

FEDERAL HOME LOAN BANK OF ATLANTA
2020 TARGETED COMMUNITY LENDING PLAN

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EXECUTIVE SUMMARY

The 2020 Targeted Community Lending Plan includes a summary of the major activities engaged in by the Federal Home Loan Bank of Atlanta (Bank) in 2019 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 2020.

The Bank participated in 61 events, workshops, and other activities that were sponsored, hosted, and/or supported by the Bank that provided the Bank the opportunity to gather primary data and feedback from shareholders, for-profit and non-profit intermediaries, regulators, developers, government and quasi-governmental agencies. The data and feedback from these primary sources focused on community lending, affordable housing, 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 published research and analysis.

Based on the assessment of primary and secondary data, the Bank will continue to build upon several of its 2019 initiatives with updated community lending strategic initiatives in 2020 that address:

Continuing Initiatives:

- Assisting shareholders in their disaster recovery efforts
- Initiatives focused on teachers, police officers, firefighters, and first-responders

New in 2020:

- Advancing the Bank's Diversity and Inclusion initiatives by strategically engaging:
 - Minority Depository Institutions (MDIs)
 - Minority-serving organizations
- Initiatives to promote community outreach, shareholder outreach, and shareholder penetration for the Bank's CICA advance products for housing and economic development
- An initiative to establish a CICA eligible grant program

Quantitative Performance Goals:

- AHP and CICA-related Diversity and Inclusion performance goals
 - Minority Depository Institutions (MDIs)
 - Minority-serving organizations
- AHP outreach performance goals
 - Disaster recovery outreach
- CICA outreach performance goals
 - Outreach to targeted shareholders
 - Community outreach events
 - Shareholder penetration

METHODOLOGY

The Bank collects data and conducts research to better understand the credit needs and market opportunities in the Bank's district for targeted community lending. 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 shareholders, 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, University of Wisconsin-Whitewater, National Oceanic and Atmospheric Administration, FEMA, USDA, and the FDIC.

PART ONE:
DETERMINING THE COMMUNITY FINANCE NEEDS OF THE BANK'S DISTRICT

I. Primary Sources of Data and Understanding

2019 Bank Participation in Activities and Events to Ascertain Community Lending and Market Needs and Receive Community Feedback

To provide the basis for formulating its 2020 initiatives, the Bank, in 2019, demonstrated its commitment to better understand the community lending needs within the Bank's district by engaging in over 61 events where community lending and market needs data were shared and discussed with developers, non-profit organizations, Community Reinvestment Act (CRA) regulators, lending professionals, etc. The events included a mixture of Bank sponsored events and other events conducted by other parties including regulators, trade associations, shareholders of FHLBank Atlanta, housing finance agencies (HFAs), and government agencies. In addition to gathering community lending and market needs data and information, Bank staff better positioned themselves to ascertain community lending and markets needs by participating in numerous events by either serving as a speaker, panelist, moderator, and/or exhibitor. The Bank also leveraged members of its Affordable Housing Advisory Council and members of its board of directors to further enhance the opportunity for community feedback.

A summary of the Bank's 2019 events to ascertain community lending needs is as follows:

#	Name of Event	Date	Location	Description; Participants; Focus
1	Alabama Housing Finance Agency Developer Workshop	01/11/2019	Prattville, AL	<ul style="list-style-type: none"> The CIS Director presented how the Bank's products and services could assist developers, non-profits, for-profits, and governmental agencies 200 attendees; developers, public officials
2	FDIC Event: Disaster Recovery Forum	01/29/2019	Panama City, FL	<ul style="list-style-type: none"> The CIS Relationship Manager discussed how the Bank's products and services could assist current homeowners affected by recent disasters 67 attendees; local officials, developers, nonprofit agencies, bankers
3	Miami Chamber of Commerce: Opportunity Zones Conference	02/12/2019	Miami, FL	<ul style="list-style-type: none"> The CIS Director presented how the Bank's products and services can be utilized in conjunction with Opportunity Zone incentives 102 attendees; bankers, local officials, developers
4	National Association of Homebuilders International Builders' Show	02/17-20/2019	Las Vegas, NV	<ul style="list-style-type: none"> The Chief Business Officer presented how the Bank's products and services could assist home building professionals 100+ attendees
5	Community Reinvestment Act Consultation: Burke and Herbert Bank	02/26/2019	Alexandria, VA	<ul style="list-style-type: none"> The CIS Director and team discussed how the Bank's products and services could assist the shareholder in achieving a favorable rating for their CRA initiatives
6	Community Reinvestment Alliance of South Florida Annual Summit	02/28/2019	Davie, FL	<ul style="list-style-type: none"> The CIS Business Development Relationship Manager attended the event to connect with shareholders and community organizations 150+ attendees
7	Community Heroes: Westside Future Fund Shareholder Event	03/04/2019	Atlanta, GA	<ul style="list-style-type: none"> The CIS Director presented the Bank's Community Heroes product at the Bank sponsored event 24 shareholder participants from 13 unique shareholders
8	Community Heroes: City of Tampa Shareholder Event	03/06/2019	Tampa, FL	<ul style="list-style-type: none"> The CIS Director presented the Bank's Community Heroes product 16 shareholder participants, 9 unique shareholders
9	National Council of State Housing Agencies Legislative Conference	03/11-13/2019	Washington, DC	<ul style="list-style-type: none"> The Sales and Trading Operations Manager presented how the Bank's products and services could increase the supply of affordable homeownership
10	Community Heroes: City of Asheville Shareholder Event	03/13/2019	Asheville, NC	<ul style="list-style-type: none"> The CIS Director presented the Bank's Community Heroes product 17 shareholder participants, 8 unique shareholders

11	Community Reinvestment Act Business Development Forum: TowneBank and Virginia Housing Development Authority	03/15/2019	Suffolk, VA	<ul style="list-style-type: none"> • The CIS Director discussed how the Bank's products and services could assist the shareholder in achieving a favorable rating for their CRA initiatives • 44 shareholder attendees and Mayor of Norfolk
12	Housing Opportunities Commission of Montgomery County	03/19/2019	Montgomery County, MD	<ul style="list-style-type: none"> • The CIS Portfolio Manager presented on how the Bank's products and services could increase the supply of affordable homeownership • Local and public city officials in attendance
13	Low-Income Housing Tax Credit Bootcamp: CityFirst Bank	03/21/2019	Washington, DC	<ul style="list-style-type: none"> • The CIS Director, CIS Portfolio Manager and Team Lead hosted a boot camp providing a comprehensive overview of how to source and originate LIHTC deals
14	Georgia Affordable Housing Coalition Conference and Trade Show	03/27-29/2019	Savannah, GA	<ul style="list-style-type: none"> • The CIS Portfolio Manager presented how the Bank's products and services could increase the supply of affordable rental and ownership housing • 100+ attendees
15	Community Reinvestment Act Consultation: Aquesta Bank	04/04/2019	Cornelius, NC	<ul style="list-style-type: none"> • CIS Director and team discussed how the Bank's products and services could assist the shareholder in achieving a favorable rating for their CRA initiatives
16	Community Heroes: Pinellas County Shareholder Event	04/18/2019	St. Petersburg, FL	<ul style="list-style-type: none"> • The CIS Director presented the Bank's Community Heroes product • 13 shareholder participants, 10 unique shareholders
17	Lunch with Fort Valley State University and National Association of Minority Mortgage Bankers of America Delegation	04/25/2019	Atlanta, GA	<ul style="list-style-type: none"> • Coordinated by AHAC Member Marcia Griffin; CIS Director presented at the Bank sponsored and hosted event to promote D&I initiatives with a minority-serving-organization
18	Innovative Community Development Finance Institutions Collaborations	04/25/2019	Atlanta, GA	<ul style="list-style-type: none"> • The CIS Director presented to discuss how the Bank's products and services could increase the supply of affordable rental and ownership housing
19	Community Heroes: Virginia Housing Development Authority	04/30/2019	Richmond, VA	<ul style="list-style-type: none"> • The CIS Director presented the Bank's Community Heroes product • 22 shareholder participants, 14 unique shareholders
20	American Mortgage Conference	04/30/2019	Pinehurst, FL	<ul style="list-style-type: none"> • The Chief Business Officer hosted a panel with 2 shareholders and the CIS Relationship Manager to discuss the Bank's homeowner assistance products. • 35 attendees

