

FEDERAL HOME LOAN BANK OF ATLANTA  
**2016 COMMUNITY LENDING PLAN**

# **Table of Contents**

|  |           |
|--|-----------|
| EXECUTIVE SUMMARY .....  | 3         |
| INTRODUCTION.....  | 4         |
| <b>PART ONE: DETERMINING THE COMMUNITY FINANCE NEEDS OF THE BANK’S DISTRICT .....</b>  | <b>5</b>  |
| <b>I. Primary Sources of Data and Understanding .....</b>  | <b>5</b>  |
| <b>II. Secondary Sources of Data and Understanding.....</b>  | <b>19</b> |
| A. Demographic Trends and Emerging Housing Needs .....   | 19        |
| a. Communities Impacted by Major Disasters.....  | 20        |
| b. The Unbanked and Underbanked.....   | 22        |
| c. Food Deserts .....  | 26        |
| B. Outlook for Purchase Market .....   | 26        |
| C. Outlook for Rental Market.....  | 31        |
| D. Outlook for Housing and Community Development Financing.....  | 33        |
| <b>PART TWO: STRATEGIC INITIATIVES AND GOALS FOR YEAR 2016 IN RESPONSE TO THE COMMUNITY FINANCE NEEDS OF THE DISTRICT.....</b> | <b>34</b> |

## EXECUTIVE SUMMARY

The 2016 Community Lending Plan includes a summary of the major activities engaged in by the Federal Home Loan Bank of Atlanta (Bank) in 2015 to gather data and feedback on the community finance needs in the Bank's district, an overview of the notable current demographic, housing, and other market conditions in the district, and the strategic initiatives and quantitative goals for 2016.

The Bank participated in 52 events, workshops, and other activities that were sponsored, conducted, and/or managed by the Bank that provided the Bank the opportunity to gather primary data and feedback from members, for-profit and non-profit intermediaries, regulators, developers, government and quasi-governmental agencies. The data and feedback from these primary sources focused on community development products, foreclosure recovery strategies, the Community Reinvestment Act (CRA) and affordable housing products, and other issues. The Bank also engaged in an assessment of secondary sources of data to assess the current housing and other market conditions in the district through the research and analysis published by the following entities: Census Bureau, Bureau of Labor Statistics, Joint Center for Housing Studies of Harvard University, National Association of Realtors, Wall Street Journal, Board of Governors of the Federal Reserve System, The Bond Buyer's Midyear Review, National Oceanic and Atmospheric Administration, FEMA, USDA, and the FDIC.

Based on the assessment of primary and secondary data, the Bank will continue to build upon several of its 2015 initiatives with updated community lending strategic initiatives in 2016 that address:

### **Continuing Initiatives:**

- CRA Center of Excellence
- Banking the Unbanked and Underbanked

### **New in 2016:**

- Growing our LOC business via bond credit enhancement
- Building and implementing a response to major disaster events in our district
- Positioning our shareholders for community investment and lending success

In addition to the 2016 strategic initiatives, the Bank will focus on quantitative community outreach goals.

## **INTRODUCTION**

The Bank collects data and conducts research to better understand the district's community finance needs, challenges, and problems and to identify opportunities for solutions in the district. Both primary and secondary sources of data are utilized to understand the community finance needs in the district. The Bank accumulated primary data market needs feedback via its participation in activities, events, and workshops with members, for-profit and non-profit developers, intermediaries, public officials, and regulators. The Bank used secondary sources of data to assess the current housing and other market conditions through the research and analysis published by the following entities: Census Bureau, Bureau of Labor Statistics, Joint Center for Housing Studies of Harvard University, National Association of Realtors, Wall Street Journal, Board of Governors of the Federal Reserve System, The Bond Buyer's Midyear Review, National Oceanic and Atmospheric Administration, USDA, FDIC, and the Federal Emergency Management Agency (FEMA).

## PART ONE:

### DETERMINING THE COMMUNITY FINANCE NEEDS OF THE BANK'S DISTRICT

#### I. Primary Sources of Data and Understanding

2015 Bank Participation in Activities and Events to Ascertain Community Lending and Market Needs and Receive Community Feedback

To provide the basis for formulating its 2016 initiatives, the Bank, in 2015, demonstrated its commitment to better understand the community lending needs of the communities within the Bank's district by engaging in several activities and events where community lending and market needs data were shared and discussed. The activities and events included a mixture of Bank-sponsored events and events conducted by other parties including regulators, trade associations, members of FHLBank Atlanta, and government agencies. In addition to gathering community lending and market needs data and information, Bank staff participated in the event by either serving as a speaker, panelist, exhibit, or available for feedback during the event.

A summary of the Bank's 2015 participation in 52 various activities and events to ascertain community lending needs is as follows:

| Name of Event  | Date                   | Location         | Description; Participants; Focus  |
|--|------------------------|------------------|---|
| <b>Palm Beach County SPP Launch</b>                                  | 01/09/15               | Palm Beach, FL   | <ul style="list-style-type: none"><li>• Launch of structured partnership product (SPP) between FHLBank and Palm Beach County, FL focused on Veterans</li><li>• 7 unique shareholders (12 individuals) and 50 non-members attended</li></ul>   |
| <b>CRA Training - Georgia Bank &amp; Trust Company</b>               | 01/15/15               | Augusta, GA      | <ul style="list-style-type: none"><li>• Event held with Georgia Bank &amp; Trust Company of Augusta</li><li>• 50+ attendees</li><li>• CIS Production Manager and CIS Business Development Manager were in attendance</li></ul>  |
| <b>HAND Membership Meeting / Community Development Network Event</b> | 01/22/15 thru 01/23/15 | Washington, D.C. | <ul style="list-style-type: none"><li>• Housing Association of Nonprofit Developers (HAND) networking event including 60+ attendees</li><li>• The Bank participated as a sponsor at the event. CIS Director and CIS Production Manager were on hand to meet with attendees and discuss the Bank's products and services</li></ul> |

| Name of Event   | Date     | Location       | Description; Participants; Focus   |
|---|----------|----------------|--|
| <b>Community Development Network (CDN) of Maryland AHP Workshop</b>             | 01/23/15 | Baltimore, MD  | <ul style="list-style-type: none"> <li>• AHP workshop co-hosted by the CDN of Maryland and the FDIC</li> <li>• 40+ attendees including bankers, developers, and nonprofits</li> <li>• The Bank participated as a sponsor at the event. CIS Director, Production Manager, and Business Development Manager were all on hand to meet with attendees and discuss CIS products and services</li> </ul>   |
| <b>AHFA 2015 HOME/Housing Credit Application Workshop</b>                       | 02/07/15 | Montgomery, AL | <ul style="list-style-type: none"> <li>• Alabama HFA Annual Conference</li> <li>• 200+ in attendance</li> <li>• The Bank was a sponsor of the event. CIS Analyst participated by highlighting the availability of the AHP products that can only be accessed through our members and was on hand to meet with loan officers and potential homebuyers to discuss CIS products and services</li> </ul> |
| <b>“Banking Works, Savannah!” Public Announcement</b>                           | 02/13/15 | Savannah, GA   | <ul style="list-style-type: none"> <li>• Launch of structured partnership product (SPP) between FHLBank Atlanta and City of Savannah, GA</li> <li>• 12 unique shareholders (22 individuals) and 75 realtors attended</li> <li>• Opening remarks by the Bank’s Vice Chair of the board and a member of the Bank’s Advisory Council, as well as the Mayor of Savannah, GA</li> </ul>                   |
| <b>GA Department of Community Affairs (DCA) QAP Question and Answer Session</b> | 02/19/15 | Atlanta, GA    | <ul style="list-style-type: none"> <li>• Event with the GA DCA</li> <li>• The Bank participated as a sponsor at the event. CIS Analyst was on hand to meet with attendees to discuss CIS products and services</li> </ul>  |

