



DE NOVO BANK  
APPLICATION FOR MEMBERSHIP



# DE NOVO BANK – APPLICATION FOR MEMBERSHIP IN THE FEDERAL HOME LOAN BANK OF ATLANTA

## GENERAL INSTRUCTIONS

### APPLICATION SCHEDULES

Please complete the following schedules:

- Summary Data Sheet
- Application for Membership and Purchase of Stock in the Federal Home Loan Bank of Atlanta (Schedule 1)
- Computation of FHLBank Atlanta Capital Stock Requirement (Schedule 2)
- List of Board of Directors or other governing body of the Applicant (Schedule 3)
- List of Senior Officers of the Applicant (Schedule 4)
- Residential and Long-Term Home Mortgage Loans: Assessment Worksheet (Schedule 5)

### APPLICATION EXHIBITS

**Please also provide copies of the following:**

For applications whose operations have commenced we still require:

- Exhibit A** Letter documenting regulatory approval of the Applicant's charter showing charter approval date and address
- Exhibit B** Letter from FDIC documenting approval for FDIC insurance.
- Exhibit C** The Applicant's Public Disclosure section, including rating, of its most recent Community Reinvestment Act compliance examination report. (If unavailable, provide a written explanation of how and why the Applicant's home financing credit policy and lending practices will meet the credit needs of the community. See enclosed outline of points to be addressed in the written explanation.)
- Exhibit D** Provide copy of articles of incorporation or charter .
- Exhibit E** Provide a copy of the applicant's preliminary or Full Scope Regulatory Exam or exam CAMELS rating, if an exam has been performed.

For applications whose operations have not yet commenced we require:

- Exhibit A** Letter documenting regulatory approval of the Applicant's charter showing charter approval date and address.
- Exhibit B** Letter from FDIC documenting approval for FDIC insurance.
- Exhibit C** A written explanation of how and why the Applicant's home financing credit policy and lending practices will include meeting the credit needs of its community. The CRA portion of your charter request will likely meet this requirement. *(Note: See page 5 for outline of points to be addressed if you do not want to send the CRA portion of your charter request.)*
- Exhibit D** Provide copy of articles of incorporation or charter.

### CONDITIONAL APPROVAL FOR DE NOVOS

For de novo institutions, the following two membership requirements may not be met initially. Therefore, membership approval will be "conditional" until these two requirements have been met.

1. 10% Test: Community Financial Institutions (CFIs) are exempt from this requirement. A CFI is a bank or thrift whose deposits are FDIC-insured and whose assets, averaged over the previous 3 years, are under \$1,199,000,000.

#### **For institutions that are not CFIs:**

Within one year of commencement of initial operations, at least 10% of the institution's total assets must consist of residential mortgage loans. This calculation is based on the institution's most recent call report following the one-year anniversary of commencement of operations. The most common types of assets qualifying as "residential mortgage loans" are:

- First or second liens on one- to four-family or multifamily property
- Home equity loans
- Funded residential construction loans
- Residential mortgage-backed securities
- Residential mortgage debt securities such as CMOs

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2. For all de novo institutions

The institution has received a CRA rating of "Satisfactory" or better on its first CRA performance evaluation.

During the period of "conditional" membership, the de novo institution has the same rights and obligations as any other member.

If the above two requirements can be satisfied when your membership application is approved, approval will not be "conditional."

If you have any questions about this conditional approval, please call the Membership Applications Department at 800.536.9650 Ext. 8011 or 404.888.8011.

**Delivery of the Completed Application Package**

Please retain copies of all completed schedules, exhibits and supporting documents. Please send your completed membership application via overnight courier to:

Membership Applications Department  
Federal Home Loan Bank of Atlanta  
1475 Peachtree Street, N.E.  
Atlanta, Georgia 30309  
Telephone: 404.888.8011

**Receipt of your Membership Application and the Membership Approval Process**

FHLBank Atlanta will acknowledge receipt of your application in writing and will notify your designated or secondary contact when we have all documents needed to process your application. FHLBank Atlanta will act on your application within 60 days of the date the application is deemed to be complete.