21	Community Heroes: South Carolina State Housing Finance and Development Authority Shareholder Event	05/7/2019	Columbia, SC	<ul style="list-style-type: none"> • The CIS Director presented the Bank's Community Heroes product • 20 shareholder participants; Also In attendance: local and public city officials
22	Developer Feedback Session	05/10/2019	Washington, DC	<ul style="list-style-type: none"> • The CIS Director discussed how the Bank's products and services could assist developers and obtained feedback
23	BeltLine Affordable Housing Advisory Board (BAHAB) Presentation	05/14/2019	Atlanta, GA	<ul style="list-style-type: none"> • The CIS Director presented how the Bank's products and services could increase the supply of affordable homeownership
24	South Carolina Mortgage Bankers Conference	05/15/2019	Columbia, SC	<ul style="list-style-type: none"> • The CIS Associate Director and CIS Business Development Relationship Manager presented how the Bank's products and services could facilitate increased mortgage lending and increase the supply of affordable homeownership • 50 attendees
25	Mid-Atlantic Regional Mortgage Conference	05/15/2019	Oxon Hill, MD	<ul style="list-style-type: none"> • The CIS Director presented how the Bank's products and services could increase the supply of affordable homeownership • 100+ attendees
26	Community Heroes: Alabama Housing Finance Authority Shareholder Event	05/20/2019	Mobile, AL	<ul style="list-style-type: none"> • The CIS Director presented the Bank's Community Heroes product • 2 unique shareholder; 20 total participants
27	Operation HOPE - HOPE Global Forum	05/29-31/2019	Atlanta, GA	<ul style="list-style-type: none"> • The CIS Director attended the event hosted by Synovus Bank
28	ASCEND 2020 Atlanta	05/31/2019	Atlanta, GA	<ul style="list-style-type: none"> • The CIS Director attended the event hosted by a minority-serving-organization
29	Community Development Bankers Association 2019	06/04/2019	Washington, DC	<ul style="list-style-type: none"> • The CIS Director presented how the Bank's products and services could assist members of the association in achieving a favorable rating for their CRA initiatives • 100+ attendees
30	2019 CAHEC Partners Conference -Partners Building Communities	06/04/2019	Greensboro, NC	<ul style="list-style-type: none"> • The CIS Portfolio Manager participated in discussions with attendees addressing potential funding sources for LIHTC projects • 100+ attendees
31	Community Heroes: Alabama Housing Finance Authority Shareholder Event	06/18/2019	Huntsville, AL	<ul style="list-style-type: none"> • The CIS Director presented the Bank's Community Heroes product in partnership with the Alabama Housing Finance Authority • 12 shareholder participants

32	Unlocking Doors Event in Jacksonville, FL	6/19/19	Jacksonville, FL	<ul style="list-style-type: none"> • The CIS Business Development Manager presented the Bank's homeowner assistance products at the Freddie Mac and SunTrust sponsored event • 200+ Attendees including members of the National Real Estate Brokers and National Association of Hispanic Real Estate Professionals
33	Community Heroes: City of Birmingham Presentation	06/20/2019	Birmingham, AL	<ul style="list-style-type: none"> • The CIS Director meet with the mayor's office to discuss the Bank's Community Heroes product • Coordinated by AHAC Member Sally Macklin; local and public city officials in attendance
34	National Interagency CDFI/MDI Bank Conference (FDIC/OCC/Federal Reserve)	06/25/2019	Arlington, VA	<ul style="list-style-type: none"> • The CIS Director participated in a panel sponsored by a minority-serving-organization to discuss the Bank's products and services available to support MDIs and CDFIs and promote D&I initiatives centered around economic development • 12 shareholder attendees and non-shareholder MDIs
35	National Interagency CDFI/MDI Bank Conference Dinner (FDIC/OCC/Federal Reserve)	06/25/2019	Arlington, VA	<ul style="list-style-type: none"> • The CIS Director and Sales hosted a dinner for shareholders attending the National Interagency CDFI/MDI Conference sponsored by a minority-serving-organization to promote D&I initiatives • 7 attendees
36	Florida Association of Local Housing Finance Authorities Education Conference Panel	07/12/2019	Atlantic Beach, FL	<ul style="list-style-type: none"> • The CIS Director presented how the Bank's products and services could increase the supply of affordable rental and ownership housing • 100+ attendees
37	City of Atlanta: Targeted Housing Initiative Informational Session	07/28/2019	Atlanta, GA	<ul style="list-style-type: none"> • The CIS Business Development Manager attended to gather insight on the market needs within the Bank's district
38	Disaster Recovery Community Forum with the Southern Christian Leadership Conference (SCLC)	08/01/2019	Panama City, FL	<ul style="list-style-type: none"> • The CIS Director hosted and presented at the event sponsored by a minority-serving-organization to discuss the Bank's products and services available to support MDIs and CDFIs and promote D&I initiatives centered around economic development • 78 total attendees (16 unique shareholders)

39	FDIC-Hosted Interagency Disaster Recovery Forum for Rural Areas	08/07/2019	Marianna, FL	<ul style="list-style-type: none"> The CIS Homeowner Assistance Coordinator presented on a panel highlighting the FHLB disaster relief products 6 shareholders in attendance
40	Business Development Luncheon: Burke and Herbert	08/07/2019	Alexandria, VA	<ul style="list-style-type: none"> The CIS Director presented at the event to discuss how real estate professionals can partner with Burke & Herbert to access the Bank's homeowner assistance products
41	FDIC-Hosted Interagency Banker Forum: Disaster Recovery	08/13/2019	Jacksonville, FL	<ul style="list-style-type: none"> The CIS Production and Portfolio Manager presented on a panel highlighting the FHLB disaster relief products 3 shareholders present
42	FDIC-Hosted Interagency Banker Forum: Disaster Recovery	08/14/2019	Daytona Beach, FL	<ul style="list-style-type: none"> The CIS Production and Portfolio Manager presented on a panel highlighting the FHLB disaster relief products 30+ total attendees (2 unique shareholders)
43	Florida Housing Coalition's Statewide Affordable Housing Conference	08/26-28/2019	Orlando, FL	<ul style="list-style-type: none"> The CIS Director attended the event to gather insight on the market needs within the Bank's district 200+ attendees; shareholders, public officials and community partners
44	Community Reinvestment Act Consultation: Southern First Bank	09/04/2019	Greenville, SC	<ul style="list-style-type: none"> The CIS Director discussed how the Bank's products and services could assist the shareholder in achieving a favorable rating for their CRA initiatives
45	Shareholder Meeting: PenFed	09/05/2019	Atlanta, GA	<ul style="list-style-type: none"> The CIS Directors and Sales discussed potential partnership opportunities with the PenFed Foundation 8 attendees; shareholder and FHLB staff
46	Community Heroes: City of Gaithersburg Shareholder Event	09/12/2019	Gaithersburg, MD	<ul style="list-style-type: none"> The CIS Director presented the Bank's Community Heroes product 31 shareholder participants (2 unique shareholders)
47	Community Heroes: City of Charlotte Shareholder Event	09/24/2019	Charlotte, NC	<ul style="list-style-type: none"> The CIS Director presented the Bank's Community Heroes product 25 shareholder participants (2 unique shareholders)
48	Community Heroes Discussion w/ Vining's Bank	09/24/2019	Atlanta, GA	<ul style="list-style-type: none"> The Associate CIS Director and Business Relationship Manager discussed the Bank's Community Heroes product
49	Women Leaders in Finance Conference	09/25/2019	Miami, FL	<ul style="list-style-type: none"> The Risk Manager attended the Bank sponsored event to gather insight on the market needs within the Bank's district 119 total attendees