| Name of Event   | Date     | Location          | Description; Participants; Focus  |
|---|----------|-------------------|---|
| <b>Developer's AHP Feedback Session: South Carolina</b>   | 03/03/15 | Columbia, SC      | <ul style="list-style-type: none"> <li>• Event with the SC State Housing Finance &amp; Development Authority</li> <li>• Discussion with developers in South Carolina about affordable housing financing options and “dispelling the myths” related to the AHP</li> <li>• CIS Director moderated a discussion to gather feedback on ways to improve the application process and funding opportunities within South Carolina</li> </ul> |
| <b>Developer's AHP Feedback Session: Maryland</b>         | 03/18/15 | Crownsville, MD   | <ul style="list-style-type: none"> <li>• Event with the Maryland Dept. of Housing and Community Development</li> <li>• Discussion with developers in Maryland about affordable housing financing options and “dispelling the myths” related to the AHP</li> <li>• CIS Production Manager and CIS Analyst were on hand to meet with attendees to discuss CIS products and services</li> </ul>  |
| <b>Developer's AHP Feedback Session: Virginia</b>         | 03/19/15 | Richmond, VA      | <ul style="list-style-type: none"> <li>• Bank hosted conference with the Virginia Housing Development Authority and developers in Virginia about affordable housing financing options and “dispelling the myths” related to the AHP</li> <li>• CIS Analyst was on hand to meet with attendees to discuss CIS products and services</li> </ul>   |
| <b>Project FAITH, Inc.'s "A Celebration of Angelwood"</b> | 03/20/15 | Bowling Green, VA | <ul style="list-style-type: none"> <li>• Bank event hosted in conjunction with Project FAITH, Inc.</li> <li>• CIS Production Manager and CIS Analyst were on hand to meet with attendees to discuss CIS products and services</li> </ul>  |

| Name of Event  | Date     | Location     | Description; Participants; Focus   |
|--|----------|--------------|--|
| <b>Developer's AHP Feedback Session: North Carolina</b>            | 04/02/15 | Raleigh, NC  | <ul style="list-style-type: none"> <li>• Conference with the North Carolina HFA and developers in North Carolina about affordable housing financing options and “dispelling the myths” related to the AHP</li> <li>• CIS Analyst was on hand to meet with attendees to discuss CIS products and services</li> </ul>  |
| <b>SC Housing Annual Conference</b>                                | 04/22/15 | Columbia, SC | <ul style="list-style-type: none"> <li>• Over 1,000 attendees including affordable housing advocates, practitioners, and policy makers</li> <li>• CIS Business Development Manager was on hand at the Bank's exhibit booth to meet with both lenders and end-beneficiaries of the Bank's products and services</li> <li>• CIS Director presented the Bank's community lending products and highlighted the Bank's veterans product and services suite</li> </ul>   |
| <b>Advancing Your CRA Business Development Opportunities Forum</b> | 04/24/15 | Tampa, FL    | <ul style="list-style-type: none"> <li>• Opening remarks provided by City of Tampa Councilman Mike Suarez and Councilwoman Lisa Montelione, and FHLBank Atlanta Board Member Miriam Lopez</li> <li>• 40 participants; 21 unique members</li> <li>• Regulator panel participation from FDIC, OCC, and Federal Reserve</li> <li>• CIS Director and Bank staff presented the Bank's community lending products and their double bottom line impact on banks' business development and CRA objectives</li> </ul> |

| Name of Event  | Date     | Location          | Description; Participants; Focus   |
|--|----------|-------------------|--|
| <b>FHLBank Collateral Seminar</b>                    | 04/29/15 | Tampa, FL         | <ul style="list-style-type: none"> <li>• Bank sponsored training event for credit unions in the Tampa, FL area</li> <li>• Participants included representatives from Suncoast, Grow Financial Federal, MidFlorida, Achieva and GTE Federal credit unions</li> <li>• CIS Ownership Production Manager and CIS Business Development Manager were on hand to discuss the opportunities for credit unions provided by the Bank’s suite of products and services</li> </ul> |
| <b>PenFed Foundation’s Night Of Heroes Gala</b>      | 05/14/15 | Washington, DC    | <ul style="list-style-type: none"> <li>• Annual gala to honor those who have demonstrated leadership in providing support and services to our returning</li> <li>• military, veterans and their families</li> <li>• The Bank participated as a sponsor at the event; CIS Director attended as a guest</li> </ul>   |
| <b>NC Housing Coalition Developers Event</b>         | 05/18/15 | Raleigh, NC       | <ul style="list-style-type: none"> <li>• Discussion with developers in North Carolina about affordable housing financing options that may be useful in filling funding gaps in rental and ownership project developments</li> <li>• 20+ LIHTC developers in attendance</li> <li>• FHLBank Atlanta delivered a presentation on “dispelling the myths” related to the FHLBank Atlanta AHP Competitive process</li> </ul>   |
| <b>GEDA Spring Workshop 2015 at Callaway Gardens</b> | 05/20/15 | Pine Mountain, GA | <ul style="list-style-type: none"> <li>• Georgia Economic Developers Association (GEDA) Workshop</li> <li>• CIS Public Finance Relationship Manager delivered a presentation regarding letter of credit and bond opportunities</li> <li>• Over 250 participants</li> </ul>   |

| Name of Event  | Date                   | Location          | Description; Participants; Focus   |
|--|------------------------|-------------------|--|
| <b>Atlanta BeltLine &amp; FHLBank Atlanta - Shareholder Dinner event</b> | 05/21/15               | Atlanta, GA       | <ul style="list-style-type: none"> <li>The Bank coordinated a dinner connecting shareholders with business leaders and opportunities along the BeltLine</li> </ul>   |
| <b>Alabama Affordable Housing Association (AAHA) Annual Conference</b>   | 05/21/15 thru 05/22/15 | Sandestin, FL     | <ul style="list-style-type: none"> <li>Bank event in conjunction with the AAHA connecting developers to affordable housing financing options</li> <li>FHLBank Atlanta delivered a presentation “dispelling the myths” related to the AHP Competitive process</li> </ul>  |
| <b>African American Mayors Association (AAMA) Annual Conference</b>      | 05/28/15 thru 05/29/15 | Washington, D.C.  | <ul style="list-style-type: none"> <li>Mayors discussed strategies to connect their cities to national policy objectives for the benefit of their residents</li> <li>The rising chair of the AAMA is a FHLBank Atlanta Advisory Council member</li> <li>CIS Director and Public Finance Relationship Manager were in attendance to discuss the Bank’s product and services offering and letter of credit and bond opportunities</li> </ul> |
| <b>CDFA Georgia Financing Roundtable</b>                                 | 06/04/15               | Atlanta, GA       | <ul style="list-style-type: none"> <li>Council of Development Finance Agencies (CDFA) event</li> <li>The Bank participated as a sponsor at the event. CIS Business Development Manager was on hand at the Bank’s exhibit booth to meet with both lenders and end-beneficiaries of the Bank’s products and services</li> </ul>  |
| <b>FCDA Annual Training Conference</b>                                   | 06/08/15 thru 06/09/15 | Daytona Beach, FL | <ul style="list-style-type: none"> <li>Florida Community Development Association (FCDA) event</li> <li>The Bank participated as a sponsor at the event. CIS Business Development Manager was on hand at the Bank’s exhibit booth to meet with both lenders and end-beneficiaries of the Bank’s products and services</li> </ul>  |

| Name of Event   | Date                   | Location       | Description; Participants; Focus   |
|---|------------------------|----------------|--|
| <b>EMERGE Annual Conference</b>   | 06/10/15 thru 06/12/15 | Austin, TX     | <ul style="list-style-type: none"> <li>• Annual Conference put on by <i>American Banker</i> and the Center for Financial Services Innovation (CFSI)</li> <li>• Opportunity for the financial institutions to collaborate with industry innovators and entrepreneurs to get access to tried and tested innovations and tailor them to compliment the strengths of their financial institutions</li> <li>• The Bank participated as a sponsor at the event; CIS Director attended as guest</li> </ul>                      |
| <b>Advancing Your CRA Business Development Opportunities Forum</b>          | 06/17/15               | Columbia, SC   | <ul style="list-style-type: none"> <li>• Opening remarks provided by Mayor of Columbia and FHLBank Atlanta Advisory Council member Stephen Benjamin, and FHLBank Atlanta board member Thomas Johnson</li> <li>• 46 participants; 24 unique members</li> <li>• Regulator panel participation from FDIC, OCC, and Federal Reserve</li> <li>• CIS Director and Bank staff presented the Bank’s community lending products’ and their double bottom line impact on banks’ business development and CRA objectives</li> </ul> |
| <b>SCACED Community Development Institute(CDI) Training: Veterans Focus</b> | 06/23/15               | Charleston, SC | <ul style="list-style-type: none"> <li>• South Carolina Association of Community Economic Development (SCACED) event</li> <li>• CIS Strategic Initiative Team Lead was on hand to meet with attendees and discuss the CIS Veterans product and services suite</li> </ul>   |