Upon action on your application for membership, FHLBank Atlanta will call the designated or secondary contact listed on your membership application. A written decision resolution will be delivered to you within 3 business days. We will then provide you with an "approval package" with instructions on purchasing stock and executing forms needed to establish your business relationship with FHLBank Atlanta. If at any time you need an update as to the status of your application, please call 800.536.9650 Ext. 8011 or 404.888.8011.

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## HELPFUL HINTS

The following hints may help to complete the application schedules and exhibits.

### Application Schedules

**Schedule 1** Please note that the "Secretary" attesting to the signature must be a different individual than the person signing as "duly authorized representative".

**Schedule 2** Please be aware that the dollar amount of your stock purchase may change based on the following:

- A review of your calculation by FHLBank Atlanta, or
- Due to the passage of time (e.g. over successive quarters) between the date your initial calculation is submitted on Schedule 2 and the exact date of your membership stock purchase.
- When completing Schedule 2, you may wish to verify your calculation by calling Membership Applications at 800.536.9650 Ext 8011 or 404.888.8011.

**Schedule 3** A copy of the list of the Board of Directors from your annual report or any other source can be used to satisfy this requirement.

**Schedule 4** A copy of a list from any source available can satisfy this requirement.

**Schedule 5** Please note that on this schedule you can include home mortgage loans on your books as of the most recent quarter-end with an original maturity of five years or greater. For this purpose, the definition of home mortgage loans includes, among other items, loans secured by first liens on 1- to 4-family properties or multifamily properties as well as dormitories, homes for the elderly, and nursing homes. If you have not yet commenced operations, your comments on this schedule should summarize the following:

- Your strategy for providing long-term (5 years or longer) home financing through loan originations and/or loan purchases, and/or
- Your plans for purchasing mortgage-backed securities.

### Provide Written Explanation Outlining How Your Credit Policy and Lending Practices Meet the Needs of the Community

A de novo that has not yet had a Community Reinvestment Act compliance examination by its regulator is required to describe how and why its home financing credit policy and lending practices will meet the credit needs of its community.

Please address whether, and how, you engage in one or more of the following activities (parent or holding company activities may not be included for this purpose):

- At least 1% of your total assets are residential mortgage loans, as reflected on Schedule 6;
- Provide insurance related to housing, including but not limited to, homeowner's insurance, title insurance, flood insurance, or mortgage insurance;
- Originate or purchase mortgages for sale or securitization, such as in a mortgage banking operation;
- Originate or purchase mortgage-related assets that reflect support to the communities in which you market your products;
- Lending activity to low- and moderate-income areas, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies;
- Community development, support or investment activities;
- Investments in low-income housing tax credits;
- Other activities that support housing.

**OR**

Submit a copy of the CRA portion of the application for charter approval your bank submitted to its regulatory agency, addressing the above activities.

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**Note to Applicant:**

The Applicant hereby authorizes FHLBank Atlanta to file in the appropriate public record(s) a Uniform Commercial Code financing statement naming the Applicant as debtor and FHLBank Atlanta as secured party and having a collateral description in substantially the following form:

“All instruments, investment property, general intangibles, accounts and other personal property and all interests therein that are now owned or hereafter acquired by the debtor and in which a security interest has been granted under any security agreement entered into from time to time by the debtor in favor of the secured party, and any and all replacements and proceeds thereof.”