50	National Bankers Association Annual Conference	09/30-10/3/2019	Washington, DC	<ul style="list-style-type: none"> • The CIS Director presented at event to discuss how the Bank's products and services could support the strategic objectives of MDIs • 116 attendees including shareholder MDIs
51	North Carolina Affordable Housing Forum	10/08/2019	Raleigh, NC	<ul style="list-style-type: none"> • The CIS Director presented on a panel with AHAC member, Fred Dodson, on how the Bank's products and services can increase the supply of affordable rental projects • 50+ attendees
52	Community Reinvestment Act Consultation: American Commerce Bank	10/17/2019	Bremen, GA	<ul style="list-style-type: none"> • The CIS Director and Sales discussed how the Bank's products and services could assist the shareholder in achieving a favorable rating for their CRA initiatives
53	Community Heroes: Presentation to Lakeland County	10/18/2019	Lakeland, FL	<ul style="list-style-type: none"> • The CIS Director meet with the mayor's office to discuss the Bank's Community Heroes product • 6 attendees; community and public officials
54	Community Development Finance Institutions Dinner Event	10/20/2019	Washington, DC	<ul style="list-style-type: none"> • The CIS Strategic Initiatives Manager attended the event with current and prospective shareholders to continue to learn how the Bank can assist in providing creative resources for affordable housing • 22 organizations in attendance
55	National Association of Real Estate Brokers Regions Event	10/22/2019	Mobile, AL	<ul style="list-style-type: none"> • The CIS Portfolio and Production Team Lead attended to promote affordable homeownership and to discuss community lending mortgage products • 6 attendees; shareholders
56	Resources for Community and Economic Development Impact Summit 2019	10/22/2019	Duluth, GA	<ul style="list-style-type: none"> • The CIS sponsored a minority-serving-organization event to promote D&I initiatives centered around economic development • Attendees include nonprofits, developers, community officials
57	CenterState Bank Community Development Advocate Training Meeting	11/5/2019	Orlando, FL	<ul style="list-style-type: none"> • The CIS Director meet to discuss how the Bank's products and services could increase the supply of affordable homeownership • 10+ Attendees; shareholder sponsored, government officials and community advocates
58	Community Heroes: Alabama Housing Finance Authority Shareholder Event	11/12/2019	Birmingham, AL	<ul style="list-style-type: none"> • The CIS Director presented the Bank's Community Heroes product • 21 shareholder participants; shareholders

59	Community Heroes: City of Charlotte Public Launch	11/14/2019	Charlotte, NC	<ul style="list-style-type: none"> • CIS Director presented to promote the Bank's Community Heroes product • 20+ attendees; local press, city and public officials
60	Opportunity SC 2019	11/14/2019	Charleston, SC	<ul style="list-style-type: none"> • The Bank sponsored a table at gala • CIS Production and Portfolio Manager attended the event with shareholders • 30+ attendees
61	Diversity in Affordable Housing Finance and Development Workshop, with Women's Affordable Housing Network	11/19/2019	Atlanta, GA	<ul style="list-style-type: none"> • The Bank co-hosted a forum on diversity to promote D&I initiatives in the affordable housing industry • 121 Attendees; public officials, shareholders and bank staff

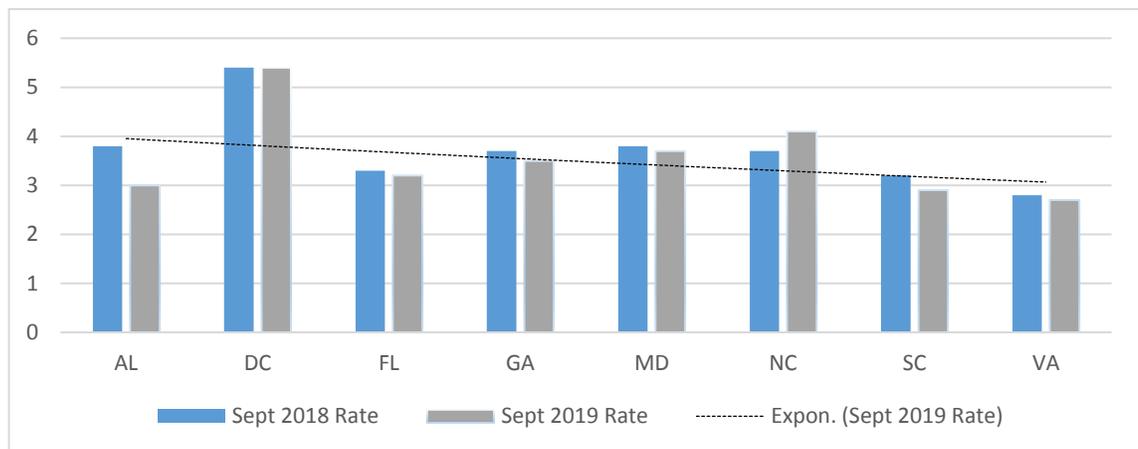
II. Secondary Sources of Data and Understanding

A. Demographic Trends

Unemployment

Unemployment rates in all states of the Bank's district (and DC) continued to decline in 2019 with the exception of North Carolina, which increased from 3.7 percent to 4.1 percent. Four of the seven states in the Bank's district ended 3Q 2019 with an unemployment rate below the national average of 3.5 percent. The District of Columbia and North Carolina have the highest unemployment rates, 5.4 percent and 4.1 percent, respectively (**Figure 1**), while Alabama experienced the greatest year-over-year decrease in unemployment rates from 3.8 percent to 3.0 percent within the Bank's district.

Figure 1: Unemployment Rate within the Bank's District, Sept 2018 to Sept 2019



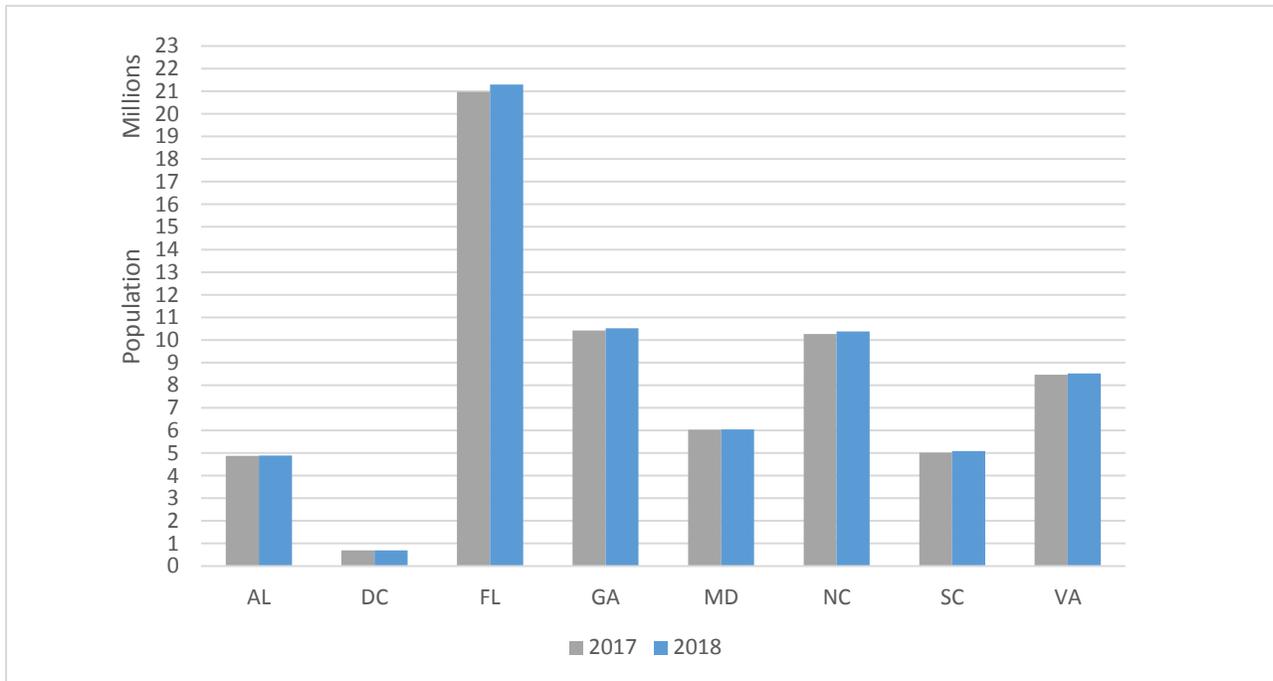
September 2018 – September 2019, Seasonally Adjusted