| Name of Event  | Date                   | Location           | Description; Participants; Focus   |
|--|------------------------|--------------------|--|
| <b>Florida Association of Local HFAs - 2015 Annual Education Conference</b>  | 07/10/15               | St. Petersburg, FL | <ul style="list-style-type: none"> <li>• Executive Director of each FL local housing authority in attendance</li> <li>• Potential Structured Partnership for 2016, ideas on how to increase business with local HFAs</li> <li>• The Bank participated as a convener of shareholders and business leaders in the area</li> </ul>  |
| <b>CRA Interagency Community Development Partnership Event - Southeast Economic Development Summit: Interagency Bankers Roundtable</b> | 07/15/15               | Brunswick, GA      | <ul style="list-style-type: none"> <li>• CRA Interagency event hosted by the FDIC and the OCC</li> <li>• 20+ participants, including both bankers and community nonprofits and housing groups</li> <li>• CIS Director delivered a presentation on how to utilize the Bank's community lending products' to build successful partners and advance your business and CRA objectives.</li> <li>• Connected attendees to CRA and Business opportunities in the Brunswick and Savannah markets</li> </ul> |
| <b>Florida Financing Roundtable</b>  | 08/05/15 thru 08/06/15 | Orlando, FL        | <ul style="list-style-type: none"> <li>• Council of Development Finance Agencies event</li> <li>• CIS Public Finance Relationship Manager was on hand to meet with other attendees to discuss letter of credit and bond opportunities and CIS products and services</li> </ul>   |
| <b>Business Development Lunch - Western Palm Beach / CenterState Bank</b>  | 08/13/15               | Belle Glade, FL    | <ul style="list-style-type: none"> <li>• Bank hosted luncheon connecting shareholders to key business drivers in their market</li> <li>• 15 attendees including the Mayor of Belle Glade, local business leaders, and CenterState Bank executives</li> </ul>   |

| Name of Event  | Date                   | Location       | Description; Participants; Focus   |
|--|------------------------|----------------|--|
| <b>Business Development Breakfast - National Bank of Commerce</b>  | 08/14/15               | Orlando, FL    | <ul style="list-style-type: none"> <li>• Bank hosted breakfast connecting shareholders to key business drivers in their market</li> <li>• 13 participants including FHLBank Atlanta Advisory Council chair Priscilla Howard, local business leaders, and National Bank of Commerce executives</li> </ul>   |
| <b>SCACED 2015 Annual Conference</b>                               | 08/26/15 thru 08/28/15 | Charleston, SC | <ul style="list-style-type: none"> <li>• South Carolina Association of Community Economic Development event</li> <li>• The Bank participated as a sponsor at the event. CIS Analyst was on hand to meet with lenders and other attendees to discuss CIS products and services</li> </ul>   |
| <b>Advancing Your CRA Business Development Opportunities Forum</b> | 08/28/15               | Columbus, GA   | <ul style="list-style-type: none"> <li>• Opening remarks provided by City of Columbus Councilor Mike Baker, and FHLBank Atlanta board member Richard Whaley</li> <li>• 50 participants; 24 unique members</li> <li>• Regulator panel participation from FDIC, OCC, and Federal Reserve</li> <li>• CIS Director and Bank staff presented the Bank's community lending products and their double bottom line impact on banks' business development and CRA objectives</li> </ul> |

| Name of Event  | Date                   | Location    | Description; Participants; Focus  |
|--|------------------------|-------------|---|
| <b>Florida Housing Coalition Annual Statewide Conference</b> | 08/30/15 thru 09/01/15 | Orlando, FL | <ul style="list-style-type: none"> <li>• Over 600+ attended the three-day conference</li> <li>• 40 participants of lenders, nonprofits, and developers in FHLBank Atlanta breakout session</li> <li>• CIS Director presented the Bank's community lending products and highlighted the Bank's veterans product and services suite</li> <li>• The Bank participated as a sponsor at the event. CIS Business Development Manager was on hand at the Bank's exhibit booth to meet with both lenders and end-beneficiaries of the Bank's products and services</li> </ul> |
| <b>Atlanta BeltLine Dinner with SunTrust</b>                 | 09/02/15               | Atlanta, GA | <ul style="list-style-type: none"> <li>• The Bank hosted a networking dinner for SunTrust and Atlanta BeltLine, Inc. executives</li> <li>• The Bank led a discussion on the residential and commercial business opportunities along the BeltLine</li> </ul>   |
| <b>Central Florida Compliance Seminar</b>                    | 09/15/15               | Orlando, FL | <ul style="list-style-type: none"> <li>• Fall 2015 Compliance Seminar for compliance and CRA officers at financial institutions in the Central Florida area</li> <li>• CIS Business Development Relationship Manager and CIS Strategic Initiatives Team Lead were on hand to discuss the Bank's products and services</li> </ul>  |

| Name of Event  | Date                   | Location           | Description; Participants; Focus   |
|--|------------------------|--------------------|--|
| <b>Community Development and CRA Training: Building Communities through Strategic Partnerships</b> | 09/16/15               | Ft. Lauderdale, FL | <ul style="list-style-type: none"> <li>• CRA Interagency event hosted by the FDIC and the OCC</li> <li>• 50 participants, including both bankers and community nonprofits and housing groups</li> <li>• CIS Director delivered a presentation on how to utilize the Bank’s community lending products’ to build successful partners and advance your business and CRA objectives</li> <li>• The agenda included a “CRA for Bank Leaders” breakout session, a discussion on partnership opportunities with CDFIs, and a session on practical ways funders and community-based organizations can establish CRA-related partnerships</li> </ul> |
| <b>Shareholder and CAHP “Meet-and-Greet” Reception</b>   | 09/17/15               | Coral Gables, FL   | <ul style="list-style-type: none"> <li>• A Bank hosted a networking reception for members of the Coalition for Affordable Housing Providers (CAHP) and FHLBank Atlanta shareholders</li> <li>• 12 unique shareholders and over 100 private developers, builders, equity providers, nonprofits, and other affordable housing organizations represented</li> <li>• CIS Director provided a presentation on AHP Competitive during the CAHP Membership meeting</li> </ul>   |
| <b>NCBA CFO Symposium</b>  | 09/22/15 thru 09/23/15 | Greensboro, SC     | <ul style="list-style-type: none"> <li>• CFO symposium hosted by the North Carolina Bankers Association (NCBA)</li> <li>• CIS Public Finance Relationship Manager and Sales Senior Relationship Manager were in attendance and spoke about the Bank’s letter of credit opportunities</li> </ul>  |

| Name of Event  | Date                   | Location       | Description; Participants; Focus  |
|--|------------------------|----------------|---|
| <b>Advancing Your CRA Business Development Opportunities Forum</b>       | 10/02/15               | Baltimore, MD  | <ul style="list-style-type: none"> <li>• Opening remarks provided by Maryland Commissioner of Financial Regulation Gordon Colley, FHLBank Atlanta board member Kim Liddell, and FHLBank Atlanta Advisory Council member Maurice Simpkins</li> <li>• 44 participants; 27 unique members</li> <li>• Regulator panel participation from FDIC, OCC, and Federal Reserve</li> <li>• CIS Director and Bank staff presented the Bank’s community lending products and their double bottom line impact on banks’ business development and CRA objectives</li> </ul> |
| <b>Performance Trust University’s “MoneyBall for Bankers” Conference</b> | 10/05/15 thru 10/06/15 | Asheville, NC  | <ul style="list-style-type: none"> <li>• The Bank co-sponsored this event with the South Carolina Banker’s Association</li> <li>• CIS Public Finance Relationship Manager attended and was on hand to discuss letter of credit and bond financing opportunities</li> </ul>  |
| <b>CRA and Community Development Roundtable Event</b>                    | 10/14/15               | Miami, FL      | <ul style="list-style-type: none"> <li>• Coordinated in partnership with Miami Chamber of Commerce</li> <li>• 80+ lenders and nonprofits in attendance</li> <li>• CIS Director presented the Bank’s community lending products to support their business development and CRA objectives</li> </ul>  |
| <b>CRA Lender Training</b>   | 10/21/15               | Birmingham, AL | <ul style="list-style-type: none"> <li>• CRA Interagency event hosted by the FDIC and the OCC for lenders in the Birmingham, AL area</li> <li>• 40 participants including CRA Officers and community development bankers</li> <li>• CIS Director delivered a presentation on how to utilize the Bank’s community lending products to build successful partners and advance business and CRA objectives</li> </ul>   |