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## SUMMARY DATA SHEET FOR MEMBERSHIP APPLICATION

Name of Applicant: \_\_\_\_\_  
*(Exact name as specified in charter)*

Address: \_\_\_\_\_  
*(Principal executive offices)*

County: \_\_\_\_\_

Charter Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

Name and Title  
of Chief Executive Officer: \_\_\_\_\_

Name and Title of Primary  
Contact Person for this Application: \_\_\_\_\_

Telephone Number: ( ) \_\_\_\_\_ Email: \_\_\_\_\_

Name and Title of Secondary  
Contact Person for this Application: \_\_\_\_\_

Telephone Number: ( ) \_\_\_\_\_ Email: \_\_\_\_\_

Place and Date of Incorporation: \_\_\_\_\_

Type of Charter: \_\_\_\_\_

State, National, Federal? \_\_\_\_\_

FDIC Certificate Number: (if available): \_\_\_\_\_

Charter Approval Date (MM/DD/YY): \_\_\_\_\_

Insurance Date: \_\_\_\_\_

Date of Commencement of Operations: \_\_\_\_\_

Name of any holding Companies: \_\_\_\_\_  
*(Both immediate and top tier)*

Holding Company Number: \_\_\_\_\_

Consolidated asset size of top tier Holding Company: \$ \_\_\_\_\_ as of \_\_\_\_\_

Location of Holding Company: City: \_\_\_\_\_ State: \_\_\_\_\_

Member of Federal Reserve System: \_\_\_\_\_

Primary Federal Regulator: \_\_\_\_\_

Federal Reserve ID: \_\_\_\_\_

Date of first preliminary Federal Safety & Soundness Exam: \_\_\_\_\_

Date of first preliminary State Safety & Soundness Exam: \_\_\_\_\_

Date of first CRA Exam: \_\_\_\_\_

Applicant's Regulatory Capital Requirements for Leverage Capital: \_\_\_\_\_

Routing Transit Number: \_\_\_\_\_

Tax ID Number: \_\_\_\_\_

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## SCHEDULE 1

### APPLICATION FOR MEMBERSHIP AND PURCHASE OF STOCK IN THE FEDERAL HOME LOAN BANK OF ATLANTA

Date of Application: \_\_\_\_\_

The undersigned Applicant hereby applies for membership in the Federal Home Loan Bank of Atlanta (FHLBank Atlanta) and, if approved for membership, will purchase the required minimum number of shares of stock in FHLBank Atlanta, and agrees to make minimum payment for said stock purchase within 60 calendar days of approval for FHLBank Atlanta membership.

The Applicant is of the opinion that it is eligible to become a member of FHLBank Atlanta and that it is authorized to purchase and hold capital stock in, to do business with, and to maintain deposits in FHLBank Atlanta. The Applicant understands that this application must be approved by FHLBank Atlanta before becoming a member of FHLBank Atlanta. Accordingly, the Applicant agrees to promptly supplement the application with any relevant information that comes to the Applicant's attention prior to FHLBank Atlanta's decision on the application and, if applicable, prior to any resolution of any appeal to the Federal Housing Finance Agency (Finance Agency)

**In submitting this application, the Applicant understands and agrees that:**

- (1) It will be advised whether or not its application for membership is approved.
- (2) If admitted to membership, it will conform to all member requirements of the Federal Home Loan Bank Act, as now or hereafter amended, and to the rules and regulations thereunder.
- (3) In applying for and if the Applicant is admitted to membership, the Finance Agency and FHLBank Atlanta are authorized to receive any information, exam reports and other supervisory materials provided by the appropriate State or Federal regulatory authority or officer exercising supervisory authority over the Applicant and its affairs.
- (4) It will not represent itself to be a member of FHLBank Atlanta until it has received notice of approval of membership and has purchased its minimum stock requirement.

The Applicant, by its duly authorized representative, represents that such person has read this application and the requirements of 12 CFR Part 1263, and that in the opinion of such person, he or she has made such examination and investigation as is necessary (or is relying in good faith upon information received from qualified persons) to enable him or her to express an informed opinion that to the best of his or her knowledge and belief this application complies with the applicable requirements of the Federal Home Loan Bank Act and rules and regulations thereunder and that the Applicant has provided the most recent, accurate and complete information available.