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

Population Trends

According to [United States Census Bureau](#),¹ from 2017 to 2018, the population increased by 1.04 percent with an addition of 694,481 individuals. Florida remains the most populated area in the Bank's district with 21,299,325 individuals and also had the highest percentage change for population in the district, with an increase of 1.54 percent. This was followed by South Carolina, with the next highest increase of 1.25 percent (**Figure 2**). Alabama saw the lowest population growth within the Bank's district, with the total population remaining steady at or below 4,887,871.

Figure 2: Population Trends



Data Source: [Population Estimates State Totals, V2018, U.S. Census Bureau](#)

Unique Population Segments with Housing Challenges

Strong relationships between public workers and the communities they serve is a critical element to achieving community stabilization and growth. Studies suggest that the presence of public service workers (i.e. teachers, police officers, firefighters and first responders) living within the communities in which they serve is a major contributor to a thriving community because of the personal care and professional investment that these professionals put in to the community.² However, a majority of the median salaries for these key personnel within a community provides limited room above their mortgage payment to cover housing expenses such as down payment and closing costs, utilities, repairs, etc.

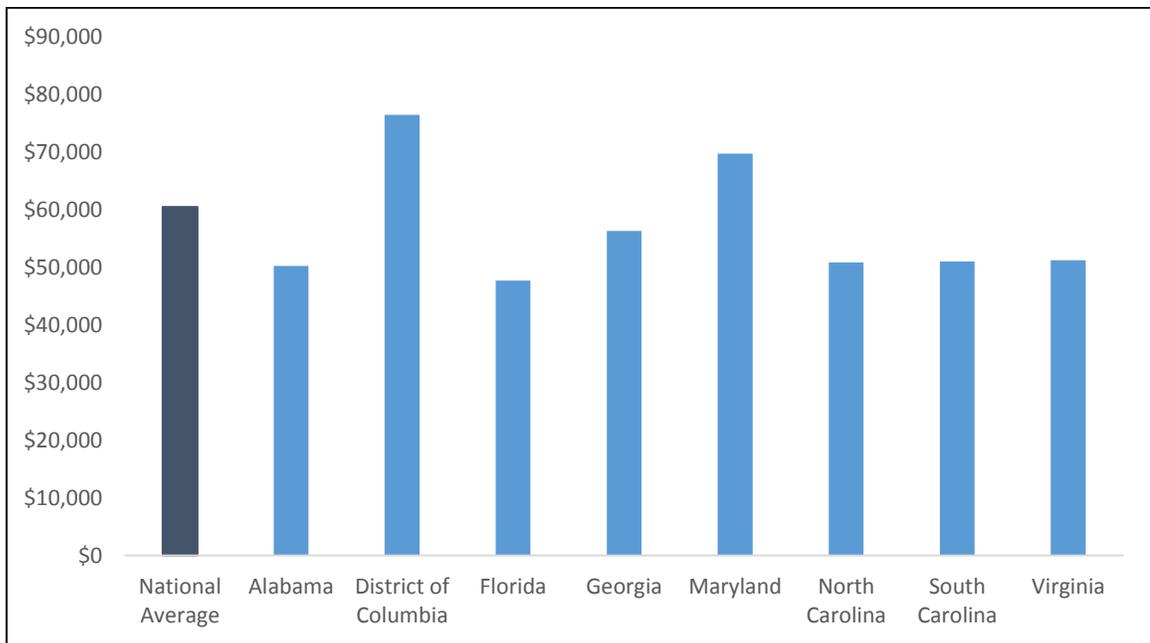
¹ Table 1. Annual Estimates of the Resident Population for the United States, Regions, States, and Puerto Rico: April 1, 2010 to July 1, 2018 (NST-EST2018-01), U.S. Census Bureau, Population Division, December 2018

² ["A Place to Call Home,"](#) The Baltimore Sun (excerpt from Abell Foundation release), November 26, 2012.

Teachers

The National Center for Education Statistics estimates that public school enrollment will increase by 0.08 percent from 2018 (50,728,000) to 2019 (50,770,000). As public school enrollment increases the teacher shortage is expected to also increase to 300,000 by 2021 per the United States Department of Education. As school districts across the country compete to attract and retain teachers in their communities, compensation remains a major concern for all parties. In the Bank's district, teacher salary averages are significantly behind the national average in six of the Bank's seven states and DC. Every area in the Bank's district with the exception of Maryland and the District of Columbia has an average teacher salary below the \$60,483 national average (**Figure 3**). There is an increasing need to provide affordable housing to this employment sector enabling them to live, invest, and ultimately stabilize the communities in which they work.

Figure 3: Average Teacher Salary in FHLBank Atlanta District, 2017-2018



Data Source: [National Education Association](#)

Police Officers

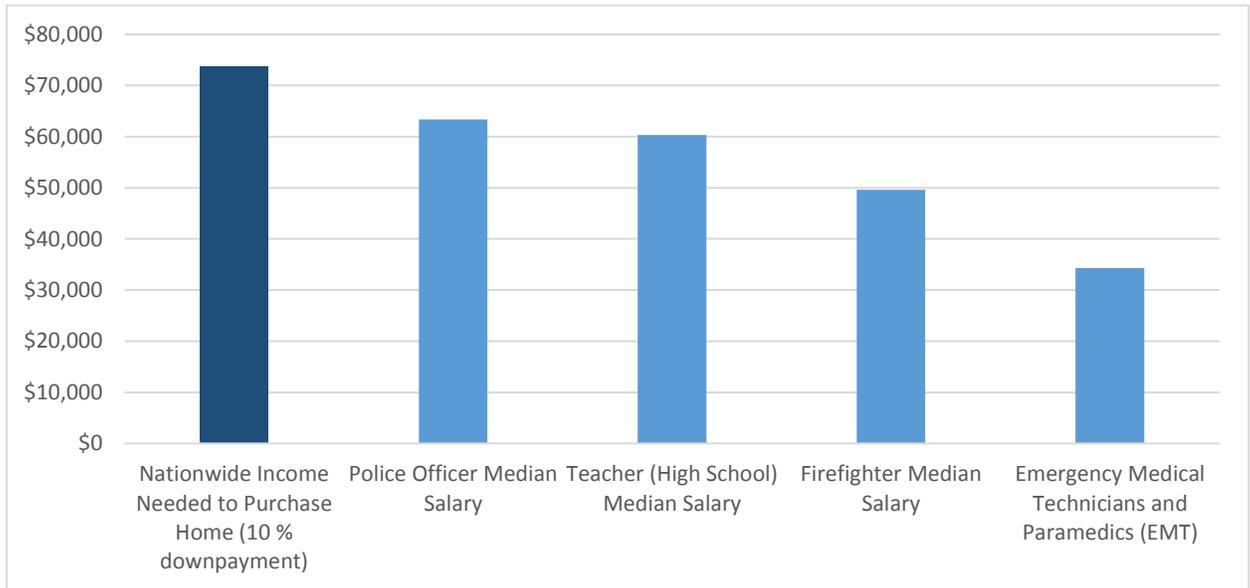
To strengthen communities, housing incentives for police officers have been created in a number of metro areas. These incentives help to increase the percentage of the police force living in the communities in which they work, and ultimately lowering the crime rates. The Bureau of Labor Statistics projects that the growth in the police occupation will grow by 5 percent by 2028. However, according to the 2018 Paycheck to Paycheck report completed by the Center for Housing, the average salary of a police officer still falls short of being able to purchase the average priced home.