| Name of Event   | Date                   | Location         | Description; Participants; Focus   |
|---|------------------------|------------------|--|
| <b>Strategic Partnerships for Community Development</b> | 10/21/15               | Baltimore, MD    | <ul style="list-style-type: none"> <li>• CRA Interagency event hosted by the FDIC and the OCC</li> <li>• 50 participants, including both bankers and community nonprofits and housing groups</li> <li>• CIS Director delivered a presentation on how to utilize the Bank's community lending products' to build successful partners and advance your business and CRA objectives.</li> </ul>                           |
| <b>NC Housing Coalition Annual Conference</b>           | 10/28/15 thru 10/29/15 | Raleigh, NC      | <ul style="list-style-type: none"> <li>• Over 500 attended the three-day conference</li> <li>• 45 participants of lenders, nonprofits, and developers in FHLBank Atlanta breakout session</li> <li>• The Bank participated as a sponsor at the event. CIS Director presented the Bank's community lending products and highlighted the Bank's veterans product and services suite</li> </ul>                           |
| <b>CDFA National Development Finance Summit</b>         | 11/03/15               | Charleston, SC   | <ul style="list-style-type: none"> <li>• Council of Development Finance Agencies (CDFA) Annual event including state and local governments and issuing authorities, financial services providers, nonprofits, and CDFIs</li> <li>• The Bank participated as a sponsor at the event and the CIS Public Finance Relationship Manager was on hand to discuss letter of credit and bond financing opportunities</li> </ul> |
| <b>Alabama's "2015 Housing Works" Conference</b>        | 11/12/15 thru 11/13/15 | Orange Beach, AL | <ul style="list-style-type: none"> <li>• Low Income Housing Coalition of Alabama annual conference</li> <li>• The Bank participated as a sponsor at the event. CIS Analyst attended and was available to discuss the Bank's products and services</li> </ul>   |

| Name of Event   | Date                   | Location         | Description; Participants; Focus   |
|---|------------------------|------------------|--|
| <b>CRA Interagency Community Development Partnership Event - "Accessing Resources for Affordable Mortgage Credit"</b> | 11/17/15               | Tampa, FL        | <ul style="list-style-type: none"> <li>• CRA Interagency event hosted by the FDIC and the OCC</li> <li>• 50 participants, including both bankers and community nonprofits and housing groups</li> <li>• CIS Director delivered a presentation on how to utilize the Bank's community lending products' to build successful partners and advance your business and CRA objectives.</li> </ul> |
| <b>Virginia Governor's Housing Conference</b>   | 11/18/15 thru 11/20/15 | Hampton, VA      | <ul style="list-style-type: none"> <li>• VAGHC Annual Conference</li> <li>• Over 1,000 attendees including affordable housing advocates, practitioners, and policy makers</li> <li>• The Bank participated as a sponsor at the event</li> </ul>  |
| <b>30th Annual Government Finance Officers Association of Washington Metro Area Conference</b>                        | 11/19/15               | Washington, D.C. | <ul style="list-style-type: none"> <li>• 30th Annual Conference on Projects, Planning, and Public Finance</li> <li>• Over 100 attendees including government, private sector, and regional employees</li> <li>• CIS Director presented the Bank's community lending products and highlighted the Bank's veterans product and services suite</li> </ul>                                       |
| <b>SCACED Economic Development Conference</b>   | 11/19/15               | Cayce, SC        | <ul style="list-style-type: none"> <li>• Annual Conference hosted by SCACED and the South Carolina Bankers Association (SCBA)</li> <li>• Over 50 attendees including affordable housing advocates, practitioners, and policy makers</li> </ul>   |

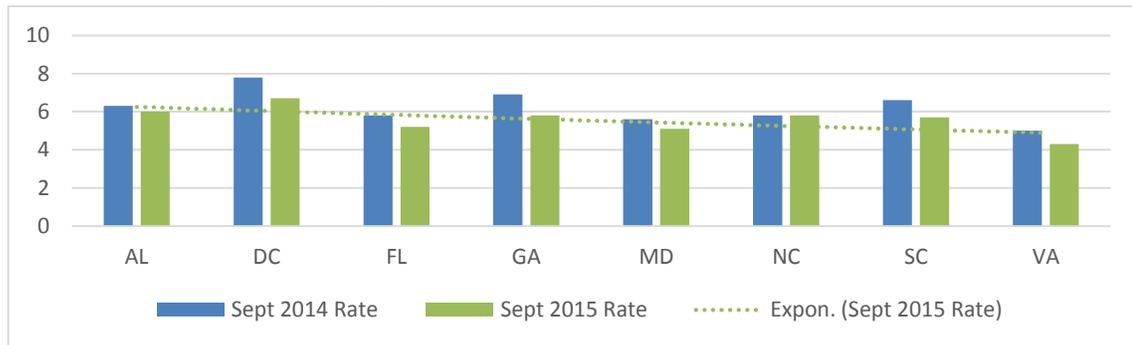
## II. Secondary Sources of Data and Understanding

### A. Demographic Trends and Emerging Housing Needs

#### Unemployment

Unemployment rates throughout the Bank’s district remained constant or continued in decline in 2015; however, only Virginia ended 3Q 2015 with an unemployment rate below the national average of 5.0%. District of Columbia and Alabama have the highest 6.7% and 6.0% unemployment rates, respectively (**Figure 1**), while District of Columbia and Georgia experienced the greatest year-over-year change in unemployment rates within the Bank’s district, dropping more than a full percentage point between September 2014 and September 2015. The national unemployment rate also dropped by .6% during this time to 5.0%, its lowest level since 2008, as the job market continues to progress towards recovery.

**Figure 1: Unemployment Rate**



September 2014 – September 2015, Seasonally Adjusted

**Data Source:** [Bureau of Labor Statistics](#)

#### Demographics

According to [American Community Survey by the Census Bureau](#), population in the Bank’s district increased an average of 1.09 percent annually since 2011. In 2014, the population increased by 1.05% to 64,578,066, an addition of 669,948 individuals since prior year results. For the third year in a row, District of Columbia (DC) had the fastest growing population in the district, an increase of 1.51%, followed by Florida, with a 1.49% growth rate (**Figure 2**).

