



Community Heroes

Grant Funding Initiative

FHLBank Atlanta and
City of Charlotte

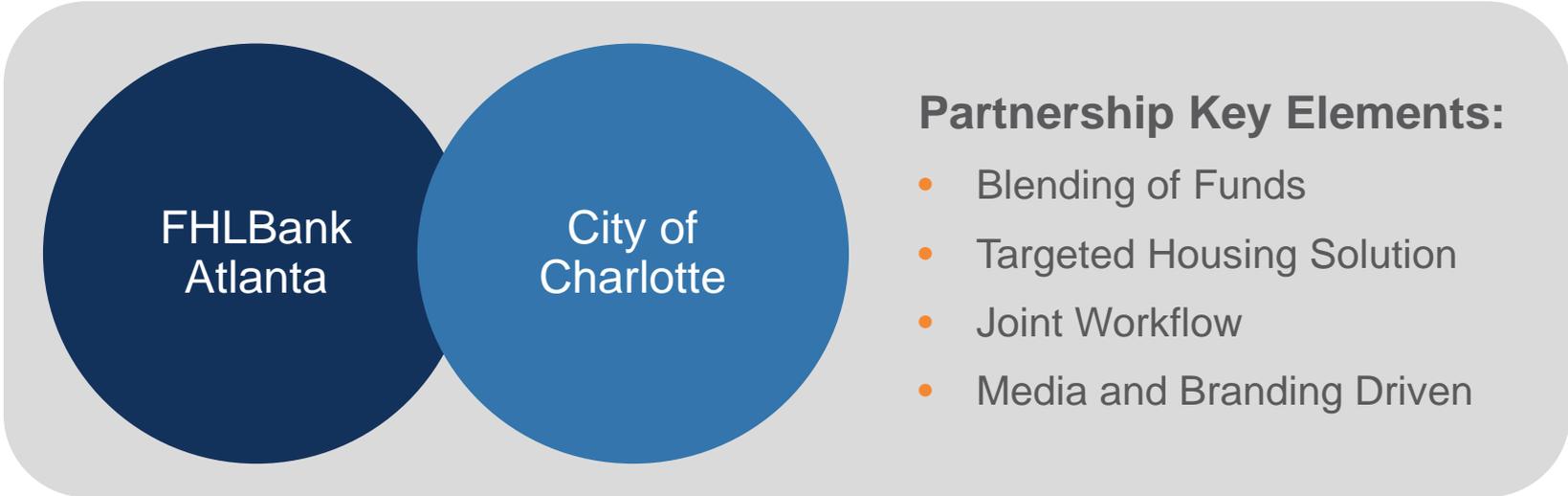
September 24, 2019



- Welcome and Introductions
- City of Charlotte Community Heroes Overview and Benefits
- Roles and Responsibilities
- Transactional Workflow
- Getting Started
- Marketing and Outreach
- Closing Remarks

PARTNERSHIP

Structured Arrangement



FHLBank
Atlanta

City of
Charlotte

Partnership Key Elements:

- Blending of Funds
- Targeted Housing Solution
- Joint Workflow
- Media and Branding Driven

Up to **\$4.5 Million** in Grants from FHLBank Atlanta

Community Heroes

Leveraging up to \$13.5 million in additional grants from local sources to support home purchase activities

Households **must be greater than 80 percent of area median income (AMI) and shall not exceed 120 percent AMI**

Local **Structured Partnership** entity (HFA, state, or local municipality) must provide at least **3-to-1 match**

All funding shall be **extended exclusively via FHLBank Atlanta shareholder financial institutions**

Local entity will manage local structures, intake, processing, and funding

\$18 Million in Total Funding Available

City of Charlotte Community Heroes: Overview



City of Charlotte

- **\$1,500,000 Total**
- **\$5,625 per unit**
- Eligible households purchasing homes within the city of Charlotte who are employed as:
 - Public school teachers
 - Law enforcement officers
 - Firefighters
 - Other first responders

FHLBank Atlanta

- **\$500,000 Total**
- **\$1,875 per unit**
- City of Charlotte Community Heroes with household incomes between 80.01 percent to 110 percent of the HUD area median income

City of Charlotte Community Heroes: Benefits to Shareholders

FHLBank Atlanta

Shareholder
Benefits



Only FHLBank Atlanta shareholders that are approved City of Charlotte lenders are eligible