Firefighters, EMTs, and First Responders

The Bureau of Labor Statistics projects that growth in firefighter and EMT occupations will be 5 percent and 7 percent respectively, through 2028. Emergency Medical Technicians (EMT's), in particular, have the lowest national average income for critical

public service workers (**Figure 4**). With average salaries significantly below the income needed to purchase a home (assuming a minimum of 10 percent down payment), affordable housing financing is essential to keeping these key personnel within the communities they serve.

Figure 4: Median Salaries and Income Needed for Homeownership



Data Source: [Center for Housing Policy, 2018 Paycheck to Paycheck Report, Bureau of Labor Statistics](#)

Impact of Major Disasters

Since 1980, the United States has experienced a significant number of weather and climate disasters that have resulted in over \$1.7 trillion (CPI-adjusted) in total cost.³ Of these, the United States has sustained 254 weather and climate disasters where costs exceeded \$1 billion (CPI-adjusted) each. From January 1, 2019 through October 8, 2019, there have been a total of 10 weather and climate disaster events in the United States that had losses of over \$1 billion (CPI-adjusted) each. Included among these were three flooding events, five severe storm events, and two tropical storm events. Based on a comparison of the average number of events from 1980 to 2018 (6.3 events, CPI-adjusted) to the most recent five years (12.6 events, CPI-adjusted), the number of events is increasing.

³ Billion-Dollar Weather and Climate Disasters, National Oceanic and Atmospheric Administration, National Center for Environmental Information

Figure 5: U.S. 2019 Billion-Dollar Weather and Climate Disasters



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

Major Disaster Statistics for FHLBank Atlanta District

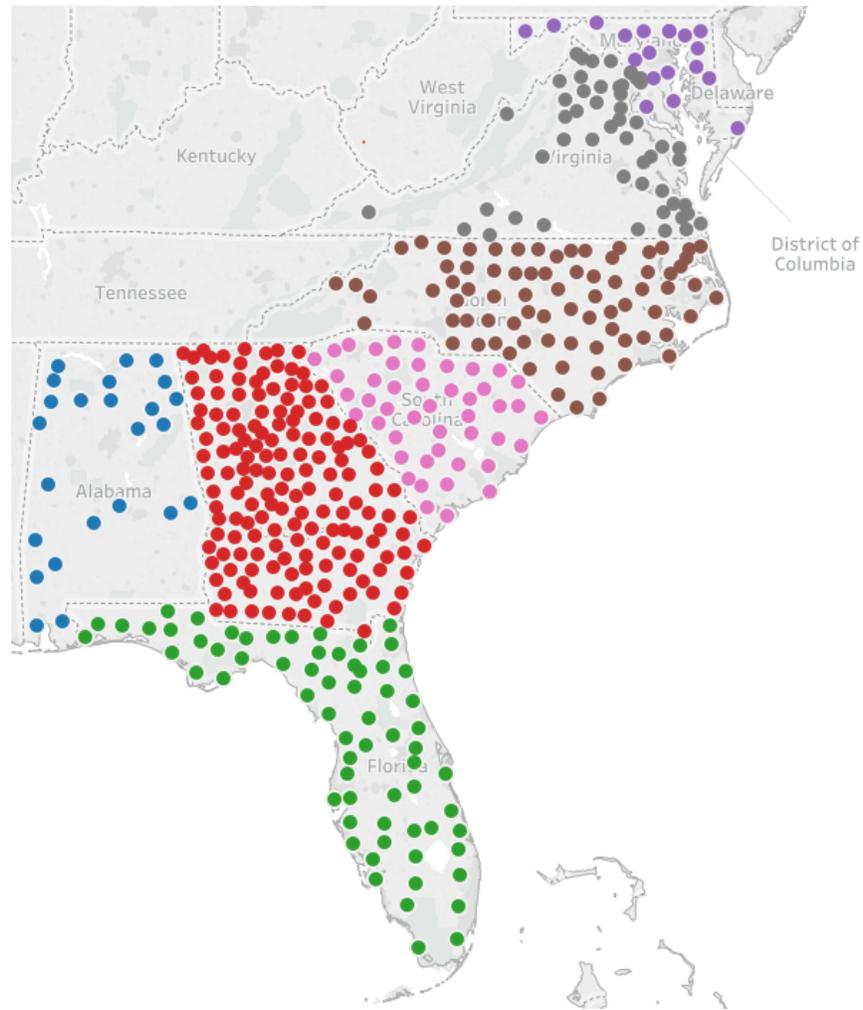
Natural disasters disrupt people’s lives and cause a financial impact on households and communities including adverse effects on the value or habitability of an impacted property. Various governmental agencies such as Federal Emergency Management Agency (FEMA) and Housing and Urban Development (HUD) provide disaster resources to the most vulnerable individuals of impacted communities. Since 2018, there have been 17 “Major Disaster Declarations” by FEMA within the Bank’s district, which demonstrates the strong need to support and facilitate recovery efforts (**Figure 6**). Each area within the district has experienced at least one declaration over the last two years with the exception of D.C. The types of natural disasters that the Bank’s district is most susceptible to include severe storms and tornadoes, hurricanes and tropical storms, floods, wildfires, and drought.

Figure 6: “Major Disaster Declarations” in FHLBank Atlanta district in 2018-2019

State	Major Disaster	Date Declaration Declared
Alabama	Severe Storms/Tornadoes	04/26/2018
Alabama	Hurricane Michael	11/05/2018
Alabama	Severe Storms/Straight-line Winds/Tornadoes	03/05/2019
Alabama	Severe Storms/Straight-line Winds/Tornadoes/Flooding	04/17/2019
Florida	Hurricane Michael	10/11/2018
Florida	Hurricane Dorian	10/21/2019
Georgia	Hurricane Michael	10/14/2018
Maryland	Severe Storm/Flooding	06/25/2018
Maryland	Severe Storm/Flooding	07/02/2018
North Carolina	Tornado/Severe Storms	05/08/2018
North Carolina	Hurricane Florence	09/14/2018
North Carolina	Tropical Storm Michael	01/31/2019
North Carolina	Hurricane Dorian	10/04/2019
South Carolina	Hurricane Florence	09/16/2018
South Carolina	Hurricane Dorian	09/30/2019
Virginia	Hurricane Florence	10/15/2018
Virginia	Tropical Storm Michael	12/18/2018

Data Source: [FEMA Disaster Declarations](#)

Figure 7: “Major Disaster Declarations” in FHLBank Atlanta district in 2018-2019



Data Source: [FEMA Disaster Declarations](#)

B. Outlook for Purchase Market

Homeownership

In 2019, the housing market experienced an increase in the average sales price of existing homes from January to June while the volume of home sales increased and then remained steady from February through September. Increasing sales prices place a strain on the ability of low- to moderate-income homebuyers' ability to purchase a home (**Figure 8**).