**Figure 2: Population Trend**

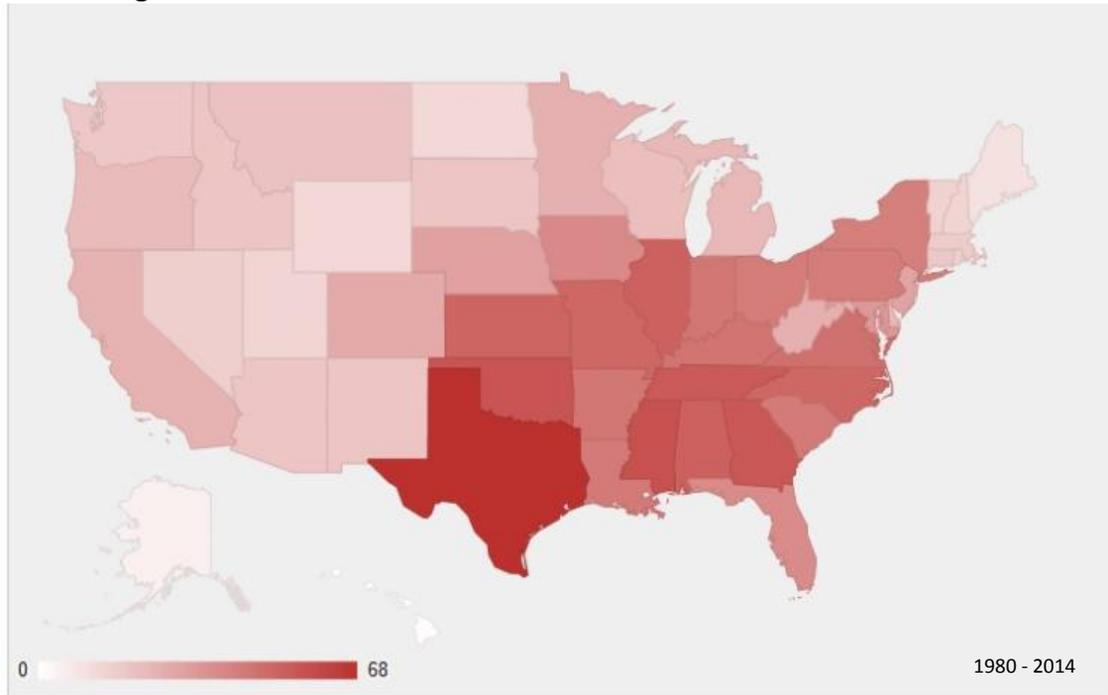


**Data Source:** [Population Estimates State Totals, V2014, U.S. Census Bureau](#)

### a. Communities Impacted by Major Disasters

According to the [National Oceanic and Atmospheric Administration's Center for Environmental Information](#), the US has sustained 178 climate-related disasters since 1980 where costs exceeded \$1 billion; the total cost of these events cost north of \$1 trillion. In 2014 alone, there were eight weather and climate-related events with losses beyond the one billion dollar mark across the US.

**Figure 3: NCD NOAA “Billion-Dollar Weather and Climate Disasters”**



**Data Source:** [National Oceanic and Atmospheric Administration](#)

In response to major disasters, agencies such as FEMA, HUD, Fannie Mae, Freddie Mac, and Housing Finance Agencies provide a variety of disaster resources under the *National Response Framework*. The natural disaster disrupts people’s lives in addition to the financial impact on households and communities. A natural disaster nearly always adversely affects the value or habitability of the impacted property. The number of communities in the FHLBank Atlanta district with FEMA “Major Disaster Declaration” designations in the past two years demonstrates that there is a strong need in the Bank’s district to support and facilitate the recovery efforts. **(Figure 4).**

**Figure 4: FEMA 2014 – 2015 “Major Disaster Declarations”  
Within FHLBank Atlanta District**



**Data Source:** [FEMA.gov/disasters](https://www.fema.gov/disasters)

## b. The Unbanked and Underbanked

According to the Federal Reserve Bank of Atlanta, a recent Federal Deposit Insurance Corporation (FDIC) nationwide survey found that 28.3 percent of households are either unbanked or underbanked.<sup>1</sup>

**Unbanked:** An individual or household that does not have an account at a financial institution (that is, a bank or credit union)

**Underbanked:** An individual or household that has an account at a financial institution but may also rely on alternative financial service providers and products (for example, nonbank money orders, check cashing, or remittances; payday loans, pawn shops, rent-to-own stores, and refund anticipation loans)

### The key findings of the 2013 FDIC National Survey of Unbanked and Underbanked Households include:

- 9.6 million households representing 25 million people were unbanked in 2013, and the 0.5 percentage point decline in the proportion of unbanked households is estimated to comprise 1.5 million people and more than half a million households.
- One in five or 24 million households were underbanked in 2013, consisting of an estimated 68 million people.
- 35.6 percent of unbanked households reported the main reason for not having an account being insufficient money to keep in an account or meet minimum balance requirements.
- 34.1 percent of households that recently became unbanked experienced either a significant income loss or job loss that they said contributed to becoming unbanked.
- 22.3 percent of unbanked households reported using a prepaid debit card in the prior 12 months, compared with 13.1 percent of underbanked and 5.3 percent of fully banked households.

### Comparing and contrasting: Underbanked versus unbanked

At 20.1 percent, or about 24 million households, the underbanked make up the larger share. Some demographic characteristics of this population include:

- Education: 53.9 percent have a college degree (22.2 percent) or some college (31.7 percent).
- Employment: 64.1 percent are employed.
- Race and ethnicity: 56 percent are White, 22.5 percent are Black, and 16.2 percent are Hispanic.

The remaining 8.2 percent, or 10 million households, are unbanked and do not have an account at a financial institution. Some demographic characteristics of the unbanked include:

- Education: 75.5 percent have a high school degree (38.1 percent) or less (37.4 percent).
- Employment: 84.6 percent are unemployed (38.7 percent) or not in the labor force (45.9 percent).

---

<sup>1</sup> "Personal Finance Trends: The Unbanked and Underbanked" By Jackie Morgan, senior economic and financial education specialist, Nashville Branch of the Federal Reserve Bank of Atlanta Fall 2014

- Race and ethnicity: 66.3 percent are minorities; the largest unbanked minority groups are black (34.7 percent) and Hispanic (28 percent).

Many of those who are unbanked indicated they feel they don't have enough money for a bank account or don't want or need an account. Of unbanked households, there are some factors that led them to be more likely to want to open a bank account in the future including those who were younger or have some college education.

The likelihood of being unbanked or underbanked varies substantially by income, with lower-income respondents being much less likely to have a traditional banking relationship. Among respondents with incomes under \$40,000 per year, 17 percent are unbanked and 19 percent are underbanked.<sup>2</sup>

**Figure 5: Unbanked and Underbanked by Household Income**

| Unbanked and Underbanked Respondents<br>(by household income)<br>Percent, except as noted |              |          |             |
|---|--------------|----------|-------------|
| Income categories   | Fully banked | Unbanked | Underbanked |
| Less than \$40,000  | 63.2         | 16.7     | 19.2        |
| \$40,000–\$100,000  | 83.2         | 4.6      | 11.3        |
| Greater than \$100,000  | 92.3         | 1.6      | 5.6         |
| Overall   | 79.4         | 7.6      | 12.2        |
| Total number of respondents   |              |          | 5,896       |

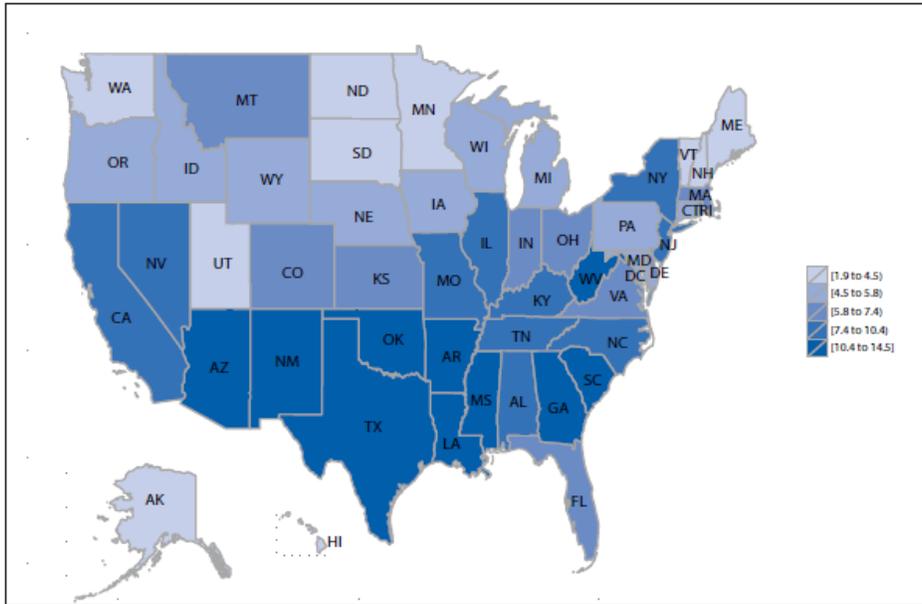
**Data Source:** ["Report on the Economic Well-Being of U.S. Households in 2014" Board of Governors of the Federal Reserve System May 2015](#)

