



Introductions 

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Agenda 

- FHLBank Atlanta Overview
- AHP Homeownership Set-aside Program Overview
- AHP General Fund Overview
- FHLBank Atlanta Community Initiatives
 - Heirs' Property
 - Financial Literacy
- Dispelling the Myths of AHP
- Helpful Resources
- Questions and Answers

AHP Homeownership Set-aside Program – 2023 

Program Eligibility

-  Five Year Retention Period for Purchase products only – Borrowers must sign AHP Homeownership Set-aside Program note and security instrument
-  Homebuyer/Homeowner applies through FHLBank Atlanta member
-  Homeownership Counseling is required and is offered online or over the phone by an FHLBank Atlanta designated counseling provider

AHP Homeownership Set-aside Program – 2023 


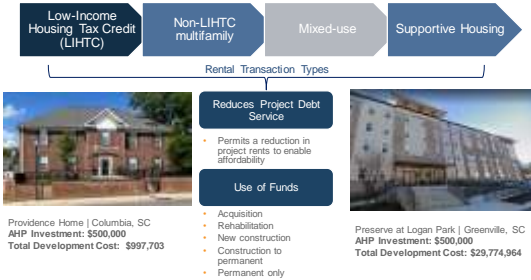
Purchase Products

 80% Area Median Income Household income must be at or below 80 percent of the area median income	 \$1,000 Minimum Homebuyer Contribution Not applicable to rehab-only Community Rebuild and Restore product	 \$250 Maximum Cash Back at Closing
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AHP General Fund Overview 



AHP General Fund – Rental Transaction Types


AHP is available for simultaneous funding with other public or private funding sources

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AHP General Fund – LIHTC Project Example

Example: 9% LIHTC Deal



Example: 52-unit, Senior Rental Project

	Total Sources	AHP	Member First Mortgage	Other Sources*
Acquisition	\$180,000	\$157,800		\$22,200
Construction	\$5,131,407	\$310,200	\$180,000	\$4,641,207
Soft Costs	\$706,376			\$706,376
Other Costs	\$1,010,059			\$1,010,059
Total Development Budget	\$7,027,842	\$468,000	\$180,000	\$6,379,842

Borrowing the Amount of AHP from the Member

Total Member First Mortgage	\$648,000
AHP	\$0
Member Loan-to-Value (LTV)/cost	9.2%
Debt Coverage Ratio	0.56

Making Lending Possible and Projects Feasible

Using AHP Funds


Total Member First Mortgage	\$180,000
AHP	\$468,000
Member Loan-to-Value (LTV)/cost	2.6%
Debt Coverage Ratio	2.14

*Other sources include subordinate and soft debt and equity

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AHP General Fund – Non-LIHTC Rental Example



Example: 8-unit, Senior Rental Project, Housing Authority Sponsor

	Total Sources	AHP	Member First Mortgage	Other Sources*
Acquisition	\$25,000		\$25,000	\$0
Construction	\$1,028,578	\$83,000	\$209,328	\$819,250
Soft Costs	\$52,030	\$17,000	\$7,950	\$44,080
Other Costs	\$70,000		62,360	\$7,640
Total Development Budget	\$1,175,608	\$100,000	\$304,638	\$870,970

Borrowing the Amount of AHP from the Member

Total Member First Mortgage	\$404,638
AHP	\$0
Member Loan-to-Value (LTV)/cost	34.4%
Debt Coverage Ratio	1.14

Improves Project Feasibility

Using AHP Funds

Total Member First Mortgage	\$304,638
AHP	\$100,000
Member Loan-to-Value (LTV)/cost	25.9%
Debt Coverage Ratio	1.51

*Other sources include subordinate and soft debt and equity

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Application Process for AHP General Fund



When to Apply



General Fund Application and Underwriting Schedule



Threshold



- 1 Application Certification
- 2 Site Control
- 3 Permanent Sources and Uses Statement
- 4 20 Percent of Funding Committed by an Unrelated Third Party
- 5 Project Specific Thresholds
- 6 Sponsor Qualifications

FHLBank Atlanta Community Initiatives
 Heirs' Property

The Problem and the Challenge



Legal definition of heirs' property in Uniform Partition of Heirs Property Act (O.C.G.A. 44-6-180)

Property that passes from generation to generation without designating one owner or entity to manage the real estate, which results in many people owning the property.

Heirs' property is created when....