Figure 8: Existing Single Family Home Sales and Sales Price



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

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 second quarter of 2019 shows that families earning the median income have 151.8 percent of the income needed to purchase the median-priced existing home.

Nationally, the measure of housing affordability increased from the previous year despite an increase to the median price of single-family homes, as mortgage rates decreased and household income increased from the prior year (**Figure 9**). Although the affordability index increased, it remains lower than the average of the preceding three years. Furthermore, the housing affordability index calculation assumes the family will contribute a down payment of 20 percent of the home price. With sales prices continuing to rise, affordability will inversely decline. Therefore, substantial savings and equity will continue to be important to prospective homebuyers, specifically first time homebuyers, looking to enter the purchase market.

The low interest rate environment in 2016 that supported all time low mortgage rates, helped the Composite Affordability Index peak (as seen in **Figure 9**). Rising interest rates in 2017 alongside increasing median home prices resulted in a four year low for the index in 2018. However, in 2019 the index rebounded due to historically low interest rates. Nonetheless, the financial burden of monthly housing costs exceeding 28 percent⁴ to 43 percent⁵ of gross household income can make homeownership an ongoing challenge even after the initial purchase which requires a significant down payment.

⁴ [How Much Home Can I Afford?](#) November 28, 2018, Freddie Mac

⁵ [What is debt-to-income ratio? Why is the 43% debt-to-income ratio important?](#) Consumer Financial Protection Bureau, November 15, 2019

Figure 9: Housing Affordability Index-through 2nd Quarter 2019

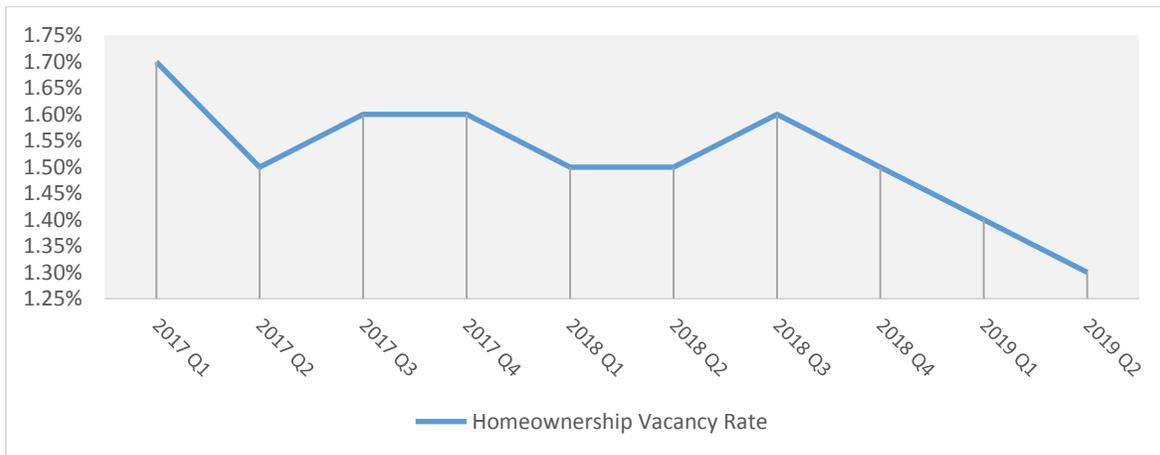
Year	Median Price Existing Single-Family Home	Mortgage Rate	Median Family Income	Qualifying Income	Composite Affordability Index
2016	235,500	3.88	71,062	42,528	167.1
2017	248,800	4.20	73,891	46,704	158.2
2018	261,600	4.72	76,396	52,224	146.3
2019	279,500	4.08	78,572	51,744	151.8

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

Homeownership Vacancy Rates

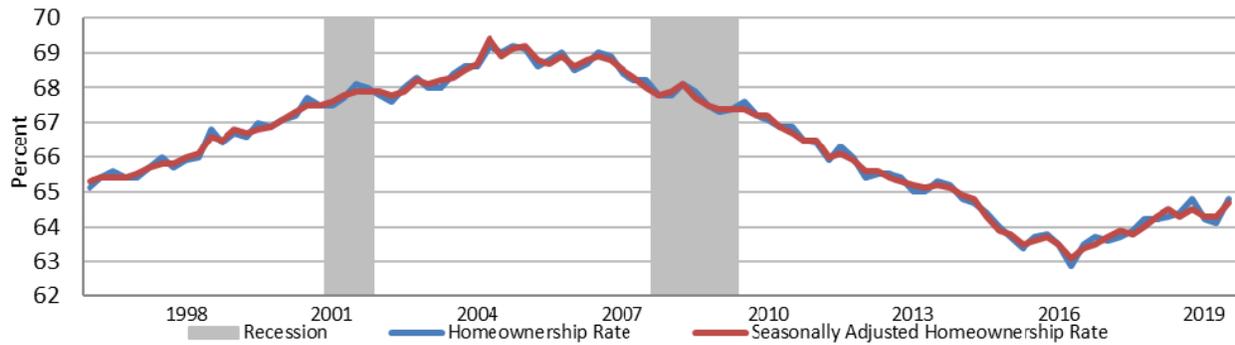
The national vacancy rate in the second quarter 2019 was 1.3 percent for owner-occupied housing. The trend shows that the homeowner vacancy rate has slowly decreased over the last three years. The homeownership rate of 64.1 percent in the second quarter of 2019 is not significantly different from the rate of 64.3 percent in the second quarter of 2018, but has been on an upward trend since 2016 (as shown in **Figure 10**). The housing market continues to show signs of recovery in the form of sales prices; however, coupled with the decline of homeownership vacancy this dynamic decreases the affordability for new homeowners with low- to moderate-income (**Figure 10**).

Figure 10: National Homeownership Vacancy Rates, 2017 – 2019, QTR 2



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

Figure 11: Quarterly Homeownership Rates and Seasonally Adjusted Homeownership Rates

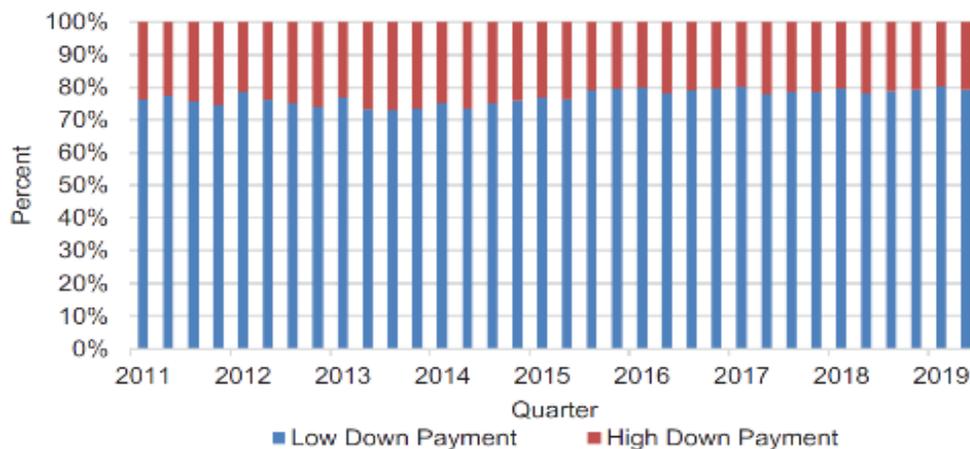


Data Source: [U.S. Census Bureau](#)

First-time Homebuyers

First-time homebuyers are younger and more diverse than current homeowners.⁶ Younger households are looking to become homeowners, but the cost of ownership is affected by interest rates and home prices. There are several factors that have delayed younger buyers from taking the homeownership step. In particular the remnants of the recession, high student debt levels, limited new construction of starter homes and constant price increases are examples of constraints for buyers under the age of 35.⁷ The student debt burden can add to the debt-to-income ratio that lenders use to determine eligibility for mortgage loans.⁸ Without first-time homebuyers, current owners have difficulty trading up or selling their homes when they retire or downsize. 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. 424,000 first-time homebuyers used some form of low down payment mortgage products to finance their home purchase, representing 80 percent of all first-time homebuyers in 2019 Q2 as shown in (Figure 12):

Figure 12: First-time Homebuyers Down Payment Choice



Source: [Genworth Mortgage Insurance](#)

⁶ Joint Center for Housing Studies of Harvard, *The State of the Nation's Housing 2019*. Harvard (2019) pg. 21

⁷ Joint Center for Housing Studies of Harvard, *The State of the Nation's Housing 2017*. Harvard (2017) pg. 21

⁸ Joint Center for Housing Studies of Harvard, *The State of the Nation's Housing 2016*. Harvard (2016) pg. 22

Economists have also found that rental housing affordability has been a growing concern.⁹ This has 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)¹⁰.

