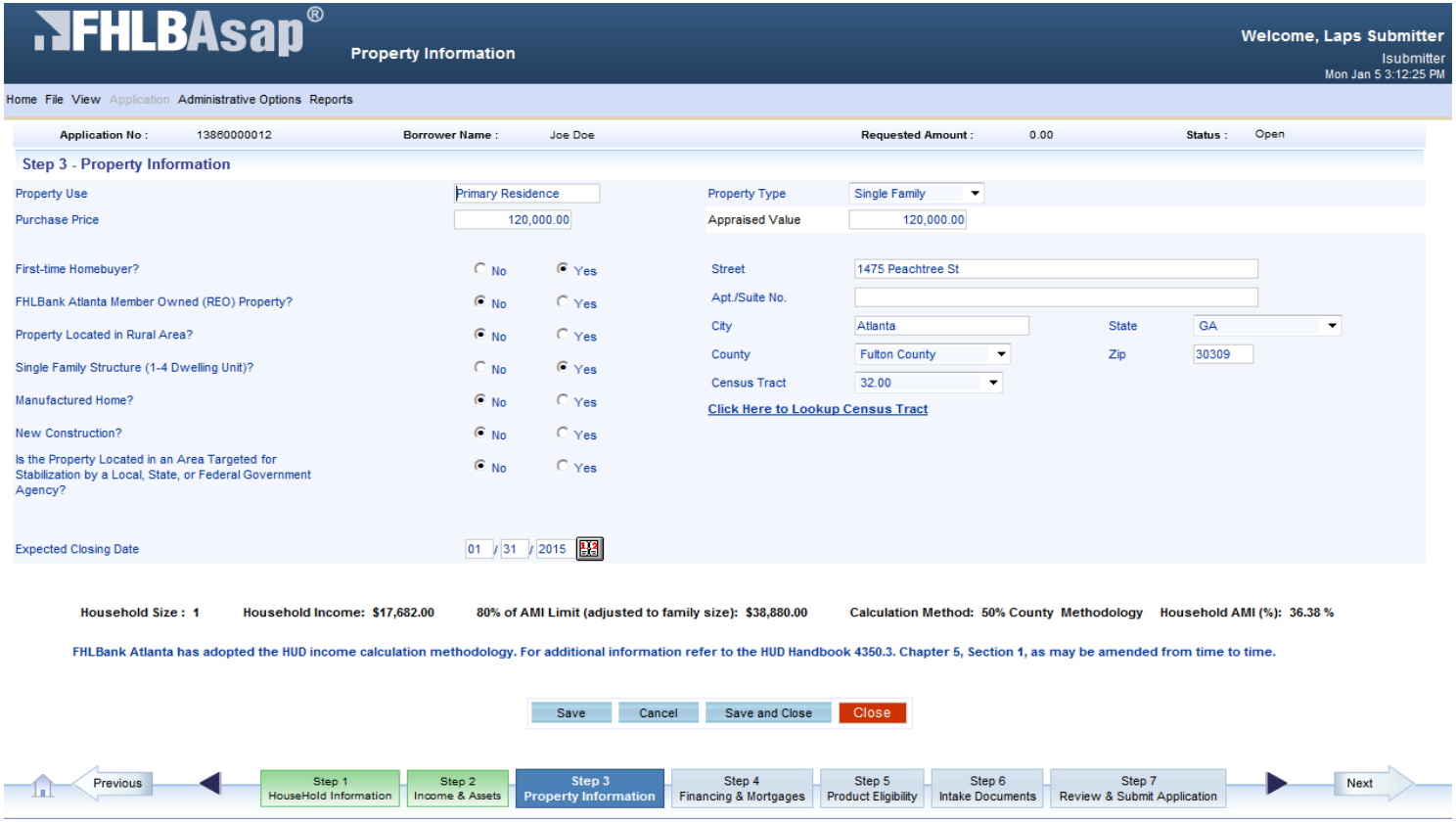
Step 3: Enter the subject property information



Quick Start Guide: http://corp.fhlbatl.com/files/documents/fhlbasap-quickstart.pdf

Fast, Easy, Managed "End-to-End" Process

Step 4 Purchase: Enter the Financing and Mortgages information

FHLBAsap® Financing & Mortgages

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Home File View Application Administrative Options Reports

Application No : 13860000012 Borrower Name : Joe Doe Requested Amount : 5,000.00 Status : Open

Step 4 - Financing & Mortgages

Lien	Mortgage Lender	Amount	Type	Fixed or Adjustable	Rate (%)	APR (%)	Term (Mos)	Forgivable	Deferred Loan?	Amortization (Mos)
1	The Lender	112,800.00	Conventional	Fixed	3.500	4.500	360	No	No	360

Add Lien Delete

Cost Information

Sales Price to Homebuyer	120,000.00
Total Closing Costs, Points & Prepaids	50.00
Total Cost	**120,050.00**
Sum of All Mortgages	112,800.00
Homebuyer Contribution	1,250.00
Seller Contribution (Enter 0 If no Seller Contribution)	1,000.00
Requested Amount from FHLB	5,000.00
Total Source	**120,050.00**
Variance	**0.00**

AHP Set-aside Subsidy Guide	Maximum Product Subsidy	Maximum Eligible Amount from FHLB
FHPP	$5,000.00	$5,000.00
FRPP	$15,000.00	$5,000.00
CPPP	$7,500.00	$5,000.00
VPPP	$7,500.00	$7,500.00
RVPP	$10,000.00	$10,000.00

Mortgage Information

Will the 1st Mortgage Loan be Provided by the Member? ○ No ◉ Yes

Will this unit have a mortgage subject to HOEPA? ◉ No ○ Yes

Save Save and Close Close

Previous | Step 1 HouseHold Information | Step 2 Income & Assets | Step 3 Property Information | Step 4 Financing & Mortgages | Step 5 Product Eligibility | Step 6 Intake Documents | Step 7 Review & Submit Application | Next

