



ACCEPTANCE OF ELIGIBLE SPECIAL PURPOSE COMMERCIAL REAL ESTATE PROPERTIES

FHLBank Atlanta (Bank) accepts certain commercial real estate (CRE) loans known as special purpose property loans as eligible collateral. These loans provide additional Lendable Collateral Value (LCV) to shareholders who identify and report these previously ineligible loans.

The recommended steps for identifying the special purpose property loans that can be added to the Qualifying Collateral Report (QCR) are:

- STEP 1:** Filter out all loans in the commercial portfolio that are on the list of ineligible property types below.
- STEP 2:** Identify the commercial real estate loans that are eligible to receive 100 % of the LCV% based on the current unpaid principal balance of the loan. These loans are reported on page 2 of the QCR as “Standard.”
- STEP 3:** All other performing commercial real estate loans not identified in Step 1 or Step 2 may be reported on the QCR and will receive 50% of the LCV % based on the current unpaid principal balance. These loans are reported on page 2 of the QCR as “Special Purpose.”

INELIGIBLE SPECIAL PURPOSE PROPERTIES RECEIVING NO LENDABLE COLLATERAL VALUE

This category includes property types that are deemed as ineligible collateral by the Bank. The following list is not all inclusive. Ineligible property types are analyzed on a case-by-case basis at the Bank’s discretion.

- CRE properties with potential environmental issues, such as gas stations, auto repair shops, truck terminals, airports and air transport, sewage treatment facilities, dry cleaners, landfills/junkyards, or explosive manufacturing facilities
- CRE properties with noted or unresolved environmental issues in the Phase 1 or Phase 2 (or similar environmental reports), except for certain properties described on page 3 of this document
- Properties with Underground Storage Tanks (USTs) where the tank has not been properly filled or removed are ineligible. For properties where a UST has been filled or removed, the Bank requires evidence of an independently prepared environmental report in the file which indicates a conclusion that no recognized environmental conditions were identified as a result of sampling conducted post-removal or closure of the UST, and no further action is required. The environmental report must be dated after the Underground Storage Tank has been filled or removed.
- Vacant land or similar properties such as farms, mobile home parks, campgrounds, fish camps, RV parks, timberland, and parking lots (includes lots with a payment booth and attendant)
- Marinas, including slips, docks, and dry dock storage
- Saw mills
- Radio or cell towers
- Stand alone restaurants not in the Top 10 list (includes coffee shops, bakeries, etc.)
- Bars/Night Clubs/Casinos
- Correctional facilities
- Incinerators
- Military property
- Mineral mines, quarry sites

- Heavy industrial plants (petroleum plant, meat processing plant, power plant, public utility, steel mill, foundry, etc.)

**ELIGIBLE COMMERCIAL REAL ESTATE RECEIVING 100% OF THE
STANDARD LENDABLE COLLATERAL VALUE PERCENTAGE**

This category includes property types traditionally accepted by FHLBank Atlanta in the CRE category, with the addition of a few properties formerly designated as special purpose properties. The category now includes:

- **Retail** – Shopping malls, power centers, grocery-anchored shopping centers, fashion/specialty centers, unanchored strip centers, outlet centers, convenience stores, free standing retail. Any retail center or convenience store that contains gas pumps is ineligible.
- **Office** - Single and multi-tenant office buildings, executive suites, medical office, government office, banks
- **Hotel/Motel** – Full service hotel, limited service hotel/motel
- **Industrial** - Warehouse, distribution, research & development, flex and other light industrial. Includes properties with above ground storage tanks (ASTs) with no evidence of leakage
- **Top 10 Restaurants** – Stand-alone franchised restaurants that are nationally ranked and recognized as one of the top 10 restaurants based on either sales revenue or units operated
- **Places of worship** (with loan-to-value ratios of 50% or less)
- Assisted Living Facilities, Nursing Homes, Retirement Homes
- Funeral Homes
- Community Centers
- Mini Storage
- **Daycare Centers** (pre-school on site is permitted)
- Veterinarians and animal hospitals (may include kennels, dog runs)
- Condotels

**ELIGIBLE SPECIAL PURPOSE PROPERTIES RECEIVING 50% OF THE
STANDARD LENDABLE CV PERCENTAGE**

This category includes examples of performing loans secured by CRE property types that are not included in the Eligible Commercial Real Estate or Ineligible Special Purpose Properties categories. This list is not exhaustive. There may be other performing CRE property types that meet the Bank's eligibility requirements that are not on the list below.

- Amusement parks and centers
- Aquatic centers
- Auditoriums
- Banquet and special event halls
- Bowling alley
- Broadcast facility
- Carriage house or horse stables or equestrian center
- Car sale lots (if no automotive repair or gas pumps)
- Car wash facility (if no automotive repair or gas pumps)
- Catering halls and facilities
- Clubhouses and pavilions
- Cold storage
- College, university, or school
- Convention center
- Dairy processing plant
- Environmentally contaminated properties with third party documentation that confirms the following: (1) environment report recommends no further investigation or action (2) the property has use restrictions which prohibit any use other than the current use; and (3) the current use does not pose significant risk to human health that would require further action and/or remediation.
- Feed mill
- Fraternities/Sororities
- Grain elevator
- Golf courses and driving ranges, if collateral also includes amenities such as pro shop, restaurant, changing rooms, etc.
- Hospital or treatment centers
- Stand alone laundromats, theaters, and fitness centers
- Library
- Lighthouse
- Lodges
- Lumber yards (with no saw mill included)
- Nursery/greenhouse with retail or wholesale sales
- Parking garages (no automotive repair or gas pumps)
- Post office
- Racetrack (with no automotive repair or gas pumps)
- Recreation Centers
- Roller/Ice Skating Rinks
- Sports Arenas and Stadiums
- Wineries