C. Outlook for Rental Market

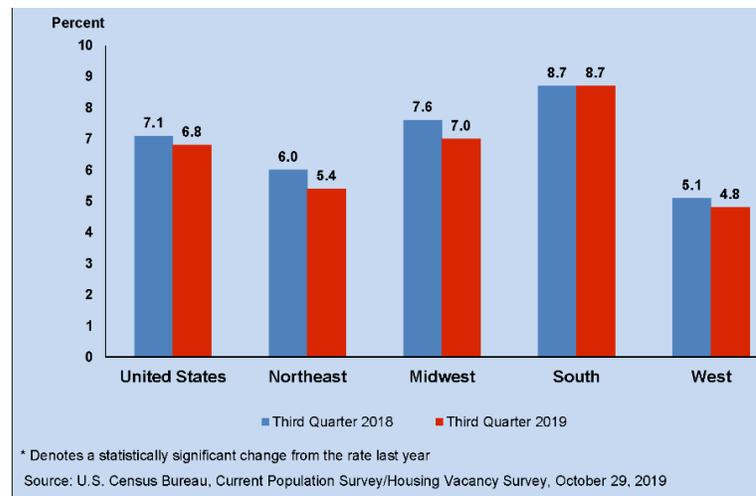
Demographic Drivers

According to a 2019 report from the Joint Center for Housing Studies at Harvard University, 12.2 million additional households are projected to be formed from 2018 to 2028. As the US population has aged, records have been set for the number and share of older households. On average from 2012 to 2017, the number of households headed by adults age 65 and over grew by more than 800,000 per year. In addition, US households are becoming more racially and ethnically diverse. New households formed by younger adults are now more likely to be minorities than in the past. In 2018, 46 percent of the 18–34 year old population was Hispanic or nonwhite, which is substantially higher than the 37 percent of 35–64 year olds, and 24 percent of adults age 65 and over. Due to the growth of younger minority households, and increasing losses among older, native-born white households, it is anticipated that the minority share of US households will rise from 34 percent in 2018 to 37 percent in 2028 and to 41 percent in 2038.

Rental Vacancy Rates in the Southeast

The national average vacancy rate was 6.8 percent as of the third quarter of 2019, compared to 7.1 percent for the third quarter of 2018. The U.S. Census Bureau provided the following rental vacancy rates by region:

Figure 13: Rental Vacancy Rates by Region

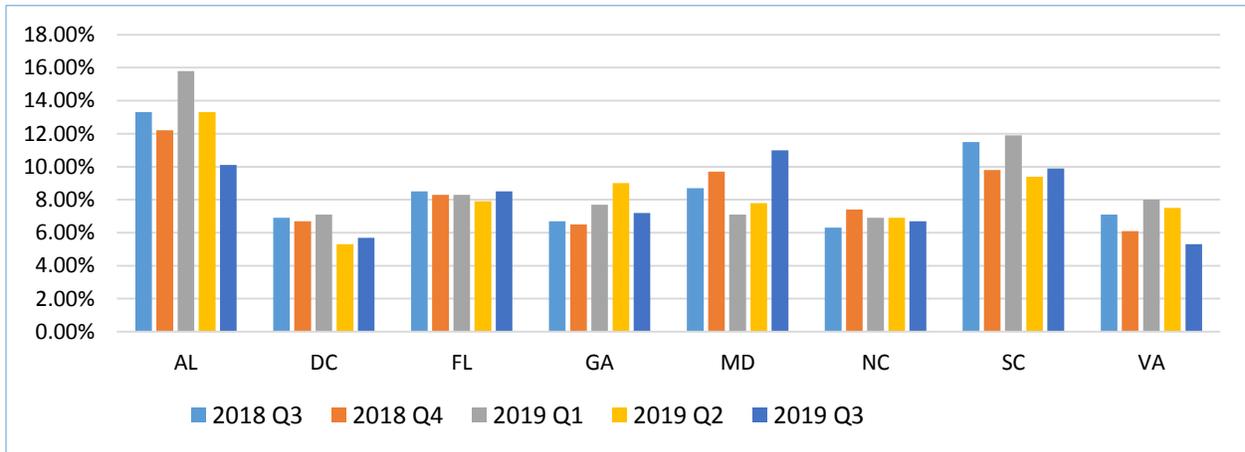


⁹ Joint Center for Housing Studies of Harvard, [Documenting the Long-Run Decline in Low-Cost Rental Units in the US by State, September 2019](#). Harvard (2019) pg. 2

¹⁰ [“Report on the Economic Well-Being of U.S. Households in 2014”](#) Board of Governors of the Federal Reserve System May 2015 First-Time Homebuyer Market Report pg. 1

Rental vacancy rates varied throughout the district over the last year. As of the third quarter of 2019, North Carolina, Virginia and the District of Columbia were below the national average of 6.8 percent for rental vacancy rates, while Alabama, Florida, Georgia, Maryland, and South Carolina were above (**Figure 14**). Virginia and the District of Columbia have the lowest vacancy rates in the district, finishing the third quarter of 2019 at 5.3 percent and 5.7 percent, respectively.

**Figure 14: Rental Vacancy Rate
2018 QTR – 2019 QTR 3**



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

Preserving Affordability

Rental markets are relatively stable even with an upturn in homeownership. Demand from higher-income households is still increasing, and rental housing construction increased last year after a slight dip. Low vacancy rates are keeping pressure on rents, and helping push prices of multifamily properties higher. Market conditions at the lower end of the market are especially tight. While there is high demand, the supply of low-cost units is shrinking, which increases affordability concerns.¹¹

Although the share of US households paying more than 30 percent of their incomes for housing, the standard definition of cost burdened, declined for the seventh straight year in 2017, 47.4 percent of renter households remained cost burdened.

The supply of low-rent housing has been on a decline in metro markets across the US. In 2016–2017, the supply of units renting for less than \$800 decreased by 1 million or 4.9 percent. Since 2011, the number of units renting for less than \$800 has decreased every year, for a total net decline of 4 million units or 17 percent.