- A property owner dies *with* a will that leaves the property to multiple beneficiaries
- OR
- A property owner dies *without* a will so the property passes to heirs at law via intestate succession



FHLBank Atlanta Community Initiatives
 Heirs' Property

An Often Unknown but Pervasive Barrier

Many blighted properties are abandoned heirs' properties

Status makes it difficult for cities to identify owners, enforce code ordinances, and collect property taxes

Heirs' property is a contributing factor to the decrease in owner-occupied homes

Heirs' property hinders efforts to increase affordable housing and family stability

Communities can lose funding for revitalization efforts if heirs' property is pervasive



FHLBank Atlanta Community Initiatives
 Heirs' Property

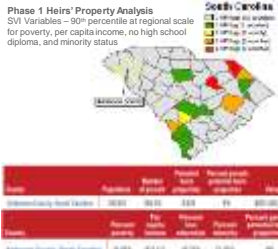
The Scale of the Problem: South Carolina Data

Study by USDA Forest Service – September 2017*


The USDA Forest Service sponsored a study in 2017 to identify potential heirs' property

- Four demographic indicators were used in the rankings:
- Poverty level in 90th percentile for region
 - Per capita income
 - Lack of high school diploma
 - Minority

This image to the right reflects clusters of counties identified by the study. Red counties are believed to be the most likely to contain higher numbers of heirs' properties. Anderson County was highlighted as an example in this study.



*Source: Identifying Potential Heirs Properties in the Southeastern United States, USDA Forest Service, Pippin, Jones, and Gaither

FHLBank Atlanta Community Initiatives
Heirs' Property 

2021 Heirs' Property Prevention and Resolution Funders' Forum


Atlanta, Georgia,
December 2, 2021

- FHLBank Atlanta solicited seven co-sponsor organizations
- Virtual and in-person event
- Attendees represented 22 states and the District of Columbia
- Initiatives presented by 84 organizations
- 40 potential funders attended

2022 Heirs' Property Prevention and Resolution Grant Initiative

\$ 1 Million


- Up to \$100,000 available to organizations that submitted an initiative at the FHLBank Atlanta Heirs' Property Prevention and Resolution Funders Forum
- Proposals aligned with the original initiative proposed in December 2021
- Award decisions were made in December 2022 and awarded funds were distributed in Q1 2023
- First reports of outcomes and results will be received in August 2023

FHLBank Atlanta Community Initiatives
Tifton, Ga. Financial Literacy Initiative 

Role of FHLBANK Atlanta



- Created concept
- Selected city
- Gathered stakeholders
- Project management
- Presentations
- Recruitment
- Event management
- Provided event sponsorship

FHLBank Atlanta Community Initiatives
Tifton, Ga. Financial Literacy Initiative 

- Residents will have access to strategically delivered and comprehensive training with the following **five** components:
 - Financial literacy
 - Homebuyer and homeownership counseling
 - Property and estate planning
 - Retirement and healthcare literacy
 - Small business and entrepreneurial training

Coalition includes:

- Banks
- Builders
- Credit unions
- Faith-based entities
- Housing counselors
- Local government
- Local media
- Major employers in and around Tifton
- Other financial institutions and providers
- Public and Private Schools
- Realtors

FHLBank Atlanta Community Initiatives
Tifton, Ga. Financial Literacy Initiative



Outcomes of
October 6 event

- Stakeholder recruitment event
- 85+ registrations



Dispelling Myths About AHP



Dispelling Myths About AHP Set-aside



MYTH #1:
A homebuyer cannot use the AHP Homeownership Set-aside Program when they have down payment funds from another source

- FACT:**
- Funding from FHLBank Atlanta and another source is allowed, as long as the first mortgage meets the investor requirements



Dispelling Myths About the General Fund 

MYTH #2:
AHP General Fund requires a lower developer fee than most state housing finance agencies (HFAs) permit

- FACT:**
- AHP partners well with other funding sources, including funds administered by state HFAs
 - Guidelines state that we may defer to published guidelines from the HFA if the project is utilizing funding from the HFA



Dispelling Myths About the General Fund 

MYTH #3:
Only Low-income Housing Tax Credit applications can be competitive in AHP

- FACT:**
- Since 1990, the Bank has awarded more than \$846 million to 2,580 AHP General Fund projects
 - 31 percent of the projects awarded were ownership
 - 69 percent of the projects awarded were rental
 - 37 percent non-LIHTC
 - Since 2018, 26.1 percent of the total 234 rental projects awarded included supportive housing
 - 55 percent of those projects were non-LIHTC rental projects



Dispelling Myths About the General Fund 

MYTH #4:
A project that has already received a Low-income Housing Tax Credit award is not eligible for AHP

- FACT:**
- Projects that have already received a LIHTC award are also eligible to apply for AHP
 - FHLBank Atlanta views projects with LIHTC awards as very ready
 - Projects that have received a LIHTC award can receive up to five readiness points