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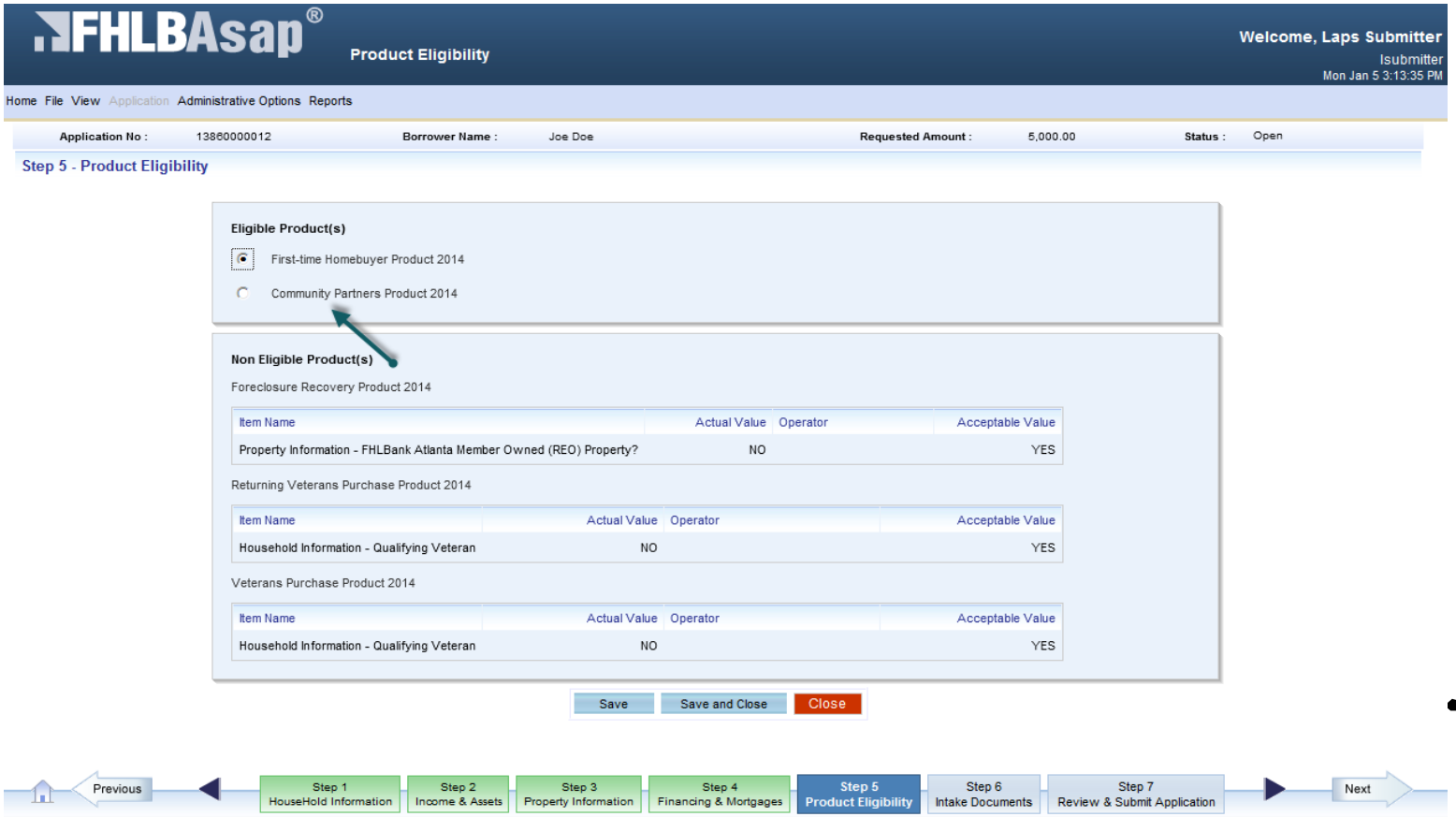
Step 5: Select the eligible AHP Set-aside product. The product eligibility options will be determined by the information entered in **Step 1 and Step 3.**



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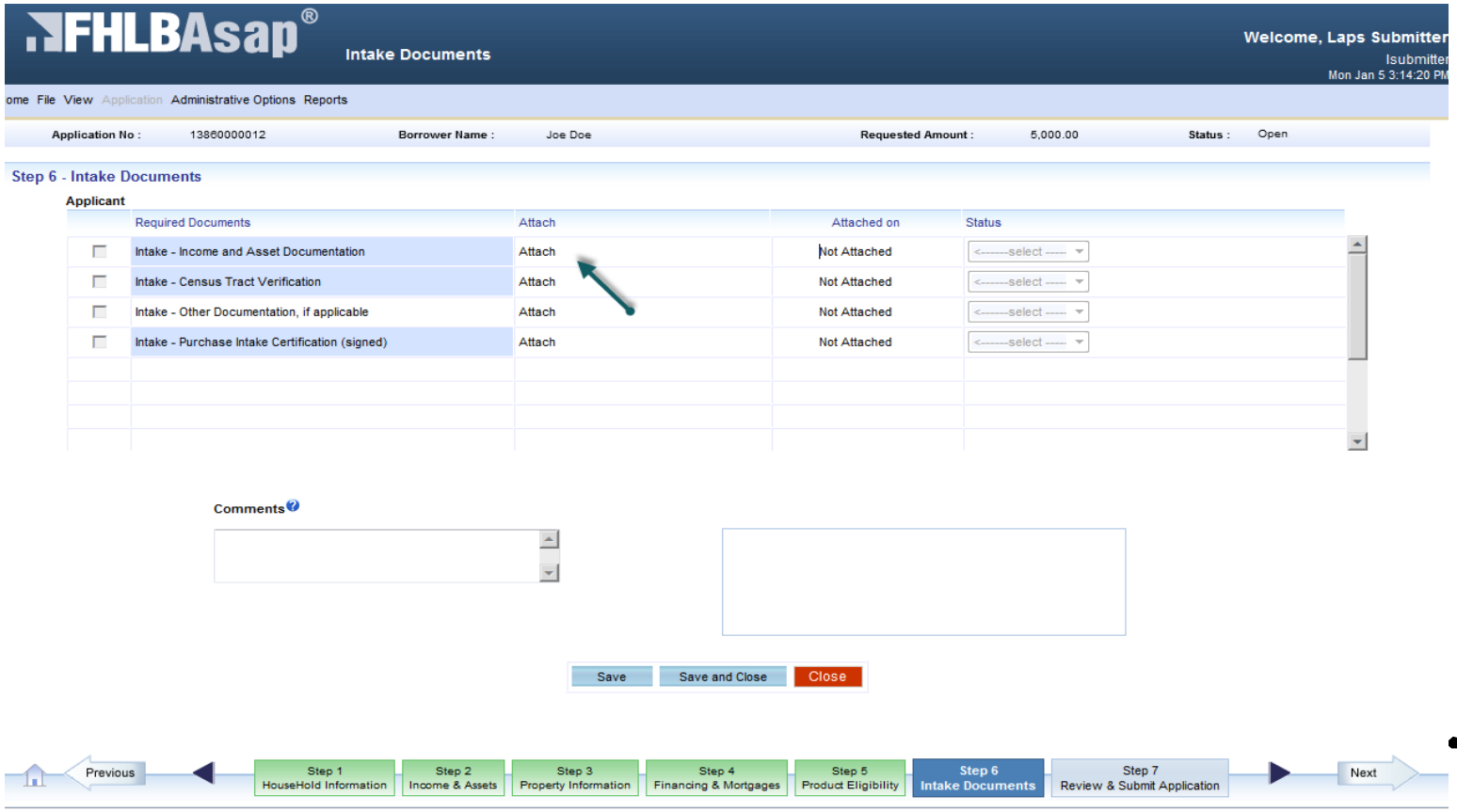
Step 6: Attach the required program documentation