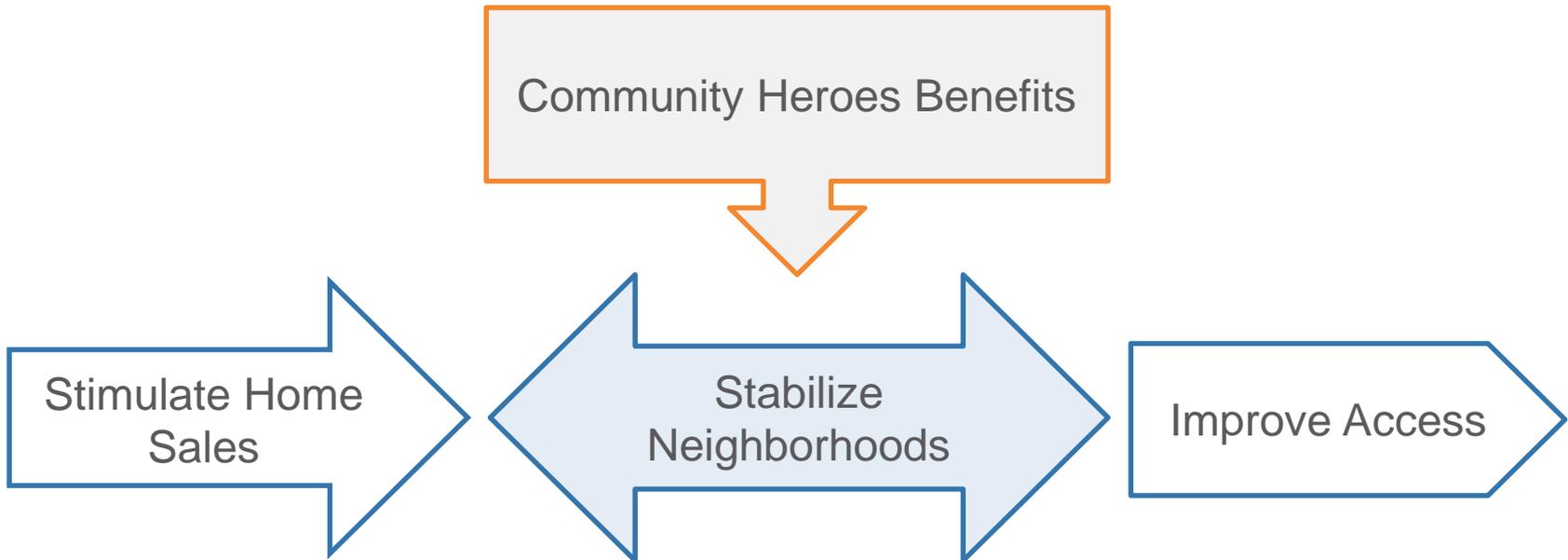
Increase mortgage pipeline and add new customers

Community Reinvestment Act innovation strategy

Establish relationships with local governments and others working toward community revitalization

Positive branding and public relations within the community

City of Charlotte Community Heroes: Benefits to Community



City of Charlotte Community Heroes: Roles and Responsibilities



Shareholders

- Marketing and outreach
- Generate first mortgage for eligible homebuyer
- Provide preliminary documents to FHLBank Atlanta and City of Charlotte
- Disburse funds at closing
- Provide final post closing documents to FHLBank Atlanta and City of Charlotte

City of Charlotte Community Heroes: Roles and Responsibilities



City of Charlotte

- Approve lenders
- Complete Community Heroes certification for eligibility

FHLBank Atlanta

- Review Community Heroes certification and request quality control documentation if selected
- Disburse funds to FHLBank Atlanta shareholder at least two business days prior to closing (simultaneous closing)

City of Charlotte Community Heroes: Eligibility Details

Eligible Use of Funds

- First mortgage principal reduction
- Down payment and closing costs
- Homebuyer counseling

Eligible Borrowers

- Teachers, law enforcement officers, firefighters, and other first responders
- Household incomes 80.01 percent to 110 percent of HUD AMI

Eligible Properties

- 1-4 family properties
- Townhomes
- Condominiums
- Property must be located within the City of Charlotte

City of Charlotte Community Heroes: Sample Deal



Sample Deal Structure

Home Sales Price	\$200,000
Shareholder first mortgage	\$192,500
City of Charlotte 3:1 matching ratio	\$5,625
Homebuyer	\$0
Closing costs	\$TBD
FHLBank Atlanta funds 3:1 matching ratio	\$1,875
LTV without Community Heroes funds	100 percent
LTV with Community Heroes funds	96 percent

