

# FHLBank Atlanta Homeownership Rehabilitation Products 2016 Training

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Exclusively for FHLBank Atlanta Shareholders  
Experienced Users



# 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 rehabilitation of a home
  - Can be used for rehabilitation costs
  - Eligible 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

- Veterans Product Suite (VRP, RVRP)
- Community Rebuild and Restore (CRR) Product
- Structured Partnership Products (SPPs)

## Business Development Officers

- Stimulates real estate activity and economic development
- Compatible with other funding sources
- Helps develop relationships with real estate agents, builders, and other industry professionals
- Expansion of customer base through new relationships and cross-sell opportunities

## Compliance Officers

- Products are CRA and compliance friendly

## 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 Checklist
  - FHA
    - Funds can used be to satisfy the 3.5% minimum borrower contribution
  - VA
  - USDA
  - Member's Portfolio First Mortgage Products

# AHP Set-aside Rehabilitation Products

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# FHLBank Atlanta's 2016 Homeownership Products

## Veteran Rehabilitation Products

Veterans  
Rehabilitation  
Product  
(VRP)

Returning  
Veterans  
Rehabilitation  
Product  
(RVRP)

## Community Restore and Rebuild Products

Community  
Restore and  
Rebuild (CRR)

## Structured Partnership Products

Structured Partnership Products (SPPs)

# 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
- Veterans Rehabilitation Product
- Returning Veterans Rehabilitation Product



## Financial Literacy

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

# Veterans Rehabilitation Products

Veterans Purchase	Returning Veterans Purchase
<ul style="list-style-type: none"> <li>Rehabilitation of an existing owner-occupied unit for any <b>veteran</b> homeowner that is serving or have served in any branch of the U.S. military, or their surviving spouses</li> </ul>	<ul style="list-style-type: none"> <li>Rehabilitation of an existing owner-occupied unit for any <b>veteran</b> homeowner that is serving or have served in an overseas military intervention environment for any branch of the U.S. military, or their surviving spouses</li> </ul>
<ul style="list-style-type: none"> <li><b>Veteran</b> owners must have at least 30 days current ownership by:                             <ul style="list-style-type: none"> <li>–purchase date</li> <li>–life estate</li> <li>–full interest in the fee title</li> </ul> </li> <li>Listings of overseas military intervention environments can be found at                             <ul style="list-style-type: none"> <li>• <a href="http://academic.evergreen.edu/g/grossmaz/interventions.html">http://academic.evergreen.edu/g/grossmaz/interventions.html</a></li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li>U.S. military is made up of the five armed service branches: Air Force, Army, Coast Guard, Marine Corps, and Navy</li> <li>National Guard Reservists are eligible if they have served:                             <ul style="list-style-type: none"> <li>– in ‘active duty’</li> <li>– performed services in active duty</li> <li>– injured in active duty</li> </ul> </li> </ul>	

## Maximum Subsidy Amount:

Veteran Rehabilitation	Returning Veteran Rehabilitation
\$12,500	\$15,000

# Community Rebuild and Restore Product (CRR) NEW!

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# Community Rebuild and Restore Product

- The Product **will** facilitate the recovery efforts of our shareholders in FEMA designated disaster areas within the FHLBank Atlanta's district (AL, GA, FL, NC, SC, MD, VA and DC)
  - Use of funds are to **correct** defects or deficiencies, resulting from the identified disaster, that impacts the habitability of the property **not associated with repairs covered under an insurance claim**
  - Eligible homeowner(s) recipients include low- and moderate-income households
- Funds are provided to participating FHLBank Atlanta shareholders on a first-come, first-served basis
  - Limit of total available funding for the product
- Homeownership products "Get the Phones Ringing"

# Community Rebuild and Restore Product

Product Details	
Eligible Borrowers	<ul style="list-style-type: none"> <li>• Rehabilitation of an existing owner-occupied unit affected by natural disasters</li> <li>• Homeowners must have at least <b>30</b> days current ownership by:               <ul style="list-style-type: none"> <li>– A life estate or a full interest in the fee simple title; and</li> <li>– Ownership of the subject property at the time of the “Major Disaster Declaration”</li> </ul> </li> </ul>
Geographic Areas	<ul style="list-style-type: none"> <li>• Properties located in the Bank’s district in “Major Disaster Declaration” area as designated by FEMA occurring no more than <b>24 months prior to the date of the application submission</b></li> </ul> <p>A list of these “Major Disaster Declaration” areas can be found at <a href="http://www.fema.gov/disasters">http://www.fema.gov/disasters</a></p>
Eligible Properties	<ul style="list-style-type: none"> <li>• Owner-occupied 1-4 family properties               <ul style="list-style-type: none"> <li>– Townhouses</li> <li>– Condominiums</li> <li>– Cooperatives</li> <li>– Manufactured and Mobile Housing (titled as Real Estate)</li> </ul> </li> <li>• FEMA ID# required</li> </ul>
Subsidy	\$10,000