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*(Exact name of Applicant as specified in charter)*

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*(Applicant's Street Address, City, State, and Zip Code)*

**Attest:** \_\_\_\_\_ **By:** \_\_\_\_\_  
*(Secretary)* *(Duly Authorized Representative)*

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*(Print Name)*

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*(Printed Name and Title)*

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## SCHEDULE 2

Name of Applicant: \_\_\_\_\_

Estimated Minimum Stock Requirement as of: \_\_\_\_\_

Values are in whole dollars

### Membership Stock Requirement (Subclass B1)

- 1 Total Assets \_\_\_\_\_
- 2 0.09% of line 1 \_\_\_\_\_
- 3 Maximum Requirement (*Cap*) \_\_\_\_\_ 15,000,000
- 4 Membership Stock Requirement: (*Lesser of Line 2 or Line 3, round to nearest 100*)\* \_\_\_\_\_

### Activity-Based Stock Requirement (Subclass B2)

- 5 4.25% \_\_\_\_\_ in outstanding advances \_\_\_\_\_
- 6 0.00% \_\_\_\_\_ in Acquired Member Assets (*AMA*) \_\_\_\_\_
- 7 0.00% \_\_\_\_\_ in Targeted Debt/Equity Investment \_\_\_\_\_
- 8 Total Activity-Based Stock Requirement (*Add line 5 through 7*) \_\_\_\_\_
- 9 Total Minimum Stock Requirement (*Line 4 plus 8, round to nearest 100*)\* \_\_\_\_\_  
(*Par value is \$100, therefore stock is rounded up to nearest \$100*)





# SCHEDULE 5

Name of Applicant: \_\_\_\_\_  
*(Exact name as specified in charter)*

## RESIDENTIAL AND LONG-TERM HOME MORTGAGE LOANS

### A. If you have commenced operations

Complete the table below for all residential mortgage loans and long-term home mortgage loans made or purchased by the Applicant *(include loans originated that will subsequently be sold within the secondary market and those originated through subsidiaries)*:

Total Assets: \_\_\_\_\_ As of \_\_\_\_\_

Original Maturity	Amount	Percentage of Total Assets <sup>1</sup>
Residential mortgage loans <sup>2</sup> less than 5-years:	\$	%
Residential mortgage loans 5 years or longer:		
Home mortgage loans <sup>3</sup> :	\$	%
Other Residential Mortgage Loans:	\$	%
Mortgage Backed Securities <sup>4</sup> :	\$	%
Total:	\$	%
Residential Assets/Total Assets:	\$	%

Longest Residential Mortgage Term     15 year     20 year     30 year

### Other comments regarding home mortgage loan programs offered:

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<sup>1</sup> Total assets means the total assets reported on applicant's most recent regulatory financial report.

<sup>2</sup> Residential mortgage loans means any one of the following types of loans, whether or not fully amortizing: (a) home mortgage loans, as defined in footnote 3 below; (b) funded residential construction loans; (c) loans secured by manufactured housing whether or not defined by state law as secured by an interest in real property; (d) loans secured by junior liens on one-to-four family property or multifamily property;

<sup>3</sup> Home mortgage loan means (a) a loan, whether or not fully amortizing, or an interest in such a loan, which is secured by a mortgage, deed of trust, or other security agreement that creates a first lien on one of the following interests in property: (i) one-to-four family property or multifamily property, in fee simple; (ii) a leasehold on one-to-four family property or multifamily property under a lease of not less than 99 years that is renewable, or under a lease having a period of not less than 50 years to run from the date the mortgage was executed; or (iii) combination business or farm property where at least 50 percent of the total appraised value of the combined property is attributable to the residential portion of the property, where the residence constitutes an integral part of the property

<sup>4</sup> Mortgage pass-through securities representing an undivided ownership interest in (i) loans that meet the requirements of the definition of "residential mortgage loans" at the time of issuance of the security; (ii) securities representing an undivided ownership interest in loans, provided that, at the time of issuance of the security, all of the loans meet the requirements of the definition of "residential mortgage loans" above; or (iii) mortgage debt securities secured by (x) loans, provided that, at the time of issuance of the security, substantially all of the loans meet the requirements of the definition of "residential mortgage loans" above; (y) mortgage pass-through securities, as defined above; or (z) securities secured by assets, provided that, at the time of issuance of the security, all of the assets meet the requirements of the definitions of "residential mortgage loans" or "mortgage pass-through securities" above.

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**A. If you have not commenced operations**

1. What home mortgage loan programs do you plan to offer? Please indicate term of loans.

2. Do you plan to purchase MBS?