<sup>2</sup> "Report on the Economic Well-Being of U.S. Households in 2014" Board of Governors of the Federal Reserve System May 2015

### Stats in the South

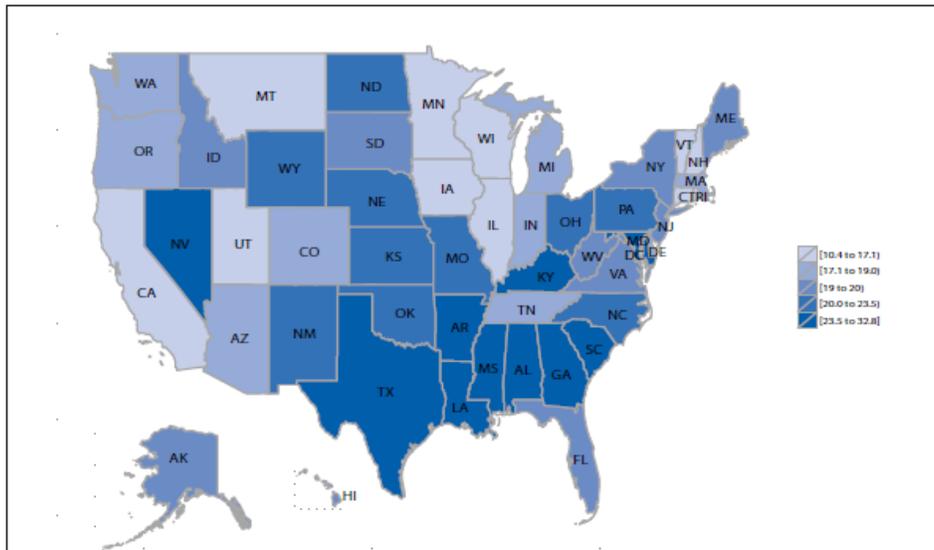
More than one-third of all U.S. households live in the South region, and so the region accounts for a disproportionate 45.5 percent of all unbanked U.S. households. The tables below show the unbanked and underbanked rates by state.

**Figure 6: Unbanked Rates by State, 2013**



Data Source: [2013 FDIC National Survey of Unbanked and Underbanked Households](#)

**Figure 7: Underbanked Rates by State, 2013**



Data Source: [2013 FDIC National Survey of Unbanked and Underbanked Households](#)

**Figure 8: Unbanked and Underbanked Totals**

| State            | Unbanked (percentage) | Underbanked (percentage) |
|------------------|-----------------------|--------------------------|
| Alabama          | 9.2                   | 26.4                     |
| Florida          | 6.2                   | 19.1                     |
| Georgia          | 10.9                  | 26.9                     |
| Maryland         | 4.8                   | 23.9                     |
| North Carolina   | 8.4                   | 21.5                     |
| South Carolina   | 10.5                  | 25.6                     |
| Virginia         | 6.5                   | 19.5                     |
| Washington, DC   | 11.8                  | 24.8                     |
| National Average | 7.7                   | 20.0                     |

**Data Source:** [2013 FDIC National Survey of Unbanked and Underbanked Households](#)

### **Establishing positive financial relationships**

Establishing positive relationships with financial institutions is critical to developing sound financial management. Having one or more bank accounts not only allows an individual to create financial stability and plan for emergencies, but also to manage spending, saving, payments, investments, credit opportunities, and more.

The 2013 FDIC National Survey report also drew three implications from the findings that could point the way toward better meeting consumers' needs:

- Develop strategies to help households maintain or renew banking relationships through economic transitions, such as job loss.
- Explore opportunities to deploy and market checkless checking accounts and other options to meet the transactional needs of households; and
- Integrate mobile banking initiatives with branch-based strategies in overall efforts to address consumers' needs.

### c. Food Deserts

More than 23 million people in America live in food deserts – urban neighborhoods and rural towns without ready access to fresh, healthy, and affordable food<sup>3</sup>. USDA, Treasury and HHS have defined a food desert as a census tract with a substantial share of residents who live in low-income areas that have low levels of access to a grocery store or healthy, affordable food retail outlet.<sup>4</sup>

Census tracts qualify as food deserts if they meet low-income and low-access thresholds<sup>5</sup>:

1. They qualify as "low-income communities", based on having: a) a poverty rate of 20 percent or greater, OR b) a median family income at or below 80 percent of the area median family income; AND
2. They qualify as "low-access communities", based on the determination that at least 500 persons and/or at least 33% of the census tract's population live more than one mile from a supermarket or large grocery store (10 miles, in the case of non-metropolitan census tracts).

Instead of supermarkets and grocery stores, these communities may have no food access or are served only by fast food restaurants and convenience stores that offer few healthy, affordable food options. The lack of access contributes to a poor diet and can lead to higher levels of obesity and other diet-related diseases, such as diabetes and heart disease.

**Figure 9: Food Desert**



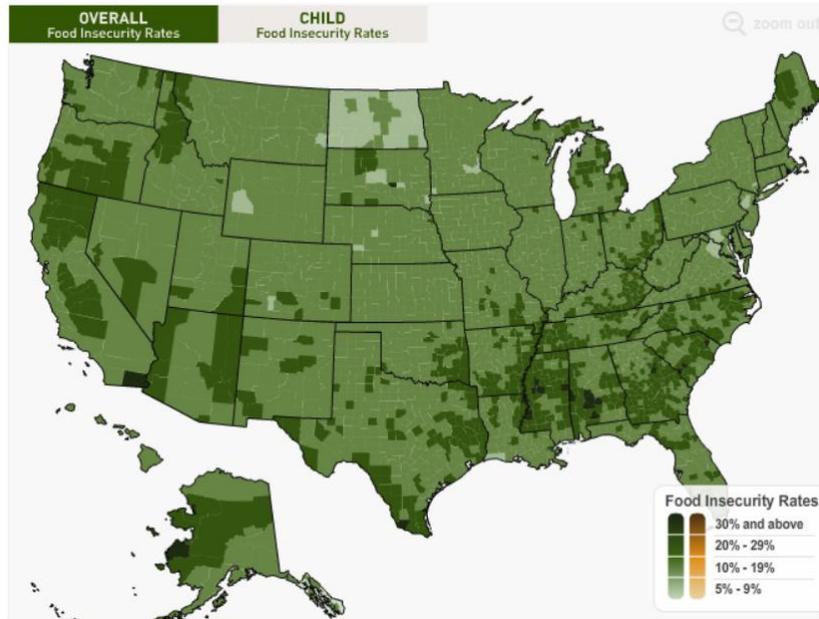
**Data Source:** Department of Agriculture, Centers for Disease Control

<sup>3</sup> USDA – “Creating Access to Healthy, Affordable Food”

<sup>4</sup> USDA – Agricultural Marketing Services

<sup>5</sup> USDA – Agricultural Marketing Services

**Figure 10: Food Insecurity Rates**



**Data Source:** [Feeding America](#)

Nationally, according to U.S. Department of Agriculture data, counties with the highest percentage of households living in food deserts (10 percent or more) had rates of adult obesity in 2008 that were a full nine percentage points higher than counties with the lowest percentage of households in food deserts (1 percent or fewer households). Similarly, high-food desert counties had rates of adult diabetes that were five points higher than low-food desert places.

These differences reflect the particular characteristics of counties in which more people live in food deserts. Diabetes, for example, is related to poverty and unemployment, not simply to proximity to a supermarket. However, the relationship between food deserts and these health outcomes remains, even after controlled for counties' median household income, poverty rates, and the racial and ethnic make-up of the population.<sup>6</sup> Living in a food desert is not incidental, it has an independent effect on obesity and diabetes. Food deserts matter for public health.

Why is this the case? It has to do with how people living in food deserts fill in the gaps in their diet. Counties with high rates of food deserts also tend to have higher per capita expenditure at fast food restaurants. This suggests that people in food deserts may be substituting less nutritious fast food for the produce and other fresh food they have only limited access to.<sup>7</sup>

There is a significant need for economic development to bring healthy supermarket chains and specialty stores to food desert communities that are generally poorer than average.