# Fast, Easy, Managed “End-to-End” Process

## How can the funds be used?

The funds are to be used for the rehabilitation of an existing owner-occupied unit

### Veterans Rehabilitation Product (VRP) and Returning Veterans Rehabilitation Product (RVRP)

To advance energy efficiency / weatherization and accessibility objectives:

Scope of Work	% of Max Funding
•Exterior Doors	•No maximum funding
•HVAC	•No maximum funding
•Insulation	•No maximum funding
•Roof	•No maximum funding
•Windows	•No maximum funding
•Low flow plumbing fixtures	•No maximum funding
•Bathrooms including toilets, sinks, vanities, grab bars, and shower	•No maximum funding
•Replacement of floor coverings	•No maximum funding
•Kitchen cabinets / sink	•No maximum funding
•Replacement of floor coverings	•No maximum funding
•Other rehabilitation	•No maximum funding
•Soft Costs	•Not to exceed 20% of hard costs
•Member plus Intermediary fees	•Not to exceed 12% of hard costs

# Who is Eligible to Receive AHP Set-aside Funds?

- Household eligibility:
  - Household income must be  $\leq 80\%$  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](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
  - No matching required
  - 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

## What types of properties are eligible?

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

- Single Family detached (1-4 Units)
- Condominiums
- Townhouses
- Cooperatives
- New construction
  - Not eligible
- 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?

- VRP, RVRP are available within the United States and its territories through FHLBank Atlanta shareholders
- CRR is available only in AL, GA, FL, NC, SC, MD, VA and DC)

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

Help | Logout

Welcome, Laps Submitter  
Isupplier  
Wed Dec 2 2:13:38 PM

**FHLBASap**® Home

Home File View Application Administrative Options Reports

**My Tasks**

Total Messages (7)

- Assigned to Me (0)
- Assigned to my Group (0)
- My Work in Progress (4)
- Messages from The Bank (0)
- Conditional Commitments (1)
- Post Funding (2)
- Past Due Documents (0)

**AHP Set-aside Program Funds Available**

Funds Available - General Products	\$64,738.01
Funds Available - <u>Restricted</u> for SPPs	\$12,500.00
<b>Total Program Funds Available</b>	<b>\$77,238.01</b>

**My Allocation Summary**

Funding Limit:	\$1,000,000.00
Pending:	4,500.00
Disbursed:	2,200.00
Funds Available:	\$993,300.00

**Message Board**

- 09/11/2015: NEWLY FHLBASAP ENHANCED HOMEPAGE DASHBOARD DISPLAY
- 08/20/2015: AHP SET-ASIDE AVAILABLE FUNDS BY PRODUCT
- 08/11/2015: AVAILABLE FUNDS
- EFFECTIVE AUGUST 31, 2015: IMPORTANT UPDATE - AHP SET-ASIDE MONITORING REQUIREMENTS
- 03/06/2015: MAXIMIZE THE VALUE OF AHP SET-ASIDE PRODUCTS
- 02/24/2015: VETERAN REHABILITATION FORMS HAVE BEEN REVISED - EFFECTIVE 02-23-2015

Message Archive

Application Status Continue Application

**Purchase Only**



Apply Now

For down-payment and closing cost assistance for the purchase of a new or existing home.

**Purchase and Rehab**



Apply Now

For the purchase and rehabilitation of a new or existing home.

**Rehab Only**



Apply Now

For the rehabilitation of an existing home.