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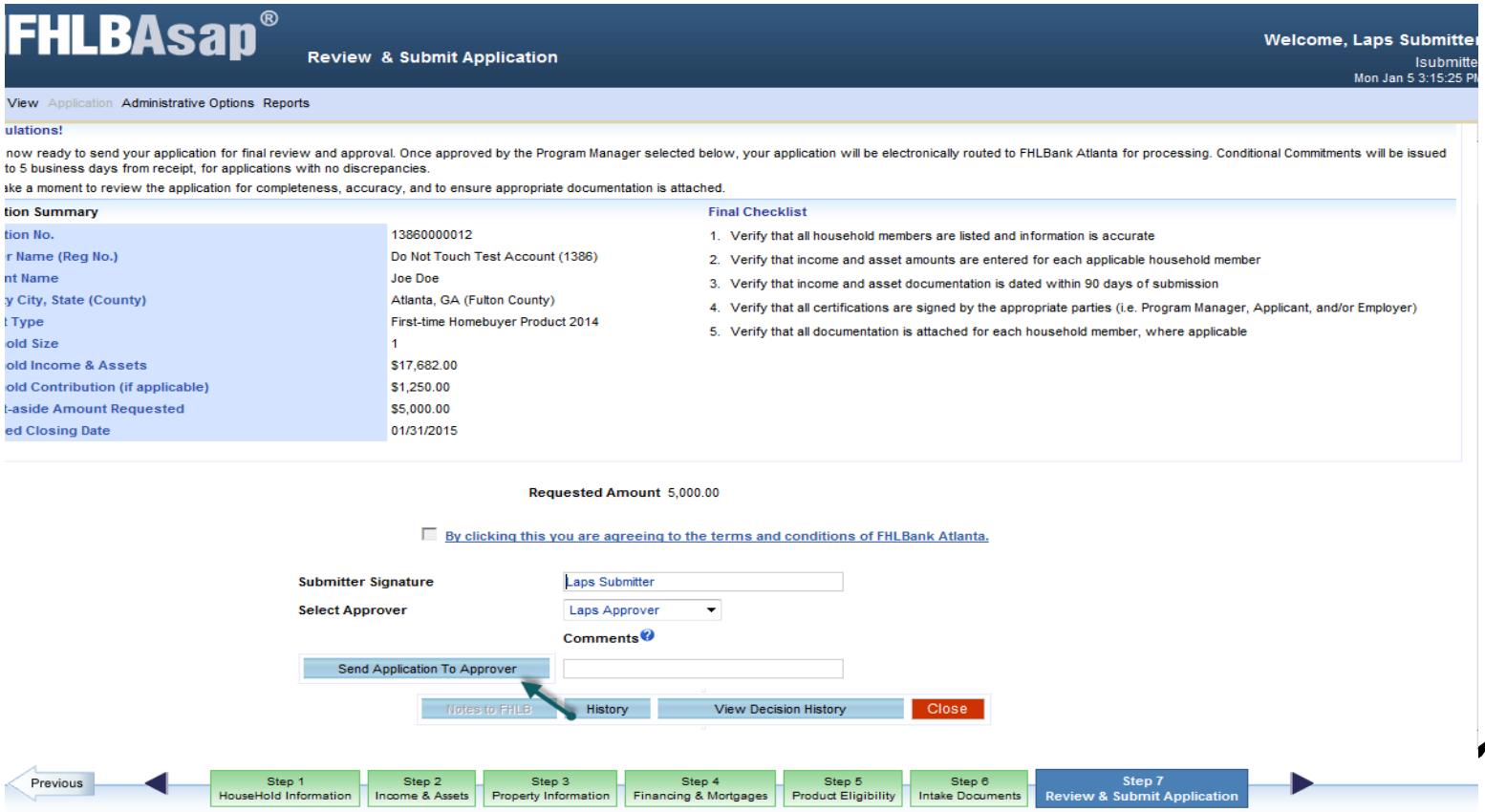
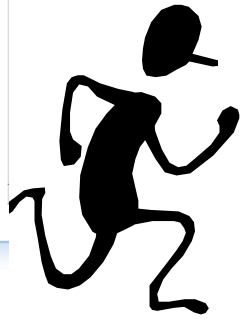
Fast, Easy, Managed "End-to-End" Process

Step 7: Review & Submit Application





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Fast, Easy, Managed "End-to-End" Process

Ready to apply?

Submitting an application is as easy as completing 7 steps

- **Step 1:** Enter the household's information (all household members)
- **Step 2:** Enter income and asset information for all household members
- **Step 3:** Enter the subject property information
- **Step 4:** Enter the Financing and Mortgages information
- **Step 5:** Select the eligible AHP Set-aside product. The product eligibility options will be determined by the information entered in **Step 1 and Step 3.**
- **Step 6:** Attach the required program documentation
- **Step 7:** Review & Submit Application *(requires an action from submitter and approver)*

Quick Start Guide: http://corp.fhlbatl.com/files/documents/fhlbasap-quickstart.pdf

Easily Accessible Funding!

Product Workflow	
Application Submission	• Submitter inputs application and uploads required documents into FHLBAsap ® • Approver reviews application and **ensures** it is complete and accurate prior to submission to FHLBank Atlanta -Submitter and approver roles **are required** to ensure separation of duties
	• Approver submits application to FHLBank Atlanta through FHLBAsap ® -Purchase applications should be submitted no more than 45 calendar days but no less than 10 calendar days before the closing date (purchase only) -Applications submitted after 2:00 p.m. EST are considered received on the following business day
Conditional Commitment	• FHLBank Atlanta reviews application and issues conditional commitment if applicant is eligible – turnaround time is 3 – 5 business days of receipt of complete application • Conditional Commitment is forwarded to the Submitter and Approver and includes: -Subsidy amount committed -ClearPoint contact information -Unique counseling reservation number -List of required documents due for funding • Conditional commitments expire: - 45 calendar days from issuance for purchase products

Easily Accessible Funding!

Product Workflow

Counseling Completion	**Approval**	• FHLBank Atlanta provides ClearPoint Credit Counseling Solutions contact information and a unique counseling reservation number for each borrower(s) to the member financial institution within the conditional commitment notification e-mail once the application has been approved by FHLBank Atlanta
	Scheduling	• Member financial institution provides ClearPoint contact information and the counseling reservation number to the borrower(s) and the borrower(s) contacts ClearPoint to schedule the counseling appointment
	Counseling Completion	• ClearPoint certified counselor will contact the borrower(s) to complete the counseling session - ClearPoint will provide the borrower(s) with a certificate once the counseling session has been completed
	Payment	• **Purchase:** The member financial institution and/or closing agents are responsible for wiring funds in the amount of $175 to ClearPoint Credit Counseling Solutions as per closing instructions http://www.fhlbatl.com/docs/cis/purchase-loan-closing.pdf

Easily Accessible Funding!