---

<sup>6</sup> PBS Newshour "The Socio-Economic Significance of Food Deserts" By Dante Chinni June 29, 2011

<sup>7</sup> PBS Newshour "The Socio-Economic Significance of Food Deserts" By Dante Chinni June 29, 2011

## B. Outlook for Purchase Market

### Homeownership

The housing market saw an “encouraging lift-off” in the sale of existing homes partly due to inventory shortages driving home prices up during third quarter 2015, according to the National Association of Realtors. Existing home sale prices in the South reached 3.0 in the third quarter 2015, and are 6.9 percent above the same period last year. **(Figure 5)**.

**Figure 11: Existing Home Sales and Sales Price**



**Data Source:** National Association of Realtors<sup>®</sup>

### Housing Affordability

Housing affordability is measured by the ratio of median family income to the income needed to purchase the median-priced home based on the current interest rates, expressed as an index. The National Association of Realtors Composite Affordability Index value for the third quarter 2015 shows that families earning the median income have 158.3 percent of the income needed to purchase the median-priced existing home.

The measure of housing affordability nationally declined from the previous year, as the median price of single-family homes and household income increased from the prior year **(Figure 12)**. With sale prices continuing to rise, affordability will inversely decline. Therefore, substantial savings and equity will become increasingly important to prospective homebuyers, specifically first time homebuyers, looking to enter and affect the purchase market.

**Figure 12: Housing Affordability Index**

| Year | Median Price Existing Single-Family Home | Mortgage Rate | Median Family Income | Qualifying Income | Composite Affordability Index |
|------|--|---------------|----------------------|-------------------|-------------------------------|
| 2012 | 177,200                                  | 3.83          | 62,527               | 31,824            | <b>196.5</b>                  |
| 2013 | 197,400                                  | 4.00          | 64,030               | 36,192            | <b>176.9</b>                  |
| 2014 | 208,400                                  | 4.20          | 66,715               | 39,120            | <b>170.5</b>                  |
| 2015 | 229,000                                  | 4.15          | 67,723               | 42,768            | <b>158.3</b>                  |

| Year | Median Price Existing Single-Family Home | Mortgage Rate | Median Family Income | Qualifying Income | Composite Affordability Index |
|------|--|---------------|----------------------|-------------------|-------------------------------|
| 2012 | 177,200                                  | 3.83          | 62,527               | 31,824            | 196.5                         |
| 2013 | 197,400                                  | 4.00          | 64,030               | 36,192            | 176.9                         |
| 2014 | 208,400                                  | 4.20          | 66,715               | 39,120            | 170.5                         |
| 2015 | 229,000                                  | 4.15          | 67,723               | 42,768            | 158.3                         |

**Data Source:** [National Association of Realtors](#)®

**Homeownership Vacancy Rates**

The national vacancy rate in the third quarter 2015 is 1.9 percent for homeowner housing. The homeownership rate of 63.7 percent was 0.7 percentage points (+/-0.4) lower than the third quarter 2014 (64.4 percent) and 0.3 percentage points (+/-0.4) higher than the rate last quarter (63.74 percent). The housing market continues to show signs of recovery; however, the decline of homeownership vacancy often decreases the affordability for new homeowners with low to moderate income.

**Figure 13: Homeownership Vacancy Rates, 2012 – 2015, QTR3**



**Data Source:** [U.S. Census Bureau](#)

### **First-time Homebuyers**

First-time buyers fell to 32% of all purchasers in 2015 from 33% last year, the third straight annual decline and the lowest percentage since 1987, according to a report released by the National Association of Realtors.<sup>8</sup> The historical average is 40%, according to the group, which has been recording such data since 1981. The housing market is on track for its strongest year for sales since 2007, but the dearth of younger buyers could pose long-term challenges, economists said. Without first-time homebuyers, current owners have difficulty trading up or selling their homes when they retire. If home prices continue to rise sharply it will become even more difficult for new buyers to enter the market. A quarter of first-time buyers said their biggest challenge was saving for a down payment. Economists also said rents, which have jumped 20% over the last five years, have made it difficult for younger households to put money aside. The most common reasons renters cite for renting rather than owning a home are a perceived inability to afford the necessary down payment (50 percent) or a perceived inability to qualify for a mortgage (31 percent)<sup>9</sup>.

---

<sup>8</sup> "Number of First-Time Home Buyers Falls to Lowest Levels in Three Decades, Figure represents third straight annual decline and lowest percentage since 1987" By Laura Kusisto, *Wall Street Journal*, Nov. 5, 2015

<sup>9</sup> "Report on the Economic Well-Being of U.S. Households in 2014" Board of Governors of the Federal Reserve System May 2015

## C. Outlook for Rental Market

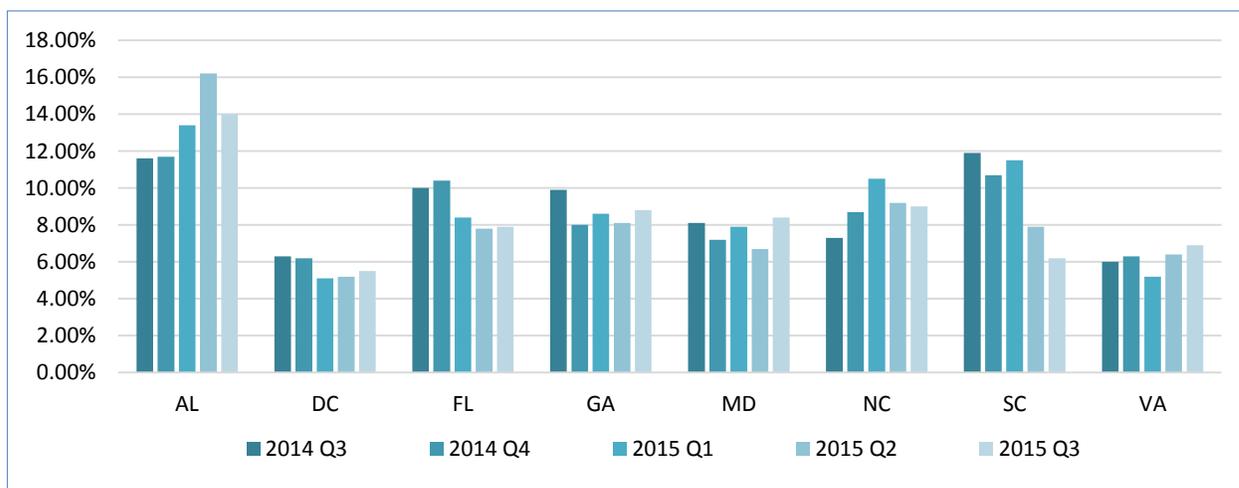
### Demographic Drivers

Although research suggests that homeownership rates are stabilizing, a significant number of potential homebuyers are deferring their home-buying decisions and looking to rent. The Joint Center for Housing Studies at Harvard University estimates an addition of around 900,000 new renters annually, between 2010 to 2014, which sets the 2010s on pace to be the strongest decade for rental market growth in US history<sup>10</sup>. The growth observed can certainly be attributed to those most likely to rent (i.e. younger adults, single person household, and lower-income) however, the data also reflects an addition increase by some unlikely groups, particularly among older households and higher income earners. For example, households between the ages of 55 and over accounted for the 42% of renter household growth in 2014. Similarly, highest-income quartile households grew to nearly one-third of net new renters from 2011-2014.<sup>11</sup>

### Vacancy Rates in the Southeast

Vacancy rates varied throughout the district over the last year, with Alabama, Florida, Georgia, Maryland and North Carolina exceeding the national rate of 7.3% (**Figure 9**). Washington, D.C., South Carolina and Virginia have the lowest vacancy rates in the district, finishing the third quarter at 5.5%, 6.2% and 6.9% respectively.