# 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 for all household members
- **Step 2:** Enter income and asset information for all household members
- **Step 3:** Enter the subject property information
- **Step 4:** Select the eligible AHP Set-aside product. The product eligibility options will be determined by the information entered in **Step 1**.
- **Step 5:** Enter the scope of work identified for the basic repairs and the contact information for the Contractor and Intermediary, if applicable.
- **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>



# Fast, Easy, Managed “End-to-End” Process

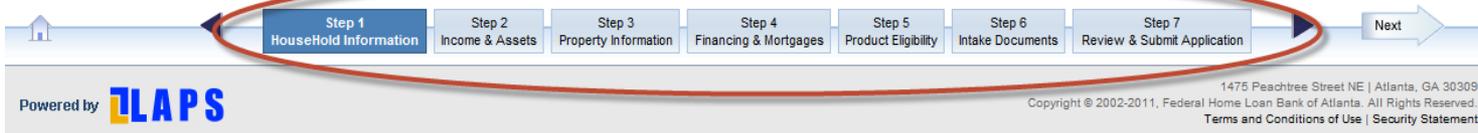
Ready to apply?

Submitting an application is as easy as completing 7 steps

Step 1 - HouseHold Information (Please Enter all Household Members)

Application Type  Purchase  Rehab

Name	Borrower Type	Relationship to Borrower	Qualifying Veteran	Borrower has Income or Assets?
Total: 0				



**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)

**FHLBASap®** Household Information Welcome, Laps Submitter  
Isupplier  
Mon Jan 5 3:22:37 PM

Home File View Application Administrative Options Reports

Application No : New Borrower Name : Requested Amount : 0.00 Status :

Step 1 - HouseHold Information (Please Enter all Household Members)

Application Type  Purchase  Rehab

Name	Borrower Type	Relationship to Borrower	Qualifying Veteran	Borrower has Income or Assets?
Total: 0				

↑



**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

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
<b>Total</b>			<b>17,680.00</b>	<b>2.00</b>	<b>17,682.00</b>

<b>Total Income Earned</b>	<b>17,680.00</b>
<b>Total Assets</b>	<b>2,000.00</b>
<b>Final Income from Assets</b>	<b>2.00</b>
<b>Total Household Income</b>	<b>17,682.00</b>



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

# Fast, Easy, Managed “End-to-End” Process

- Step 3: Enter the subject property information

## Rehabilitation

FHLBasap<sup>®</sup>
Welcome, Laps Submitte  
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Mon Jan 5 3:36:01 PM

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ome File View Application Administrative Options Reports

Application No : 1386000013    Borrower Name : Jill Doe    Requested Amount : 0.00    Status : Open

### Step 3 - Property Information

Property Use	<input type="text" value="Primary Residence"/>	Property Type	<input type="text" value="Single Family"/>
Date Property Purchased	<input type="text" value="01 / 01 / 2014"/>	Street	<input type="text" value="1475 Peachtree St"/>
FHLBank Atlanta Member Owned (REO) Property?	<input checked="" type="radio"/> No <input type="radio"/> Yes	Apt./Suite No.	<input type="text"/>
Property Located in Rural Area?	<input checked="" type="radio"/> No <input type="radio"/> Yes	City	<input type="text" value="Atlanta"/> State: <input type="text" value="GA"/>
Single Family Structure (1-4 Dwelling Unit)?	<input type="radio"/> No <input checked="" type="radio"/> Yes	County	<input type="text" value="Fulton County"/> Zip: <input type="text" value="30309"/>
Manufactured Home?	<input checked="" type="radio"/> No <input type="radio"/> Yes	Census Tract	<input type="text" value="32.00"/>
New Construction?	<input checked="" type="radio"/> No <input type="radio"/> Yes	<a href="#">Click Here to Lookup Census Tract</a>	
Expected Date of Funding	<input type="text" value="01 / 31 / 2015"/>		

Household Size : 1    Household Income: \$17,680.00    80% of AMI Limit (adjusted to family size): \$38,880.00    Calculation Method: 50% County Methodology    Household AMI (%): 36.38 %

FHLBank Atlanta has adopted the HUD income calculation methodology. For additional information refer to the HUD Handbook 4350.3. Chapter 5, Section 1, as may be amended from time to time.



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

# Fast, Easy, Managed “End-to-End” Process

- **Step 4 Rehabilitation:** Select the eligible AHP Set-aside product. The product eligibility options will be determined by the information entered in **Step 1**.