Product Workflow	
Funding Request	• Once settlement date is confirmed, FHLBank Atlanta member submits funding request through FHLBAsap ® **two (2)** business days prior to the closing date -Funding requests are reviewed within **two (2)** business days from closing
Funds Disbursement	• Upon approval of all pre-funding documents and conditions of funding, FHLBank Atlanta disburses funds to FHLBank Atlanta member's DDA account -Member must use AHP Set-aside subsidies for approved purposes **within Six (6)** business days of disbursement by FHLBank Atlanta -FHLBank Atlanta **will not** reimburse shareholders for funds advanced to their customers before FHLBank Atlanta funding at loan settlement for purchase transactions -**Loans should not be closed prior to satisfying all pre-funding conditions, purchase only transactions**
Loan Closing	**<u>Purchase:</u>** • Closing agent ensures the required documents are executed and retention agreements are recorded as per the product guidelines

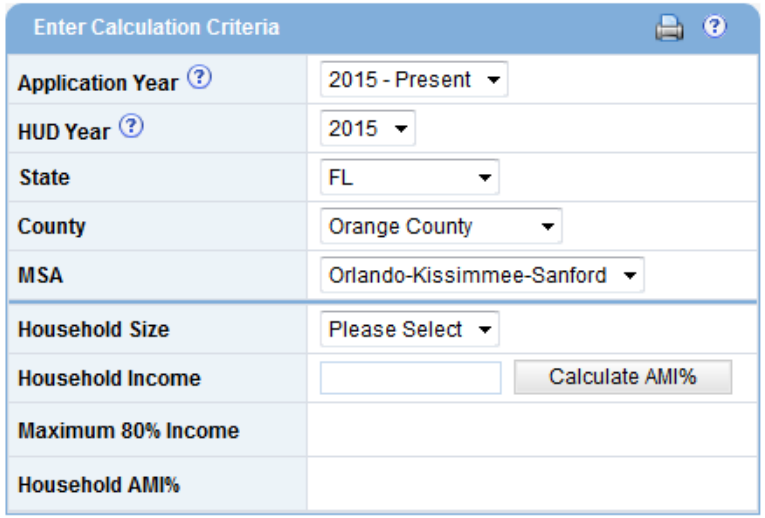
Easily Accessible Funding!

Product Workflow	
Post Funding	• FHLBank Atlanta member submits required post-funding documentation through FHLBAsap ® -Post funding documents should be submitted within 20 calendar days of disbursement
Retention Period	• FHLBank Atlanta members should contact FHLBank Atlanta's Post-Closing team at Postclosing@fhlbatl.com for assistance with subordinations and pay-off requests during the five year retention period

Household Income Calculation

Expanding Your Eligible Customer Base

New! FHLBank Atlanta AHP Income Limit Methodology & Calculator



FHLBank Atlanta Income Calculator Tool
https://cis.fhlbatl.com/ahp/utilities.portal

- 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!
- Our income methodology uses current circumstances to anticipate future income for the next 12 months. **Think of compliance income vs. qualifying income**

Highlands County, FL – Example, 4 person household

Old Methodology	Highest of New Methodology	% Higher than Old Methodology
$38,150	$46,150	21%

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Required Documents and Forms

Application documentation:

Required Documents uploaded into FHLBAsap ® (Step 6):

1. Intake Certification (Fully executed)
2. Census Tract Verification
3. Income and Asset supporting documentation
4. Veterans Purchase will include **one** of the following:
   - Copy of current orders showing duty posting for current active-duty personnel
   - Military Service Record DD214, if honorably discharged from military service
   - Self-declaration indicating service and posting (location), if documentation described above has been requested and is not available
   - Copy of one of the above, along with a Death Certificate for a surviving spouse application
5. Foreclosure Recovery Product only:
   - Appraisal dated within 90 days of the application submission
   - Purchase contract
6. Community Partners Product Only:
   - Borrower's Eligibility documentation
7. Such other documentation as may be required by the Bank

Prefunding Documentation:

Required Documents uploaded into FHLBAsap ® (Step 8): **2** business days prior to closing

1. Preliminary Closing Disclosure Statement (CD)
   - AHP Set-aside funds clearly identified as "**FHLBank Atlanta" or "Set-aside"**
   - ClearPoint shown as a payee and $175 payment reflected as a line item
   - Homebuyer's contributions identified
2. Certificate of ClearPoint counseling completion
3. Such other documentation as may be required by the Bank

Post Funding Documentation:

Required Documents uploaded into FHLBAsap ® (Step 9): ***within 20 calendar days from AHP disbursement***

1. Final Fully Executed Closing Disclosure Statement (CD)
   - AHP Set-aside funds clearly identified as "**FHLBank Atlanta" or "Set-aside"**
   - ClearPoint shown as a payee and $175 payment reflected as a line item
   - Homebuyer's contributions identified
2. Copy of check or wire transfer/instructions to the closing agent showing the AHP Set-aside subsidy was disbursed for the loan closing
3. Evidence of payment to ClearPoint for required counseling session (check or wire)
4. Recorded retention documents or executed (but unrecorded) retention documents and a receipt for recording showing the date and number of pages to be recorded.
5. Such other documentation as may be required by the Bank

Additional details please refer to AHP Set-aside Pre and Post Documentation requirements – http://corp.fhlbatl.com/files/documents/ahp-pre-post-documentation-requirements.pdf

Application Intake Documents

Documents due with each application for AHP Set-aside funding:

Income Documentation Requirements	
Submitted for all household members over the age of 18	
No more than **90** days old at date of submission to FHLBank Atlanta	
Earned Income Documents	• Fully completed written Verification of Employment form (VOE) signed by the employer or online VOE (i.e. Work Number) • VOE can also be used to document proof of employment in one of the targeted professions for applicants of the Community Partners Product
	• Consecutive 30 days of paystubs that reflect current pay amount and year to date information. • While in the first quarter of 2015, the last paystub from the previous year will also be required
	• Affidavit of zero income for all adult household members (if applicable) signed and dated by the household member

Application Intake Documents

Documents due with each application for AHP Set-aside funding:

Income Documentation Requirements	
Self-employed	• Most recent signed, dated and completed federal income tax return (with Schedule C or E and business return, if applicable) for previous year, • If past April 1st, P&L or self-declaration signed and dated or affidavit to include YTD earnings; and earnings anticipated over the next 12 months
Recurring Income	Social security, disability or death benefits, workers compensation, pension, adoption assistance, public assistance, unemployment, housing vouchers, or periodic payments • Benefit statement or letter from the provider that states the amount, frequency, and duration of the benefit • Current year awards letters (SS, VA, etc.) - dated within 12 months • Most recent statement for pension, retirement or annuity payments - dated within 12 months
Recurring Cash Contributions/Gifts > $50	• Statement or affidavit signed and dated by the household member or the person providing the assistance, giving the purpose, frequency, and value of contribution/gifts

