



**EXHIBIT A**  
**TERMS AND CONDITIONS**

**ATLANTA BELTLINE, INC.'S HOUSING INITIATIVE PROGRAM**

The Atlanta Beltline, Inc.'s Housing Initiative Program (ABI HIP) Terms and Conditions by and between Atlanta BeltLine, Inc. (also referred to as ABI or the Entity) and the Federal Home Loan Bank of Atlanta (FHLBank Atlanta or the Bank) as contemplated by the Memorandum of Understanding (MOU) executed by ABI and FHLBank Atlanta, and the terms of that MOU are incorporated by reference herein.

**Description**

ABI and FHLBank Atlanta agree to collaborate on an affordable housing and home rehabilitation finance initiative to advance the mutual strategic objectives of the parties. The collaborative initiative will generally focus on the Atlanta BeltLine Planning Area, Vine City, and English Avenue. The initiative will be known as the ABI HIP. ABI HIP will be funded by ABI and by FHLBank Atlanta under its Structured Partnership Product (SPP) of the AHP Set-aside Program. The eligibility, intake, processing, approval, funding, and post-funding requirements of the ABI HIP will proceed as per the following terms and conditions:

- 1. Parties**
  - A. Atlanta BeltLine, Inc.
  - B. Federal Home Loan Bank of Atlanta
  
- 2. Eligible Borrowers**

Households at or below 80% of the greater of the county HUD Area Median Income (AMI) adjusted for family size; or the state family median income (FMI) adjusted for family size
  
- 3. Eligible Properties**
  - A. Homeownership
    - i. Eligible borrower purchase of:
      - a. An existing, for-sale home
      - b. Vacant homes for acquisition and rehabilitation
      - c. Vacant lots for acquisition and new home construction
  
  - B. Home Rehabilitation:
    - i. Existing owner-occupied homes in need of basic repair
      - a. With least one year of current ownership by life estate or a full interest in the fee title, OR
      - b. Purchased at least one year prior to the application date.



**4. Funding Allocation and Sources**

- A. ABI:
  - i. The total amount of ABI grants shall be up to \$2 million.
  - ii. ABI grants can include cash, donations or land from a variety of sources.
- B. FHLBank Atlanta:
  - i. The total amount of grants shall be up to \$1 million.
  - ii. Funding provided under the Structured Partnership Product (SPP) of the AHP Set-aside program.
- C. Both parties agree that the total grant amount committed can be amended within the terms of the MOU at any time with a 30-day written notice.
- D. ABI and FHLBank Atlanta shall provide 2:1 matching grants that shall follow through on a transaction by transaction basis.

**5. Eligible Funding Uses**

- A. ABI eligible uses include acquisition, demolition, rehabilitation, construction, soft costs related to redevelopment, and down-payment purchase assistance of eligible properties to be used as the household's primary residence.
- B. FHLBank Atlanta's funds may be used to pay for down payment, closing costs, counseling, or rehabilitation assistance in connection with the purchase or rehabilitation of an eligible property to be used as the household's primary residence.

**6. Maximum Funding per Unit and Lien Positions**

- A. Home Purchases
  - i. ABI will provide grants for acquisition, rehabilitation, construction, or homebuyer purchase.
    - a. The grant may be recorded as a soft second or third mortgage, with no interest or



principal payments during the term of the loan. The grant also may be recorded in a restriction covenant which protects the affordability in the home or investment.

- b. The term of the mortgage or restrictive covenant shall be at least five years.
- ii. FHLBank Atlanta will provide grants not to exceed \$15,000 per unit. These grants may be provided to support the purchase of eligible units. Second or third mortgage securing purchase assistance:
  - a. The member is responsible for ensuring that the note and mortgage are enforceable for a 60-month term and amortization period.
  - b. No interest or principal payment.

#### B. Home Rehabilitation

- i. ABI will provide grants to support the home rehabilitation of existing homeowner occupied eligible units.
  - a. The grant may be recorded as a soft second or third mortgage, with no interest or principal payments during the term of the loan. The grant also may be recorded in a restrictive covenant which protects the affordability in the home or investment.
  - b. The term of the mortgage or restrictive covenant shall be at least five years.
- ii. FHLBank Atlanta will provide grants not to exceed \$15,000 per unit. These grants may be provided to support the home repairs of existing homeowner occupied eligible units. Second or third lien position securing rehabilitation assistance for home repairs



- c. The FHLBank Atlanta shareholder is responsible for ensuring that the note and mortgage are enforceable for a 60-month term and amortization period.
- d. No interest or principal payment.

**7. Eligible First Mortgage Loans**

- A. FHLBank Atlanta members or their subsidiaries or affiliates making the first mortgage home purchase loan to program participants.
  - i. Acceptable forms of first mortgage financing include:
    - a. Bank portfolio loans
    - b. Conventional
    - c. FNMA
    - d. FHA
    - e. VA

**8. Borrower's Funds**

- A. Home Purchases
  - i. Borrower contribution must be a minimum of \$1,000.
- B. Home Rehabilitation
  - i. Homeowners are not required to participate in the funding of the eligible rehabilitation.

**9. Start Date of MOU**

March 4, 2016

**10. End Date of MOU**

December 31, 2016

**11. Application Acceptance Period**

March 4, 2016, start of application acceptance period and October 7, 2016, date by which all applications must be received by FHLBank Atlanta.



**12. Product Specific Application Requirements**

Property must be located within ABI's Planning Area and Vine City and English Avenue areas to be considered eligible.

ABI will conduct a pre-screening of contractors and/or housing intermediaries interested in participating in the SPP consistent with Section 7d of the Memorandum of Understanding. ABI will only work with pre-approved contractors and/or housing intermediaries.

As outlined in Exhibit 1 (ABI's HIP Workflow)

**13. Application Specific Documentation**

Standard FHLBank Atlanta documentation as detailed in the AHP Set-aside Products Documentation Requirements and AHP Income Documentation Requirements; and may be superseded by the AHP Implementation Plan as published on the FHLBank Atlanta website.

**14. Pre-Disbursement Documentation**

Standard FHLBank Atlanta documentation as detailed in the AHP Set-aside Products Documentation Requirements and may be superseded by the AHP Implementation Plan as published on the FHLBank Atlanta website.

**15. Post-disbursement Documentation**

Standard FHLBank Atlanta documentation as detailed in the AHP Set-aside Products Documentation Requirements and may be superseded by the AHP Implementation Plan as published on the FHLBank Atlanta website.

**16. Lender Rotation and Participation**

- A. As outlined in Exhibit 1 (ABI's HIP Workflow), interested applicants will self-select an FHLBank Atlanta shareholder they wish to work with from the list of Participating Lenders.
- B. FHLBank Atlanta and ABI shall develop a streamlined and standardized transaction process for FHLBank Atlanta shareholders, including standardized prequalification, underwriting, closing process, and conflict escalation procedures.

**17. Fees**

- A. Payable to ABI
  - i. For purchase transactions, acceptable fees must be shown at closing in Closing Disclosure statement (CD).



- ii. For owner occupied rehabilitation transactions, up to 4% of hard costs excluding inspector and third-party fees.
  
- B. Payable to FHLBank Atlanta shareholder
  - i. For owner occupied rehabilitation transactions, the total shareholder fees may not exceed 3% of the total hard cost excluding third party fees such as recording and attorney fees and all other soft costs listed on the Cost Certifications.
  
- C. Payable to FHLBank Atlanta
  - i. No fee will be assessed