**FHLBASap**® Product Eligibility

Welcome, Laps Submitter  
Lsubmitter  
Mon Jan 5 3:49:57 PM

Home File View Application Administrative Options Reports

Application No : 13880000013 Borrower Name : Jill Doe Requested Amount : 0.00 Status : Open

Step 4 - Product Eligibility

Eligible Product(s)

Returning Veterans Rehabilitation Product 2014

Veterans Rehabilitation Product 2014

Save Save and Close Close



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



# Fast, Easy, Managed “End-to-End” Process

- Step 5 Rehabilitation:** Enter the scope of work identified for the basic repairs and the contact information for the Contractor and Intermediary, if applicable.

**FHLBASap®** Scope of Work Welcome, Laps Submitte  
Isubmitt  
Mon Jan 5 3:56:52 P

View Application Administrative Options Reports

Application No : 1386000013 Borrower Name : Jill Doe Requested Amount : 175.00 Status : Open

### 5 - Scope of Work

**Contractor Information**

Company Name:  ?

Contact Name:

License Number:

ID:

Address:

**Intermediary Information**

Company Name:  ?

Contact Name:

License Number:

Tax ID:

Address:

**\* Enter all Hard Costs before entering Soft Costs**

Type of Cost:  Cost Item:  Description:  Amount:

Hard Cost				Soft Cost			
Item	Description	Cost	Group Cost Maximum Allowed	Cost Item	Description	Cost	Group Cost Maximum Allowed
				ClearPoint Counseling Fee	ClearPoint Counseling Fee	175.00	175.00 0.00

Previous        Next



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

# Fast, Easy, Managed “End-to-End” Process

## Step 5 Rehabilitation: How can the funds be used?

The funds are to be used for the rehabilitation of an existing owner-occupied unit

Veterans Rehabilitation Product (VRP) and Returning Veterans Rehabilitation Product (RVRP)	
To advance energy efficiency / weatherization and accessibility objectives:	
Scope of Work	% of Max Funding
•Exterior Doors	•Not to exceed 15%
•HVAC	•Not to exceed 55%
•Insulation	•Not to exceed 15%
•Roof	•Not to exceed 60%
•Windows	•Not to exceed 40%
•Low flow plumbing fixtures	•Not to exceed 15%
•Exterior ramp, sidewalk, and/or driveway	•Not to exceed 65%
•Handicapped bathrooms including toilets, sinks, vanities, grab bars, and shower	•No maximum funding
•Replacement of floor coverings	•Not to exceed 50%
•Kitchen cabinets / sink	•Not to exceed 45%
•Carpentry to widen doors	•Not to exceed 25%
•Replacement of floor coverings	•Not to exceed 50%
•Other rehabilitation	•Not to exceed 20%
•Soft Costs	•Not to exceed 20% of hard costs
•Member plus Intermediary fees	•Not to exceed 12% of hard costs

# 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 ®
  - 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 from 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:
  - **60** calendar days from issuance for the VRP and RVRP products
  - **90** calendar days from issuance for the CRR product

# Easily Accessible Funding!

## Product Workflow

<p><b>Counseling Completion</b></p> 	<p><b>Approval</b></p> 	<ul style="list-style-type: none"> <li>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</li> </ul>
	<p><b>Scheduling</b></p> 	<ul style="list-style-type: none"> <li>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</li> </ul>
	<p><b>Counseling Completion</b></p> 	<ul style="list-style-type: none"> <li>ClearPoint certified counselor will contact the borrower(s) to complete the counseling session                             <ul style="list-style-type: none"> <li>-ClearPoint will provide the borrower(s) with a certificate once the counseling session has been completed</li> </ul> </li> </ul>
	<p><b>Payment</b></p> 	<ul style="list-style-type: none"> <li><b>Rehabilitation:</b> The member financial institution and/or closing agents are responsible for submitting funds (check or wire) in the amount of \$175 to ClearPoint Credit Counseling Solutions as per closing instructions <a href="http://www.fhlbatl.com/docs/cis/rehab-loan-closing.pdf">http://www.fhlbatl.com/docs/cis/rehab-loan-closing.pdf</a></li> </ul>

# Easily Accessible Funding!

## Product Workflow

### Funding Request



- Once the repairs have been completed, 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

### Loan Closing



#### Rehabilitation:

- At settlement the member ensures the required retention agreements are executed and recorded as per the product guidelines
- FHLBank Atlanta member transfers the funds to the intermediary or contractor

# 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](mailto:Postclosing@fhlbatl.com) for assistance with subordinations and pay-off requests during the five year retention period