Application Intake Documents

Documents due with each application for AHP Set-aside funding:

Income Documentation Requirements - Continued	
Alimony or Child Support	• Use divorce decree, court order, state print out, or statement (over a 1010 statement) or notarized affidavit signed and dated along with two (2) consecutive bank statements to support the amount of the support
Rental Income	• Most recent year signed, dated, completed and filed federal income tax returns (with schedule E), and the following is also required • Copy of most recent executed lease agreement If federal income tax returns are not available the following is required: • Statement (over a 1010 statement) or notarized affidavit signed and dated from the household members to: Certify the federal income tax returns are not available • Provide anticipated earnings over next 12 months • Copy of most recent executed lease agreement

Application Intake Documents

Documents due with each application for AHP Set-aside funding:

Asset Documentation Requirements	
Checking, savings, certificates of deposit, money market accounts, and cash held	• Most recent 2 months account statements with interest rate information • Self declaration or affidavit stating the amount of cash held • Affidavit of zero asset for all adult household members (if applicable)
Stocks, bonds, and treasury bills	• Two (2) months brokerage statements verifying value of stocks/bonds, earnings, dividends, and other interest income credited to the household member
Lump sum receipts, one-time receipts, and down payment assistance	• Notarized affidavit or gift affidavit giving the purpose, date, and value of the gift
Individual retirement and Keogh accounts that are accessible to household members	• Current statement or screen shot of account balances
Personal property (e.g., antique cars, coin or stamp collections, etc.) held as investment	• Statement or affidavit stating the items held as investments and their value
For all other acceptable forms of asset verification, refer to the AHP Income Documentation Requirements. http://corp.fhlbatl.com/files/documents/ahp-income-documentation-requirement.pdf	

Best Practices

54% of the applications submitted are returned due to incompleteness. You play a key role in submitting a successful application.

Intake
• Submit **all required** income and asset documentation for all household members over the age of 18 • Submit zero income and asset affidavit, if applicable
• Submit **two (2) full** months of asset statements • Submit 401K, IRA and retirement statements, if applicable • Submit LOE to address reoccurring deposits
• Submit income documentation that includes YTD earnings information dated within 90 days of the application submission (e.g., paystubs, VOE, etc) • Submit **legible** documentation • Submit **complete** self-employment documentation to meet AHP Set-aside requirements (e.g., filed tax returns and projected income statement) • Submit child support and alimony documentation to meet AHP Set-aside requirements
For all other acceptable forms of asset verification, refer to the AHP Income Documentation Requirements. http://corp.fhlbatl.com/files/documents/ahp-income-documentation-requirement.pdf

Best Practices

54% of the applications submitted are returned due to incompleteness. You play a key role in submitting a successful application

Prefunding
• Submit a **complete** preliminary Closing Disclosure Statement (CD) (Borrower, Seller, Closing agent, Listing and Selling agent, Lender, Loan type, Terms, etc.)
• Submit Closing Disclosure Statement (CD) **reflecting** AHP Set-aside funds clearly identified as "**FHLBank Atlanta" or "Set-aside"** • Submit Closing Disclosure Statement (CD) **reflecting** ClearPoint shown as a payee and $175 payment as a line item • Submit Closing Disclosure Statement (CD) **reflecting** Homebuyer's contributions identified
• **Proof** of POC(B) items
• Submit Closing Disclosure Statement (CD) **reflecting** max cash back of $250 to borrower regardless of contribution, if applicable
• Ensure that loans closing with a junior lien Closing Disclosure (CD) have the AHP Set-aside subsidy amounts **reconcile** on the CD for the first lien - Loan terms reflected cannot exceed 5 years

Compliance / Risk Management

Frequently asked questions regarding retention documents:	
What are the requirements for acceptable retention documents?	• Enforceable under applicable law • In a proper form under applicable law and properly recorded • Adhere to all terms and conditions of the Affordable Housing Program Implementation Plan http://corp.fhlbatl.com/files/documents/ahp-implementation-plan.pdf • Include the party granting the security instrument as the owner of the real property interest and FHLBank Atlanta member as the holder / beneficiary
Does FHLBank Atlanta approve my retention documents?	• Yes, sample retention documents will be approved by FHLBank Atlanta for each participating member prior to the member's first AHP Set-aside disbursement
When should recorded retention documents be submitted to FHLBank Atlanta?	• As requested on a sampling basis for purchase transactions • Within 10 days after disbursement for rehabilitation transactions
What identifying information does the retention mechanism include?	• Name of the owner • Address of the unit • Amount of the AHP Set-aside subsidy

FHLBank ATLANTA
A FEDERAL HOME LOAN BANK

Compliance / Risk Management

Frequently asked questions regarding retention documents:	
Does FHLBank Atlanta have resources to assist in preparing sample retention documents?	• Yes, FHLBank Atlanta has sample retention documents available: –Note http://corp.fhlbatl.com/files/documents/ahp-set-aside-note.doc –Deed of Trust http://corp.fhlbatl.com/files/documents/ahp-set-aside-deedoftrust.doc –Subordinate Mortgage http://corp.fhlbatl.com/files/documents/ahp-set-aside-mortgage.doc –Deed Restriction http://corp.fhlbatl.com/files/documents/deed-restriction.pdf
Can I use my standard note and mortgage documents?	• Yes, the AHP Set-aside Program Rider can be used in conjunction with the member's form of note and mortgage –Rider http://corp.fhlbatl.com/files/documents/fhp-retention-rider.pdf

FHLBank ATLANTA A FEDERAL HOME LOAN BANK

AHP – Risk Management

Any person who knowingly makes a false statement or misrepresentation to the Federal Home Loan Bank is subject to penalties that may include fines, imprisonment, or both, under the provision of Title 18, united States Code, Sec. 1014, including, but not limited to:

- Shareholders
- Sponsors
- Intermediaries
- Contractors
- Inspectors
- Consultants
- Property Managers

Department of Justice
U.S. Attorney's Office
Southern District of Mississippi

FOR IMMEDIATE RELEASE
Wednesday, April 8, 2015

BRANDON RESIDENTS INDICTED FOR CONSPIRACY AND MAKING FALSE STATEMENTS

Jackson, Miss - Kayla Paul Lindsey, 46, of Brandon, and Marlene Solomon Williams, 61, of Brandon, were indicted on April 7, 2015 by a federal grand jury for conspiracy to make false statements and for making false statements to the Federal Home Loan Bank of Dallas, announced U.S. Attorney Gregory K. Davis and FBI Special Agent in Charge Donald Alway.