With rents and existing home prices increasing at a faster rate than income growth, a result is that many individuals and families are unable to secure affordable housing. At the same

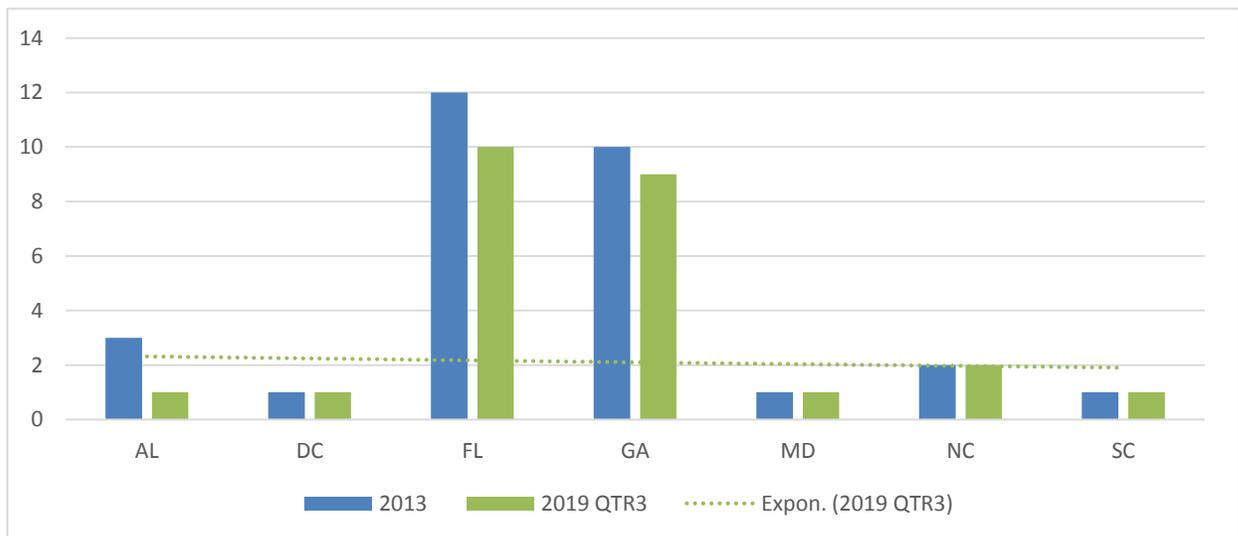
¹¹ Joint Center for Housing Studies of Harvard, [The State of the Nation’s Housing 2019](#). Harvard (2019)

time, prices of newly constructed homes are often not affordable, except to households with substantial incomes. Per the 2019 report from the Joint Center for Housing Studies at Harvard University, “today’s tight housing market conditions also represent the cumulative impact of years of inadequate federal funding for rental assistance. While states and localities have begun to devote more resources to affordable housing, their efforts do not come close to the scale of the problem”.⁶

D. Shareholder Minority Depository Institutions in the FHLBank Atlanta District and Minority-serving Organizations

Minority Depository Institutions (MDIs) and minority-serving organizations both play important roles in providing products and services to underserved populations. MDIs serve customers and communities that need access to credit, but can also provide a unique insight into the financial challenges that can exist due to socioeconomic and cultural conditions. Supplementing these efforts, minority-serving organizations such as the National Bankers Association advocate for the interests of minorities in the financial services industry. There are 27 MDIs in FHLB Atlanta District based on designations from regulating entities (FDIC, Federal Reserve and OCC.) As of September 30, 2019, 25 of the 27 MDIs are shareholders of FHLB Atlanta. While the Bank has experienced a decline in the number of shareholder MDIs due to mergers and acquisitions, the organizations continue to have a significant impact on the communities they serve.

**Figure 15: Shareholder MDIs per State in FHLBank Atlanta District
(Data as of September 2019)**



2013 vs 2019 QTR3

Data Source: [FDIC](#), [Federal Reserve](#), [Office of the Comptroller of the Currency](#), [FHLBank Atlanta](#)

PART TWO:
**STRATEGIC INITIATIVES AND GOALS FOR YEAR 2020 IN RESPONSE TO THE
COMMUNITY FINANCE NEEDS OF THE DISTRICT**

ASSISTING SHAREHOLDERS IN THEIR DISASTER RECOVERY EFFORTS

The district continues to be affected by FEMA-declared events. The Bank will leverage the AHP funds to respond to and support the Bank’s shareholders’ efforts to help restore their communities in the aftermath of such events within the Bank’s district. The Bank’s support will occur through a rehabilitation product and business development strategy, within the Bank’s AHP Set-aside program.

2020 Initiatives	Quantitative Performance Goals
Assisting shareholders in their disaster recovery efforts	<ul style="list-style-type: none"> • Disaster recovery outreach <ul style="list-style-type: none"> ○ Conduct two (2) trainings to enhance current and potential users’ understanding of disaster recovery products

AN INITIATIVE FOCUSED ON TEACHERS, POLICE OFFICERS, FIREFIGHTERS, AND FIRST-RESPONDERS

Given the rising growth in these job fields, the Bank will focus a special initiative on teachers, firefighters, police officers, healthcare workers, and first responders. The Bank’s support will occur through a product and business development strategy focusing on households that are greater than 80 percent and 120 percent of area median income, outside of our AHP Set-aside program.

2020 Initiatives	Quantitative Performance Goals
Assisting shareholders with responding to teachers, police officers, firefighters, and first-responders	<ul style="list-style-type: none"> • Teachers, police officers, firefighters, and first-responders outreach <ul style="list-style-type: none"> ○ Conduct two (2) trainings to enhance current and potential users’ understanding of teachers, police officers, firefighters, and first-responders products

ADVANCING THE BANK’S DIVERSITY AND INCLUSION INITIATIVES BY STRATEGICALLY ENGAGING MINORITY DEPOSITORY INSTITUTIONS’ (MDIS’) AND MINORITY-SERVING ORGANIZATIONS

The Bank will execute a segment-focused initiative to enhance the capacity of its shareholder MDIs to respond to community lending credit needs in their respective markets. The Bank will also engage in strategies, initiatives and activities to enable minority serving organizations to improve Minority, Women, and Disabled-Owned Businesses (MWD OB) business access to the Bank’s affordable housing and community investment program

2020 Initiatives	Quantitative Performance Goals
Advancing the Bank’s Diversity and Inclusion initiatives by strategically engaging Minority Depository Institutions’ (MDIs) and minority-serving organizations	<ul style="list-style-type: none"> ● Development and execution of D&I initiatives and programs that involve our shareholders and minority serving organizations <ul style="list-style-type: none"> ○ A minimum of two initiatives or programs ● The Bank will host, sponsor and/or support one MDI-focused education and outreach forum ● Four (4) strategies, initiatives, and/or activities that engage minority serving organizations

ASSISTING SHAREHOLDERS IN COMMUNITY LENDING THROUGH THE BANK’S SUBSIDIZED ADVANCE PRODUCTS FOR HOUSING AND ECONOMIC DEVELOPMENT

The Bank will align its CICA strategy (Community Investment Program, Economic Development Program, and any other Bank products under CICA (Community Investment Cash Advance)) with the Bank’s AHP strategy of proactively leveraging the product to promote the community lending business and compliance needs of the Bank’s shareholders. The Bank will focus on shareholders that have mission alignment with CICA products such as low-income designated (LID) credit unions and minority-depository institutions (MDI). It will also conduct community outreach events to inform users about how to access CICA-based funding.

2020 Initiatives	Quantitative Performance Goals
Assisting shareholders in their community lending through: <ul style="list-style-type: none"> ● the Bank’s CICA advance products for housing and economic development 	<ul style="list-style-type: none"> ● Outreach to targeted shareholders <ul style="list-style-type: none"> ○ Conduct five (5) trainings to support the use of CICA advance or CICA grant products by shareholders <ul style="list-style-type: none"> ▪ Two of the above referenced trainings will focus on Low-Income designed Credit Unions and Minority Depository Institutions ● Community outreach events <ul style="list-style-type: none"> ○ Host five (5) educational and outreach forums focused on CICA-related issues that are of importance to shareholders and their customers ● Shareholder penetration <ul style="list-style-type: none"> ○ Increase shareholder penetration from the prior year

ASSISTING SHAREHOLDERS IN THEIR COMMUNITY LENDING THROUGH THE BANK'S CICA ELIGIBLE GRANT PROGRAM

The Bank will undertake an effort to convert the current Community Heroes product into a CICA-eligible grant product.

2020 Initiatives	Quantitative Performance Goals
An initiative to establish a CICA eligible grant program	Submit viable proposal to FHFA