# Household Income Calculation

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# Expanding Your Eligible Customer Base

*New! FHLBank Atlanta AHP Income Limit Methodology & Calculator*

Enter Calculation Criteria	
Application Year ?	2015 - Present ▾
HUD Year ?	2015 ▾
State	FL ▾
County	Orange County ▾
MSA	Orlando-Kissimmee-Sanford ▾
Household Size	Please Select ▾
Household Income	<input type="text"/> <input type="button" value="Calculate AMI%"/>
Maximum 80% Income	
Household AMI%	

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%

# Required Documents and Forms

Application documentation:	Prefunding Documentation:	Post Funding Documentation:
<p>Required Documents uploaded into FHLBAsap ® (Step 6):</p> <ol style="list-style-type: none"> <li>1. Intake Certification (Fully executed)</li> <li>2. Census Tract Verification</li> <li>3. Income and Asset supporting documentation</li> <li>4. Pre-work Certification (Fully executed)</li> <li>5. Veterans Rehabilitation will include <b>one</b> of the following:               <ul style="list-style-type: none"> <li>• Copy of current orders showing duty posting for current active-duty personnel</li> <li>• Military Service Record DD214, if honorably discharged from military service</li> <li>• Self-declaration indicating service and posting (location), if documentation described above has been requested and is not available</li> <li>• Copy of one of the above, along with a Death Certificate for a surviving spouse application</li> </ul> </li> <li>6. <b>CRR will include FEMA ID#</b></li> <li>7. Such other documentation as may be required by the Bank</li> </ol>	<p>Required Documents uploaded into FHLBAsap ® (Step 8): <b>2</b> business days prior to closing</p> <ol style="list-style-type: none"> <li>1. Post-work Certification (fully executed)</li> <li>2. Evidence of payment to ClearPoint for required counseling session (check or wire) \$175</li> <li>3. Certificate of ClearPoint counseling completion</li> <li>4. Such other documentation as may be required by the Bank</li> </ol> <p><b>Additional details please refer to AHP Set-aside Documentation Checklist – <a href="http://corp.fhlbatl.com/files/documents/ahp-products-documentation-requirements.pdf">http://corp.fhlbatl.com/files/documents/ahp-products-documentation-requirements.pdf</a></b></p>	<p>Required Documents uploaded into FHLBAsap ® (Step 9): <b>within 20 calendar days from AHP disbursement</b></p> <ol style="list-style-type: none"> <li>1. Proof of AHP Set-aside Funds Transfer to Intermediary and/or Contractor (Copy of check or wire transfer)</li> <li>2. Recorded retention documents or executed (but unrecorded) retention documents and a receipt for recording showing the date and number of pages to be recorded</li> <li>3. Such other documentation as may be required by the Bank</li> </ol>

# 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 2016, 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	<ul style="list-style-type: none"> <li>• Most recent signed, dated and completed federal income tax return (with Schedule C or E and business return, if applicable) for previous year,</li> <li>• If past April 1<sup>st</sup>, P&amp;L or self-declaration signed and dated or affidavit to include YTD earnings; and earnings anticipated over the next 12 months</li> </ul>
Recurring Income	<p>Social security, disability or death benefits, workers compensation, pension, adoption assistance, public assistance, unemployment, housing vouchers, or periodic payments</p> <ul style="list-style-type: none"> <li>• Benefit statement or letter from the provider that states the amount, frequency, and duration of the benefit</li> <li>• Current year awards letters (SS, VA, etc.) - dated within 12 months</li> <li>• Most recent statement for pension, retirement or annuity payments - dated <b>within 12 months New!</b></li> </ul>
Recurring Cash Contributions/Gifts > \$50	<ul style="list-style-type: none"> <li>• 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</li> </ul>

# Application Intake Documents

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

Income Documentation Requirements - Continued	
<b>Alimony or Child Support</b>	<ul style="list-style-type: none"> <li>Use divorce decree, court order, state print out, or statement (over a 1010 statement) or notarized affidavit signed and dated along with <b>two (2)</b> consecutive bank statements to support the amount of the support. <b>New!</b></li> </ul>
<b>Rental Income</b>	<ul style="list-style-type: none"> <li>Most recent year signed, dated, completed and filed federal income tax returns (with schedule E), and the following is also required</li> <li>Copy of most recent executed lease agreement</li> </ul> <p>If federal income tax returns are not available the following is required:</p> <ul style="list-style-type: none"> <li>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</li> <li>Provide anticipated earnings over next 12 months</li> <li>Copy of most recent executed lease agreement <b>New!</b></li> </ul>