The 17- count indictment alleges that Lindsey and Williams administrated a grant from the Federal Home Loan Bank of Dallas that was intended to provide home repairs for low- to moderate-income households. According to the indictment, Lindsey and Williams required the contractors they hired to perform the repairs to inflate their invoices and to kick the extra money back to Lindsey and Williams. The fraudulently inflated invoices were submitted to the Federal Home Loan Bank of Dallas through its local member institution, Trustmark Bank. It is alleged that, during the course of the conspiracy, the defendants were paid $187,261.23 in kickbacks generated by the fraudulent invoices.

Timothy Mowery, Special Agent in Charge, Federal Housing Finance Agency Office of Inspector General, stated: "The act of committing fraud upon programs that are intended to assist the elderly, low income, or others who have fallen on hard times is detestable. Kayla Lindsey and Marlene Williams allegedly engaged in such a fraud against a Federal Home Loan Bank. FHFA-OIG is committed to identifying fraudsters and seeking prosecution to the fullest extent the law allows."

"This case is an example of the results we can achieve by working with our law enforcement partners," stated FBI SAC Donald Alway. "I commend the work of the individuals involved in this collaborative, investigative effort."

This case was investigated by the Federal Housing Finance Agency Office of the Inspector General, Federal Bureau of Investigation, USDA Office of Inspector General, and the Mississippi Attorney General's Office.

If convicted each defendant faces up to five years in prison and a $250,000 fine for the conspiracy, and up to 30 years in prison and a $1,000,000 fine for each of the 16 remaining counts of making false statements to the Federal Home Loan Bank of Dallas.

Compliance / Risk Management

Non-compliance of retention requirements may lead to:

- Recapture of AHP Set-aside funds
- Shareholder's suspension from FHLBank Atlanta's CIS programs
- Nonprofit entity's suspension from FHLBank Atlanta's CIS programs
- Additional training and education

What are the Shareholder's Responsibilities?

- Ensure that no unit under a current retention period uses AHP Set-aside funds in connection with an existing or future funding under other AHP Set-aside Products or with an AHP Competitive program award

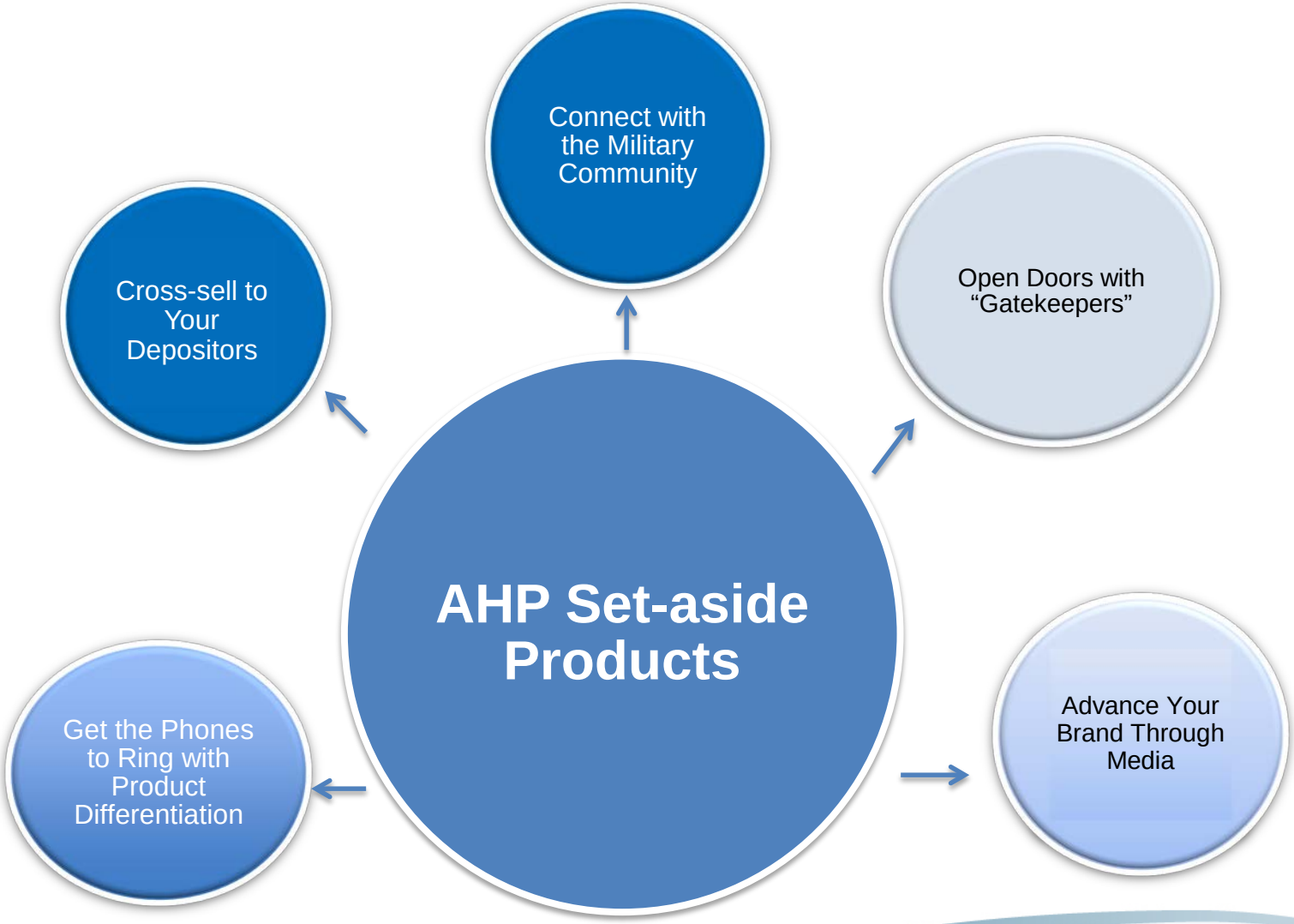
- Establish and maintain adequate and effective internal control environment, including but not limited to policies and procedures, to assure the prevention, detection, and reporting of fraud or abuse or other suspicious activity in connection with any element of the AHP Set-aside transaction
  - Including but not limited to the appropriate countersignatures and notarization of document
  - Shareholder to comply with all applicable BSA/AML and OFAC requirements as they relate to the transaction, including OFAC screening of the homebuyer(s) / homeowner(s)

What are the Shareholder's Responsibilities?