**Figure 14: Rental Vacancy Rate**



**Data Source:** [Housing Vacancies and Homeownership, U.S. Census Bureau](#)

### Preserving Affordability

A majority of the major U.S. metro areas saw rents climb over the past year, with the consumer price index for contract rents rising 3.2% in 2014, double the inflation rate of 1.6.<sup>12</sup> Rising rents, coupled with a decrease in available federal and privately owned subsidies, creates a significant emerging need for low to moderate income renters. According to the Joint Center for Housing

<sup>10</sup> Joint Center for Housing Studies of Harvard, [The State of the Nation's Housing 2015](#). Harvard (2015) pg 25

<sup>11</sup> Joint Center for Housing Studies of Harvard, [The State of the Nation's Housing 2015](#). Harvard (2015) pg 25

<sup>12</sup> Joint Center for Housing Studies of Harvard, [The State of the Nation's Housing 2015](#). Harvard (2015) pg 28

Studies, the number of vacant units with rents under \$800 per month dropped 12% from 2013 to 2014.<sup>13</sup> Additionally, more than 80% of households with incomes under \$15,000 were paying more than 30% of their income for rent in 2013, and HUD-funded, project-based rental assistance programs supported 4.8 million renters nationwide.<sup>14</sup> Given this emerging need for affordable housing preservation, innovative solutions will need to emerge and focus on delivering affordable and flexible financing that keeps rents affordable for low to moderate tenants within the Bank's district.

---

<sup>13</sup> Joint Center for Housing Studies of Harvard, [The State of the Nation's Housing 2015](#). Harvard (2015) pg 28

<sup>14</sup> Joint Center for Housing Studies of Harvard, [The State of the Nation's Housing 2015](#). Harvard (2015) pg 32

## D. Outlook for Housing and Community Development Financing

### Continued Growth in Community Development Projects is Expected

According to The Bond Buyer's Midyear Review, bond sales in the FHLBank Atlanta's district grew at a rapid rate during the first half of 2015, exceeding the entirety of 2014 in every state with the exception of the District of Columbia. This data shows that there is a strong need in the community the Bank serves for bond structures to support both housing related bonds and community development bonds, as the chart below shows. Without affordable financing, which is allowed through the bank's letter of credit product as a credit enhancer, some of these projects, and the jobs they create, can be lost to other communities who can offer more favorable terms or lower costs of financing. Bond sales by state in the FHLBank Atlanta's district are shown below in millions of dollars.

**Figure 15: Bond Sales by State**

| State                | 2015 Volume | 2015 Issues | 2014 Volume | 2014 Issues | Percent Change |
|----------------------|-------------|-------------|-------------|-------------|----------------|
| Alabama              | \$ 2,386.1  | 114         | \$ 693.4    | 63          | 244.1%         |
| Florida              | \$ 12,364.5 | 202         | \$ 6,584.9  | 122         | 87.8%          |
| Georgia              | \$ 4,926.1  | 71          | \$ 3,094.4  | 52          | 59.2%          |
| Maryland             | \$ 4,276.4  | 45          | \$ 2,537.1  | 39          | 68.6%          |
| North Carolina       | \$ 3,531.2  | 73          | \$ 1,778.8  | 34          | 98.5%          |
| South Carolina       | \$ 3,626.9  | 71          | \$ 1,908.6  | 45          | 90.0%          |
| Virginia             | \$ 4,725.1  | 65          | \$ 3,122.8  | 42          | 51.3%          |
| District of Columbia | \$ 905.7    | 7           | \$ 1,412.5  | 9           | -35.9%         |

### Housing Needs Continue to Rise

Data from the same source also shows a rapid incline in the number of housing projects being financed using bonds in the FHLBank Atlanta district. The viability and feasibility of these projects relies upon not only available sources of capital but also low cost financing to ensure the projects' ability to service debt and have cash flow to operate. As all the communities served show a need for affordable housing, our letter of credit product will help get capital to these projects at important stages such as providing credit support during construction. The letter of credit will also ensure that our local bank shareholders can offer the developers of affordable housing units access to low cost capital through the FHLBank Atlanta's confirmation – thus allowing communities to compete for and win projects that will provide them with the affordable housing units they need. Data shown below from The Bond Buyer's Midyear Review illustrates the growth in housing activity in the bond market, including those issues confirmed by letters of credit.

**Figure 16: Bond Midyear Review**

|                  | 2015 Volume | 2015 Issues | 2014 Volume | 2014 Issues | Percent Change |
|------------------|-------------|-------------|-------------|-------------|----------------|
| Total            | \$ 6,129.3  | 195         | \$ 4,635.2  | 165         | 32.2%          |
| Tax-Exempt       | \$ 4,341.0  | 144         | \$ 3,053.6  | 120         | 42.2%          |
| Taxable          | \$ 1,371.9  | 39          | \$ 1,040.6  | 33          | 31.8%          |
| Variable Rate    | \$ 1,039.0  | 25          | \$ 545.1    | 25          | 90.6%          |
| Letter of Credit | \$ 685.0    | 11          | \$ 157.1    | 3           | 336.0%         |

**PART TWO: STRATEGIC INITIATIVES AND GOALS FOR YEAR 2016 IN RESPONSE TO THE  
COMMUNITY FINANCE NEEDS OF THE DISTRICT**

**Strategic Initiatives**

| 2015 Initiatives  | 2016 Initiatives  |
|---|---|
| Products and services that will best respond to the resurgence of purchase mortgage transactions                      | ONGOING   |
| A suite of products and services to assist members in response to Veterans’ housing challenges                        | ONGOING   |
| Products geared specifically towards teachers, police officers, firefighters, first-responders and healthcare workers | ONGOING   |
| CRA Business Development  | CRA Center of Excellence  |
| Services to assist members in responding to a growing Hispanic/ Latino customer base in their markets                 | Banking the unbanked and underbanked  |
|   | Growing our LOC business via bond credit enhancement                          |
|   | Building and implementing a response to major disaster events in our district |
|   | Positioning our shareholders for community investment and lending success     |

**CRA Center of Excellence**

Based on the current market conditions analysis, the Bank’s members will continue to rely upon Community Reinvestment Act (CRA) tools, resources, strategies and tactics to respond to market challenges. The Bank will seek opportunities to inform and work with its members to leverage the Bank’s products and resources to advance their CRA business development.

**Banking the Unbanked and Underbanked**

Develop strategies for Bank shareholders to help households establish positive relationships with financial institutions to development sound financial management. Having one or more bank accounts not only allows an individual to create financial stability and plan for emergencies, but also to manage spending, saving, payments, investments, and credit opportunities. The Bank will explore opportunities to deploy a financial literacy platform.

### **Growing our LOC business via bond credit enhancement**

Given the significant growth in projects financed via bond sales within the FHLBank Atlanta district, the Bank will look to grow its Letters of Credit business thereby supporting housing and community development and job creation and positively impacting the communities in the district.

### **Building and implementing a response to major disaster events in our district**

Based on the current market conditions, the district continues to be affected by catastrophic events and the Bank will leverage the AHP funds to respond to and support our shareholders' efforts to help restore their communities in the aftermath of catastrophic events within the Bank's district. The Bank's support will occur through a rehabilitation product and business development strategy, within our AHP Set-aside program.

### **Positioning our shareholders for community investment and lending success**

The Bank will evaluate a voluntary product concept designed to provide shareholders that are subject to the Community Reinvestment Act (CRA) an innovative and trusted option for achieving their CRA "investment" and community development lending compliance objectives while simultaneously enabling all shareholders, including those not subject to CRA (credit unions, CDFIs, insurance companies), the opportunity to access the proceeds of the fund.

### **Quantitative Performance Goals**

In addition to the Bank's community lending initiatives described above, the Bank will also focus on the following quantitative goals for 2016:

- Conduct five member or sponsor outreach workshops throughout the district to increase participation in AHP Competitive and AHP Set-aside programs.
- Conduct two member and/or sponsor CRA Business Development workshops in collaboration with a regulator(s)
- Host 10 technical assistance webinars/conference calls to enhance current and potential users understanding of programs and products requirements and benefits.
- Hold a webinar with members in conjunction with the Bank's financial literacy provider on best practices regarding financial literacy and outreach to unbanked and underbanked households.
- Deliver three presentations to external audiences where the Bank's Letters of Credit products and services are the focus.