# Application Intake Documents

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

## Asset Documentation Requirements

<b>Checking, savings, certificates of deposit, money market accounts, and cash held</b>	<ul style="list-style-type: none"> <li>• Most recent 2 months account statements with interest rate information</li> <li>• Self declaration or affidavit stating the amount of cash held</li> <li>• Affidavit of zero asset for all adult household members (if applicable)</li> </ul>
<b>Stocks, bonds, and treasury bills</b>	<ul style="list-style-type: none"> <li>• Two (2) months brokerage statements verifying value of stocks/bonds, earnings, dividends, and other interest income credited to the household member</li> </ul>
<b>Lump sum receipts, one-time receipts, and down payment assistance</b>	<ul style="list-style-type: none"> <li>• Notarized affidavit or gift affidavit giving the purpose, date, and value of the gift</li> </ul>
<b>Individual retirement and Keogh accounts that are accessible to household members</b>	<ul style="list-style-type: none"> <li>• Current statement or screen shot of account balances</li> </ul>
<b>Personal property (e.g., antique cars, coin or stamp collections, etc.) held as investment</b>	<ul style="list-style-type: none"> <li>• Statement or affidavit stating the items held as investments and their value</li> </ul>

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
- Submit **complete** and fully executed Pre-work certification

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 **complete** and fully executed Post-work certification to reconcile with the approved work
- Submit ClearPoint counseling certificate
- Funding requests must be submitted before the expiration date of the commitment as extensions may not be granted

# Compliance / Risk Management

## Frequently asked questions regarding retention documents:

<p><b>What are the requirements for acceptable retention documents?</b></p>	<ul style="list-style-type: none"> <li>• Enforceable under applicable law</li> <li>• In a proper form under applicable law and properly recorded</li> <li>• Adhere to all terms and conditions of the Affordable Housing Program Implementation Plan <a href="http://corp.fhlbatl.com/files/documents/ahp-implementation-plan.pdf">http://corp.fhlbatl.com/files/documents/ahp-implementation-plan.pdf</a></li> <li>• Include the party granting the security instrument as the owner of the real property interest and FHLBank Atlanta member as the holder / beneficiary</li> </ul>
<p><b>Does FHLBank Atlanta approve my retention documents?</b></p>	<ul style="list-style-type: none"> <li>• Yes, sample retention documents will be approved by FHLBank Atlanta for each participating member prior to the member's first AHP Set-aside disbursement</li> </ul>
<p><b>When should recorded retention documents be submitted to FHLBank Atlanta?</b></p>	<ul style="list-style-type: none"> <li>• As requested on a sampling basis for purchase transactions</li> <li>• Within 10 days after disbursement for rehabilitation transactions</li> </ul>
<p><b>What identifying information does the retention mechanism include?</b></p>	<ul style="list-style-type: none"> <li>• Name of the owner</li> <li>• Address of the unit</li> <li>• Amount of the AHP Set-aside subsidy</li> </ul>

# Compliance / Risk Management

## Frequently asked questions regarding retention documents:

<p><b>Does FHLBank Atlanta have resources to assist in preparing sample retention documents?</b></p>	<p>Yes, FHLBank Atlanta has sample retention documents available:</p> <ul style="list-style-type: none"><li>-Note <a href="http://corp.fhlbatl.com/files/documents/ahp-set-aside-note.doc">http://corp.fhlbatl.com/files/documents/ahp-set-aside-note.doc</a></li><li>-Deed of Trust <a href="http://corp.fhlbatl.com/files/documents/ahp-set-aside-deedoftrust.doc">http://corp.fhlbatl.com/files/documents/ahp-set-aside-deedoftrust.doc</a></li><li>-Subordinate Mortgage <a href="http://corp.fhlbatl.com/files/documents/ahp-set-aside-mortgage.doc">http://corp.fhlbatl.com/files/documents/ahp-set-aside-mortgage.doc</a></li><li>-Deed Restriction <a href="http://corp.fhlbatl.com/files/documents/deed-restriction.pdf">http://corp.fhlbatl.com/files/documents/deed-restriction.pdf</a></li></ul>
<p><b>Can I use my standard note and mortgage documents?</b></p>	<p>Yes, the AHP Set-aside Program Rider can be used in conjunction with the member's form of note and mortgage</p> <ul style="list-style-type: none"><li>-Rider <a href="http://corp.fhlbatl.com/files/documents/fhp-retention-rider.pdf">http://corp.fhlbatl.com/files/documents/fhp-retention-rider.pdf</a></li></ul>