- Notify the Bank promptly after discovery or notice of any material change, either positive or negative, in the financial condition, operations, properties, or prospects of any material party associated with the transaction. Examples include:
  - Any material party to the unit lost their requisite license or been suspended by any applicable government agency
  - Any party been barred from participation in any affordable housing program or any event which has or may have a material impact on the transaction

- Represent and warrant that all documents and other information delivered to the Bank are and will be true, complete and correct in all material respects at the time of delivery to the Bank
  - Documentation materially consistent with corresponding documentation and information provided to other funding sources

Shareholder Success Stories



Success Stories - Ownership: Cross-Sell to Your Depositors and Current Customers

Florida Community Bank

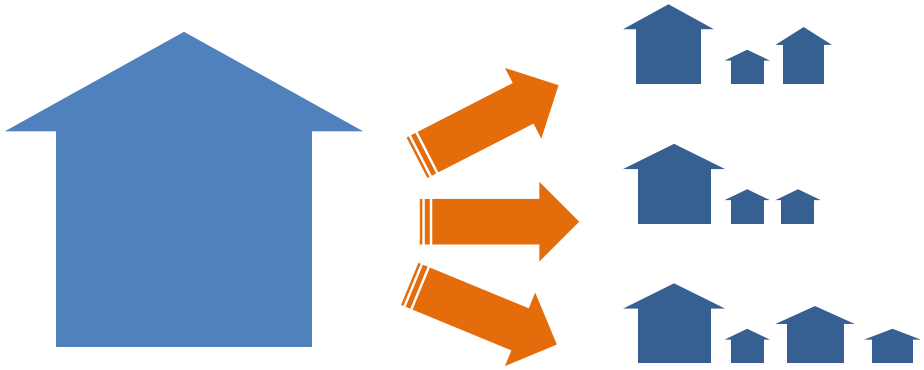
"While not everyone qualifies for the program, we get inquiries into an array of products which means **the phones are ringing** more often for more reasons. We have been able to close an **additional 10 loans last year** with this product attached which could not have been facilitated without the DPA. We are able to use this suite of products to expand our reach in the market and hit key demographics in our CRA development that **enable us to broaden our business and CRA goals**…"

Taylor McLaughlin, Affordable Housing Specialist

Getting the Phones to Ring Through Product Differentiation

BrandBank, Lawrenceville, GA

"Working with FHLB has proven to be an immensely valuable asset in the growth of my business. Having a product that enables first time homebuyers to purchase a home with affordable investment while having no payments/interest is a unique tool in the market today and it **represents an edge for me compared to my business competitors**. FHLB is easy, convenient and its fast turnaround time translate into better service for my clients and associates overall. **I am thrilled to have this option to offer, which has resulted in a steady increase of my overall business."**



Carlos Adorno, Mortgage Banker

Success Stories – Business Development: Magnet for New Relationships with "Gatekeepers"

March 2014 - FHLBank Atlanta member hosted a "Real Estate Professional Networking Event" - Over 40 real estate professionals attended!

- Who are the "gatekeepers" of your potential new customers?
  - Use products to open previously closed doors
- Direct value proposition for public unit relationships
  - Local governments
- Connect to real estate professionals in a different manner

"Everyone here feels like it was a huge success in reaching our realtors and really getting through to them on the value and importance of these programs. We couldn't have done it without you! "

Lesley Graham, Georgia Banking Company

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Assists Veterans in Your Communities

4 Thursday, December 11, 2014 SURRY SCENE Mount Airy News

Surrey Bank and Trust assists veterans

Seldom is a bank's boardroom the scene of the intense emotion that was present in Surrey Bank and Trust's on Thursday, Dec. 4 when 11 veterans and spouses of veterans met with officials of Surrey Bank and Federal Home Loan Bank of Atlanta.

Surrey Bank & Trust is participating in a program offered by the Atlanta bank which helps veterans and their families who meet income requirements improve their homes.

This year 13 projects, totaling $183,431, were completed, according to John R. Canova Jr., who administers the program for the local bank. Eleven of these 13 veterans or their spouses were present on Thursday to express their appreciation to Surrey Bank and FHLB Atlanta. Emotions ran high all around.

"My house was built in the 1950's and my husband has been gone 26 years. It needed work," said Mary Jo Jenkins.

Rosary Douglas, a veteran of the U.S. Navy, had become disabled and needed a walkin tub to help with his therapy. After having a prescription for the tub for three-and-a-half years, the Veterans Administration would only pay $3,000 for the tub, according to Douglas. Since the tub's cost in excess of $14,000 Douglas had been stymied in his efforts to acquire one even though his doctors felt it would improve his mobility.

"He was in a power chair when he came to me about it," added Mike Scott, veteran services officer for Surrey County. Scott has been the conduit for entering many of the veterans to the

FHLB officials from Atlanta who were invited to hear firsthand how much the program means to those who have received grants, were also moved. Sims said, "We don't get to see the faces of the community we serve. This meeting today brings it all home."

The FHLB's program, called the Affordable Housing Program Set-Aside, is a way for veterans who meet the service and income requirements to receive up to a maximum of $15,000 for specific types of remodeling projects.

The grants may be used for projects that help weatherize the property, increase energy efficiency, or enhance accessibility.

Examples of these projects include insulation, new roofs, replacement windows, and remodeling to make a property handicapped accessible. All of these things have been done in Surrey County.

In the three years Surrey Bank has been involved with the program, 28 projects totaling $376,000 have been completed. Canova notes that all work on these projects was done by bank customers. In 2014, the bank used two contractors for all of the 13 projects, Junior and Shelby Hawkins and Steve Branch.

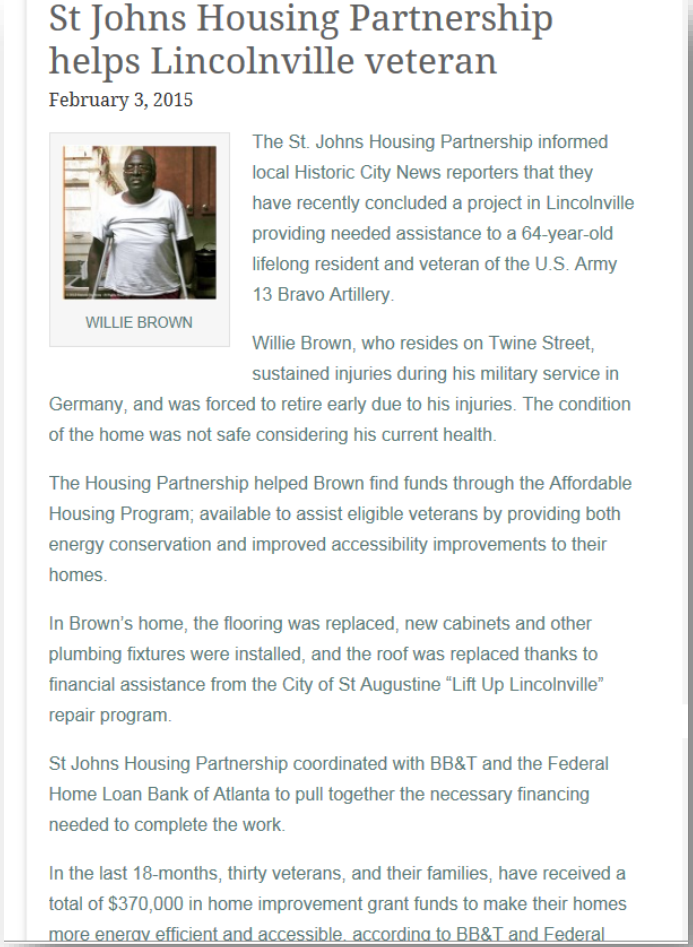
The FHLB funds the program by setting aside 10 percent of its net annual income each year. The program is income-based and current military and veterans who served in combat are eligible for the grants. Those who didn't serve in overseas military interventions are eligible for up to $12,500. The amount is determined by the type of project.

