

# RESIDENTIAL

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## AVAILABLE FOR SALE

### Increase Borrowing Capacity with Held-for-Sale Loans

FHLBank Atlanta's Residential Available for Sale (RAFS) solution helps meet the funding needs of lenders selling into the secondary market. RAFS enables shareholders to establish lendable collateral value on their pipelines of closed residential 1-4 family mortgages awaiting sale into the secondary market. RAFS collateral becomes part of a shareholder's general collateral pool – expanding overall borrowing capacity – and can be used to secure advances at standard market pricing. It's a flexible, readily available source of additional collateral capacity for a mortgage warehouse line or any other short- or long-term borrowing need.

#### **What Qualifies for RAFS**

Qualifying RAFS collateral includes wholly owned residential, traditional, prime 1-4 family first mortgages that are underwritten to the guidelines of the investor and identified as "held for sale" on the shareholder's periodic regulatory reports.

Mortgage loans can be pledged to the Bank for up to 90 days. In addition, all other FHLBank Atlanta collateral eligibility requirements for residential 1-4 family first mortgages apply. Full eligibility requirements are listed in the Bank's Member Products and Services Guide.

### **RAFS BENEFITS**

#### **Reliable, available funding when you need it.**

RAFS is a flexible source of mortgage warehouse funding during periods of higher residential loan demand.

#### **Increased Lendable Collateral Value (LCV).**

The LCV of RAFS collateral is added to a shareholder's general collateral pool, increasing total borrowing capacity.

#### **Competitive pricing.**

RAFS collateral can be used to secure any advance product at standard pricing, making it far less expensive than traditional warehouse lines in the market today.

#### **Easy to use**

Shareholders submit daily reports online. Additionally, the Bank generally does not require shareholders to deliver the mortgage documents to access funding.

## Four Steps to Get Started



Complete RAFS questionnaire.



Submit initial loan listing of proposed RAFS collateral to the Bank.



Collateral Verification Review conducted on RAFS collateral.



FHLBank Atlanta approves shareholder for RAFS.

## Ongoing Reporting



Upload daily loan listings through FHLBAccess® with certification statement.



RAFS lendable collateral value is added to the available collateral balance to provide greater borrowing capacity.



Additional requirements apply. Please contact FHLBank Atlanta for full details.

## ADDITIONAL BENEFITS: RAFS REVIEW PROCESS

Process	Benefits
RAFS collateral must be reviewed two times in a 12-month period	Opportunity to reduce extrapolation rates in a shorter time compared to a typical annual review (six months vs. one year)
Streamlined review process conducted in-house at FHLBank Atlanta	Shorter review time of one and a half days compared to three days for a typical CVR
Transfer imaged sample files to FHLBank Atlanta via secure system	Increased efficiency and fewer interruptions to shareholder staff's daily workflow. Hard copies of files are typically not needed
Lower exception rates for RAFS collateral compared to other residential mortgage portfolios	2021 average exception rate for RAFS: 2.76 % 2021 average exception rate for residential portfolios reviewed: 5.75%

## Credit Risk Rating

Shareholders must have an FHLBank Atlanta credit risk rating from 101 to 103 to participate in RAFS. If a shareholder's credit rating declines to 103, additional discounts will apply to the reported collateral. Shareholders with a credit rating of 104 or a CAMELS 5 are not eligible to pledge RAFS collateral.

## LEARN MORE

To learn more about RAFS and how it can help increase your borrowing flexibility with FHLBank Atlanta, please contact Heather Gilliam at [hgilliam@fhlbatl.com](mailto:hgilliam@fhlbatl.com) and Dale Anderson at [danderson@fhlbatl.com](mailto:danderson@fhlbatl.com).

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