# Compliance / Risk Management

## Best Practices for Working with Intermediaries and Contractors using FHLBank Atlanta's rehabilitation products

### Know those representing your organization (Contractor, Inspector, Intermediary)



- Underwrite the organization as you would in your normal course of business
  - Get a background check
  - Get a credit check
  - What is their experience?
- Are contractors licensed and insured (required)?
- Do they have a board of directors? If so, engage the Chair of the Board
- Have a legal agreement/ contract with your partners

### Know your customer



- Are they the homeowner?
  - Title search or tax records can help document ownership
- Are they current on their mortgage?
- What liens are on the property?
- Have they previously been awarded AHP for work on their property?
- Check-in with your homeowner once the work is complete. A random sampling will help you ensure your customers are satisfied

### Inspections



- Written pre- and post-construction inspection reports are required
- Request these inspection reports with photos so that you can see the work is truly required and was adequately completed
- Must be conducted by an unrelated 3rd party approved by the member
- We suggest the inspection reports be commissioned by you, the member

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)

# 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



Civil / Criminal  
Court System



Professional  
Licensing



Enforcement  
of Contract

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



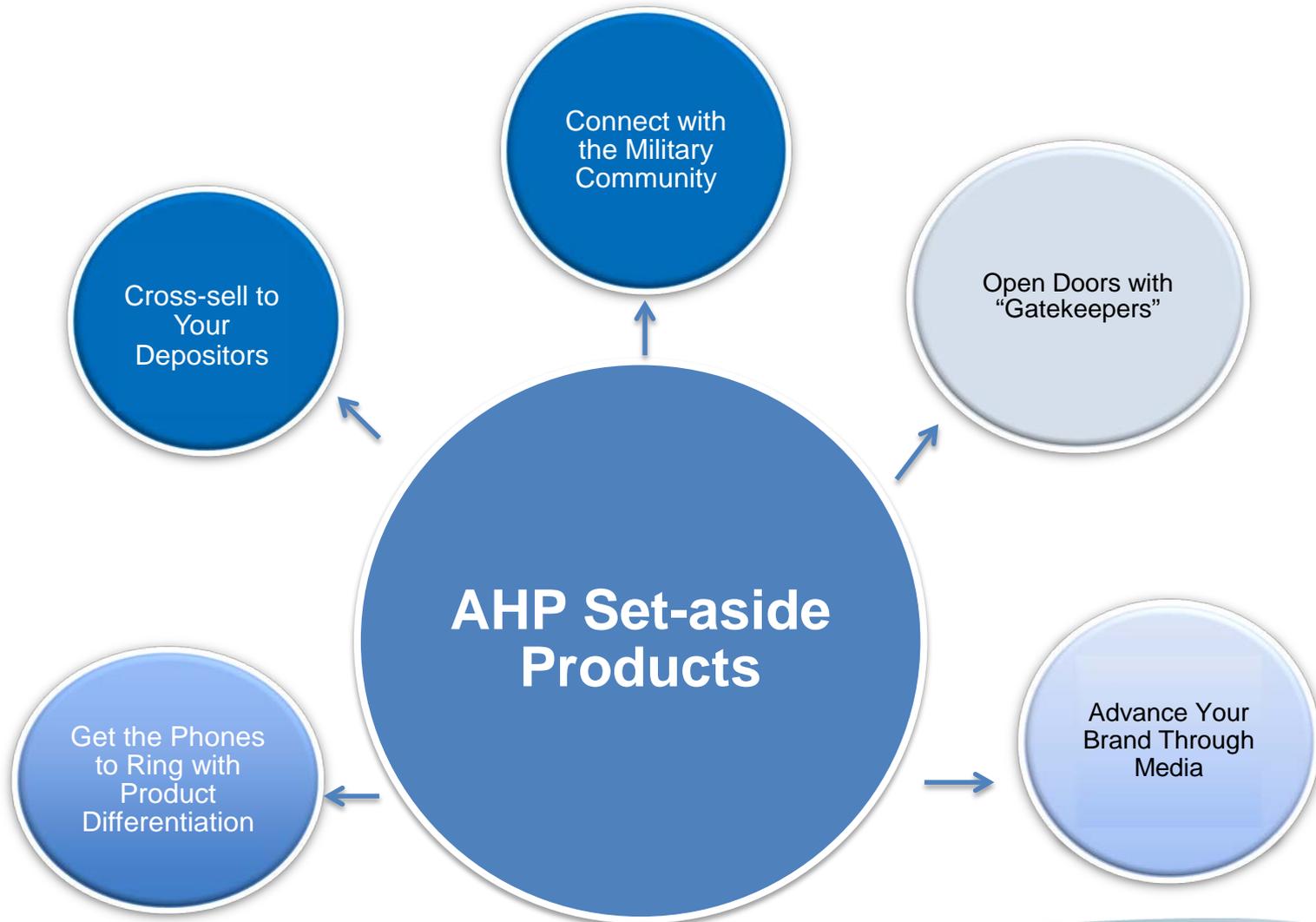
# What are the Shareholder's Responsibilities?