The veteran or surviv-

Owners of the 13 veterans and spouses of veterans came to Surrey Bank to show their appreciation.

Marlene Sims (left) and Johnetta Tinsley (right) were shown the sights of Mayberry by Joe Graves (pictured on Surrey Pike) during their trip to Mount Airy from Atlanta. The women represented the Federal Home Loan Bank of Atlanta at the meeting with Surrey Bank and the 2014 veterans.

Surrey Bank and Trust



St Johns Housing Partnership helps Lincolnville veteran

February 3, 2015

WILLIE BROWN

The St. Johns Housing Partnership informed local Historic City News reporters that they have recently concluded a project in Lincolnville providing needed assistance to a 64-year-old lifelong resident and veteran of the U.S. Army 13 Bravo Artillery.

Willie Brown, who resides on Twine Street, sustained injuries during his military service in Germany, and was forced to retire early due to his injuries. The condition of the home was not safe considering his current health.

The Housing Partnership helped Brown find funds through the Affordable Housing Program; available to assist eligible veterans by providing both energy conservation and improved accessibility improvements to their homes.

In Brown's home, the flooring was replaced, new cabinets and other plumbing fixtures were installed, and the roof was replaced thanks to financial assistance from the City of St Augustine "Lift Up Lincolnville" repair program.

St Johns Housing Partnership coordinated with BB&T and the Federal Home Loan Bank of Atlanta to pull together the necessary financing needed to complete the work.

In the last 18-months, thirty veterans, and their families, have received a total of $370,000 in home improvement grant funds to make their homes more energy efficient and accessible, according to BB&T and Federal

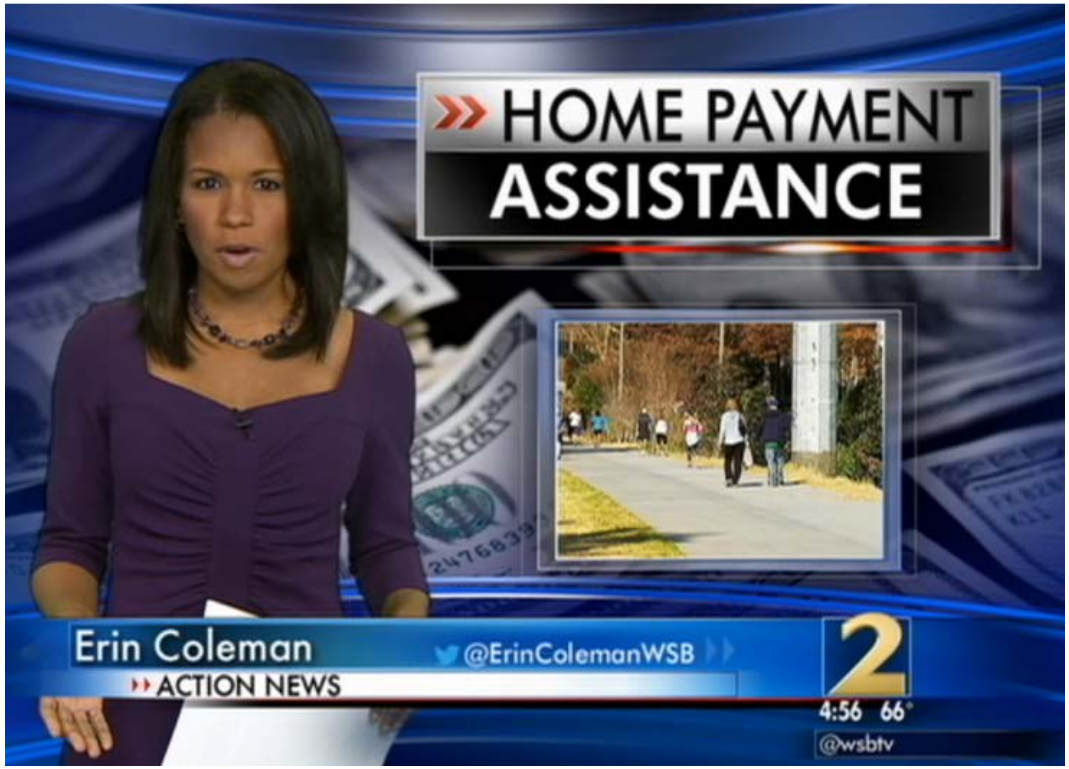
BB&T

Magnet for New Relationships with "Gatekeepers"

March 2015 - FHLBank Atlanta member hosted a "Realtor Bus Tour" of lending and economic development opportunities throughout the City of Atlanta - Over 20 real estate professionals attended!

- Who are the "gatekeepers" of your potential new customers?
  - Use products to open previously closed doors
- Direct value proposition for public unit relationships
  - Local governments
- Connect to real estate professionals in a different manner

Atlanta Beltline, Inc. Housing Initiative Program



http://www.wsbtv.com/videos/news/beltines-home-payment-assistance-program-now/vDQypJ/

Resources Available to Ensure your Success

- **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, joint outreach, business development events, etc., to attract, train, or retain our members' customers

FHLBank Atlanta's Mortgage Partnership Finance® (MPF ®) Program

- MPF is a secondary market selling solution designed specifically for shareholders of Federal Home Loan Banks
- MPF traces its roots to FHLBank Chicago in the late 1990s, but today is a national correspondent platform offering a suite of valuable product solutions
- FHLBank Atlanta currently offers three MPF products to participating shareholders:
  - MPF Xtra® - A solution for conventional/conforming mortgage loans
  - MPF Government MBS - A solution for government mortgage loans
  - MPF Direct - A solution for jumbo mortgage loans
- MPF enables FHLBank Atlanta shareholders to sell mortgages into the secondary market at competitive pricing levels and favorable terms
- Shareholders interested in learning more about the benefits of MPF participation should contact their relationship manager or the Funding Desk at 1.800.536.9650, extension 8011

Do You Have Any Questions?

We are happy to help

Contact Us for More Information

Visit our website at http://corp.fhlbatl.com/resources/affordable-housing-products/

800.536.9650, Option 3, Option 2, and Option 0

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