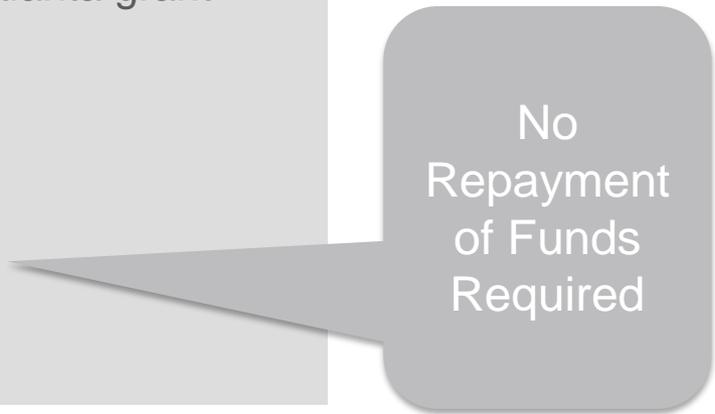
City of Charlotte Community Heroes: Lien Position

Lien Positions

- 1st lien – FHLBank Atlanta shareholder
- 2nd lien – NC Housing, if applicable
- 3rd lien – City of Charlotte

No Lien Position

- FHLBank Atlanta grant



No
Repayment
of Funds
Required

City of Charlotte Community Heroes: Transactional Workflow

Step 1



- Shareholder makes application to become an approved lender, as per instructions provided on City of Charlotte website: www.HouseCharlotteProgram.com

Step 2



- Homebuyer contacts approved FHLBank Atlanta shareholder to make application for Community Heroes funds, providing the following documentation to confirm eligibility:
 - Evidence of current employment
 - Income documentation for all household members ages 18 and over
- FHLBank Atlanta shareholder qualifies the homebuyer and forwards documentation to City of Charlotte

Step 3



- City of Charlotte conducts income qualification analysis to determine whether income is at least 80.01 percent but not more than 110 percent of AMI via HUD income limits
- City of Charlotte representative executes Community Heroes certification and forwards to FHLBank Atlanta shareholder

Step 4



- At least five business days prior to closing, FHLBank Atlanta shareholder submits the following documentation to FHLBank Atlanta at CommunityHeroesInitiative@fhlbatl.com for prefunding review:
 - Homebuyer preliminary closing disclosure documenting 3:1 match between City of Charlotte and FHLBank Atlanta
 - Executed Community Heroes certification
 - Certificate of homebuyer counseling completion

Note: If the homebuyer is selected for quality control review by FHLBank Atlanta, City of Charlotte must send all prequalifying income documents to the shareholder for submission to FHLBank Atlanta for review and approval. Income documentation is not required to be sent to FHLBank Atlanta if the unit is not selected for quality control review.

City of Charlotte Community Heroes: Transactional Workflow



Step 5



- At least 48 hours prior to the scheduled closing, FHLBank Atlanta will deposit funds in the shareholder's demand deposit account at FHLBank Atlanta. FHLBank Atlanta shareholder will transfer funds to settlement agent

Step 6



- Shareholder submits the final executed closing disclosure to FHLBank Atlanta at CommunityHeroesInitiative@fhlbatl.com and City of Charlotte

City of Charlotte Community Heroes: How to Get Started



Contact City of Charlotte to become a Participating Lender

- The Lender Agreement and Instructions are located at the following link:
www.HouseCharlotteProgram.com
- For additional assistance, please contact: Ron Mason 704-336-2754;
rmason@charlottenc.gov

Participate in webinar training – invitation will be sent

City of Charlotte Community Heroes: Household Eligibility



Median Income Limits

Family Size								
% of Area Median Income	1	2	3	4	5	6	7	8
80.01% (lower income limit)	\$44,251	\$50,601	\$56,901	\$63,201	\$68,301	\$73,351	\$78,401	\$83,451
110% (upper income limit)	\$60,850	\$69,500	\$78,200	\$86,900	\$93,950	\$100,850	\$107,800	\$114,750

<https://www.cmhp.org/homeownership/wp-content/uploads/sites/3/2019/06/AMI-Affordability-Income-Limits-June-28-2019-House-Charlotte-.pdf>

City of Charlotte Community Heroes: Marketing and Outreach



Member Locator

Find a Member Near You

Select the type of member you'd like to find

- Member Financial Institutions
- Lenders that participate in AHP Ownership Products
- Lenders that participate in Multifamily Housing

Enter Zip Code:

Contact us to add your institution to the Find A Member page on FHLBank Atlanta's website

Provide Primary Shareholder Contact Information

Jessie Marquardt
Production and Portfolio Team Lead
404.888.8230
jmarquardt@fhlbatl.com

Cassandra Madden
Homeowner Assistance Coordinator
404.888.5321
cmadden@fhlbatl.com

We are happy to help!



Thank You