- 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

# 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

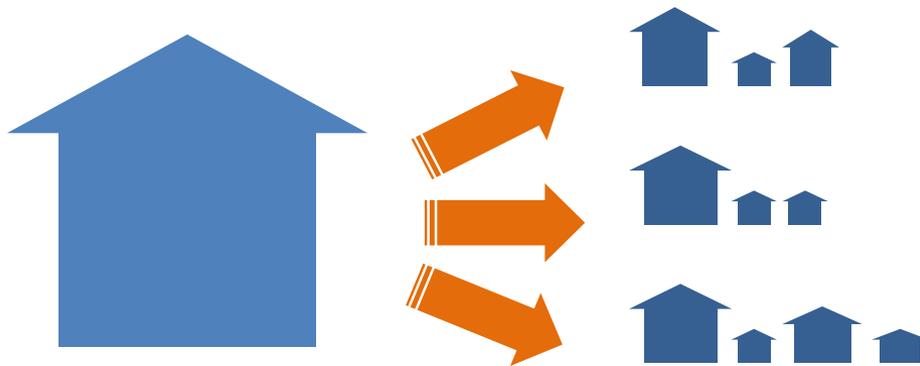
“While not everyone qualifies for the program, we get inquiries into an array of products which means **the phones are ringing** more often for more reasons”. We have been able to close an **additional 10 loans last year** with this product attached which could not have been facilitated without the DPA. 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

# 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 called by the Atlanta bank which helps veterans and their families who meet income requirements improve their homes.

This year 13 projects, totaling \$185,411, were completed, according to John B. Cannon Jr., who administers the program for the local bank. Eleven of those 13 veterans or their spouses were present on Thursday to express their appreciation to Surrey Bank and FHLB Atlanta. Emotions ran high all around.

"The house was built in the 1950s and my husband has been gone 26 years. It needed work," said Mary Jo Joshlin. Susay Douglas, a veteran of the U.S. Navy, had become disabled and needed a walk-in 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 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 Surry County. Scott has been the coordinator for receiving many of the veterans to the

FHLB officials from Atlanta who were invited to hear first-hand how much the program means to those who have received grants, were also moved. Scott 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 needed projects.

The grants may be used for projects that help modernize the property, increase energy efficiency, or enhance accessibility. Examples of these projects include insulation, new roofs, replacement windows, and remodeling to make a property handicap accessible. All of these things have been done in Surry County.

In the three years Surrey Bank has been involved with the program, 28 projects totaling \$376,000 have been completed. Cannon 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, Justice and Shelby Williams and Steve Kinners.

The FHLB funds the program by setting aside 10 percent of its net assets 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 previous military interventions are eligible for up to \$12,000. The amount is determined by the type of project.

The veterans or surro-



Over of the 13 veterans and spouses of veterans came to Surrey Bank to share their appreciation.




Wendee Sims (left) and Jim Green (right) were among the sights of Whappery by Jim Green (shown on Surrey FHLB) during his trip to Mount Airy from Atlanta. The woman 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 Lincolnvillie 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 Lincolnvillie 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 Lincolnvillie" 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<sup>®</sup> (MPF<sup>®</sup>) 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<sup>®</sup> - 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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