Dispelling Myths About the General Fund 

MYTH #5:
AHP cannot be used for mixed-use projects

FACT:
• AHP can be used for the residential portion of mixed-use projects



Dispelling Myths About the General Fund 

MYTH #6:
FHLBank Atlanta knows the minimum score that is needed to win an AHP award in each round

FACT:
• The minimum winning score is not known until the application underwriting is complete
• Changes from year to year include
– Competitive application pool
– Scoring
– Amount of AHP funds available



Dispelling Myths About the General Fund 

MYTH #7:
Developers only have 12 months after the awarded to request AHP funding

FACT:
• 24 months is the disbursement deadline for rental projects
• 39 months is the disbursement deadline for ownership using AHP funds as downpayment assistance



Dispelling Myths About the General Fund 

MYTH #8:
\$500,000 is not enough funding to compensate for the extra work required to submit an application

- FACT:**
- In recognition of increased project costs, in 2022 the Bank increased the maximum AHP award to \$750,000, which is available for all locations
 - In 2022 the Bank also added a five-point scoring category for projects located in HUD-designated Difficult Development Areas




Dispelling Myths About the General Fund 

MYTH #9:
AHP General Fund cannot be used to pay for project costs overruns

- FACT:**
- A project in construction at the time of application submission is eligible
 - Project must still demonstrate need for subsidy and costs must be reasonable
 - These projects are more likely to receive Readiness points, which would increase their competitiveness
 - In 2023 the Bank added scoring for Construction Readiness that awards three points for projects that have
 - Received building or rehabilitation permits
 - Closed on construction financing, or
 - Rehab work is in progress at the time of application



Dispelling Myths About the General Fund 

MYTH #10:
AHP funds can only be used as 'last in' money

- FACT:**
- AHP funds can be disbursed to the project at whatever time you need them
 - This could be as early as acquisition, for construction, or when the project is complete



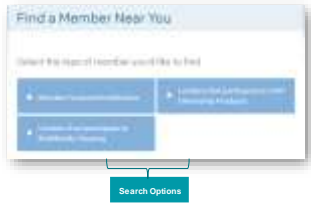
Helpful Resources	
Program Guidelines	Links
FHLBank Atlanta Website	http://corp.fhbatl.com/
Application Resources	
Project Sponsor Registration Instructions	http://corp.fhbatl.com/files/documents/ahp-sponsor-registration.pdf
Targeted Community Lending Plan	https://corp.fhbatl.com/files/documents/targeted-community-lending-plan.pdf
AHP Implementation Plan	http://corp.fhbatl.com/files/documents/ahp-implementation-plan.pdf
Income Documentation Requirements	http://corp.fhbatl.com/files/documents/ahp-income-documentation-requirement.pdf
Retention Agreement Rider and Instructions	Rental: http://corp.fhbatl.com/files/documents/ahp-retention-agreement-rider-and-instructions-general-fund-rental-project.pdf Ownership: http://corp.fhbatl.com/files/documents/ahp-retention-agreement-rider-general-fund-owner-occupied.pdf
MDI, CDFI and LDCU Member List	https://corp.fhbatl.com/files/documents/fidcu-cdfi-mdi-list.pdf
FHLBank Atlanta's AHP Income Limits Calculator	https://cis.fhbatl.com/regsponsor/incomecalculator
Member Locator Registration Form	http://corp.fhbatl.com/files/documents/ahp-competitive-zip-code-locator.xlsx



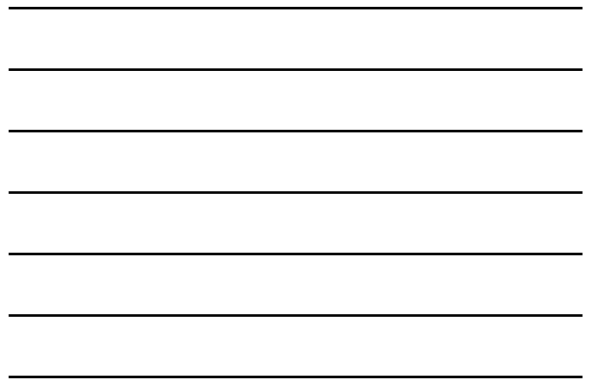
Helpful Resources

Member Banks that Participate in AHP Homeownership Set-aside Program and Multifamily Housing

- "Find a Member" on the Bank's website includes member business contacts for multifamily in addition to existing homeownership



Currently 68 different member financial institutions are headquartered in South Carolina and there are additional members who are active lenders in South Carolina



Contact Information

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800.536.9650, Option 3



Do You Have Any Questions? 

We are happy to help!



Thank You
